

# GENERAL MOTORS WALKOUT OVER

## President Withdraws Pauley Nomination

**Day's News**  
FRANK JENKINS  
DAY'S big political news: President Truman withdraws Pauley's nomination as undersecretary of the navy (a rather odd job, as jobs go in Washington).

### Oil Tycoon Commended By Truman

**Controversy Resulted In Resignation Of Ickes**

WASHINGTON, March 13 (AP)—President Truman today withdrew the nomination of Edwin W. Pauley, California oil man, to be undersecretary of the navy. The president acted at Pauley's request. He said Pauley's defense of his "good name" has been "valiant and conclusive."

In a letter, Mr. Truman told Pauley that he "met the challenge" of his nomination "with facts," and added: "I answered prejudice with a complete and forthright resume of your career and with an amazing patience under continued misrepresentation."

The first announcement of the withdrawal came from Chairman Walsh (D-Mass.) of the senate naval affairs committee after a 30-minute closed session of the group.

**Commended**  
At the same time, Walsh handed reporters a statement declaring that the committee "commends" Pauley "for his patriotic action in requesting the president to withdraw his nomination."

The action wound up six weeks of controversy which boiled up at one point in the explosive resignation of Harold L. Ickes as secretary of interior. Ickes had criticized the nomination.

The White House made public an exchange of letters between the president and Pauley shortly after the note of withdrawal was sent to Leslie Biffle, secretary of the senate.

After expressing his "full confidence" in Pauley, the president wrote, "I shall reluctantly withdraw your nomination."

**Honor Established**  
"But I shall do so not without ironical reflections," the president added. "Your honor, integrity, fidelity to duty and capacity for public service have been completely established."

"All of these considerations and circumstances fully justify the confidence which I reposed in you and which prompted me to call you to the service of the department of the navy. So, you stand before your countrymen after vicious and unwarranted attacks with integrity unscathed, with ability unquestioned, with honor unassailed."

**Wallace Flays Atom Decision**  
WASHINGTON, March 13 (AP)—The issue of national safety gave the armed forces the decision today in an important preliminary test on postwar control of atomic energy.

The decision was hit immediately by Secretary of Commerce Wallace, who saw in it "the potentiality of delivering us into the hands of military fascists in this nation."

Senator Vandenberg (R-Mich.), however, held that "military regulation" is necessary until stabilized international control is developed effectively to prohibit the use of atomic energy for military purposes by anybody at any time.

The test developed when the special senate atomic committee voted six-to-one yesterday to incorporate into pending legislation a provision giving a presidentially appointed military liaison committee a right to intervene before a civilian atomic control commission of five.

Wallace declared this was a vote to place the control of atomic energy, in effect, in the hands of the military. He called it an "exceedingly unfortunate development."

**U. S. Naval Officer Says Japanese Torpedoes Best**  
TOKYO, March 13 (AP)—Japanese torpedoes were better than American or British, they carried a larger explosive charge, had more range and greater speed, and left no air bubble trail.

Capt. Allan L. Dunning, who directed a U. S. navy technical mission to study closely guarded war secrets of the Japanese navy, announced those findings today upon completion of his project.

# Herald and News

Telephone 8111  
PRICE FIVE CENTS  
KLAMATH FALLS, OREGON, WEDNESDAY, MARCH 13, 1946  
Number 10767

## M.B. TO BE APPRAISED

### Milk Strike Will Start On Saturday

PORTLAND, Ore., March 13 (AP)—Mayor Earl Riley took a hand today in the "milk strike" which threatens to halt most deliveries to retail stores and homes in northwest Oregon and southwest Washington Saturday.

The mayor proposed that the state milk control board arbitrate the dispute, and that producers continue supplying milk pending arbitration.

Bottled milk in stores and on front porches in Klamath Falls will disappear Saturday evening at 6 o'clock, unless the OPA relents in its attitude toward milk price controls in the Klamath basin, a spokesman for the Dairy Producers association said today.

Producers and distributors met this morning to draw up final plans for diversion of whole milk from bottling to sweet cream shipment to Los Angeles.

The dairymen will bring in their milk Friday morning as usual. That milk will be bottled and delivered that day and a small amount may be left over for delivery Saturday.

But whole milk brought in Saturday will go for shipment.

**Only Chance**  
The only chance of averting the strike, dairymen say, is for the Portland OPA office to come through with an offer acceptable to the milk producers. Present ceiling price for butterfat in whole milk is 85 cents a pound and the producers are asking \$1.15.

Portland operators are getting 95 cents now and will stop that city's milk supply March 15 if the price is not upped to \$1.15. Dairymen here are in contact with the Portland producers and are standing by decisions made there.

Actually, less than half the whole milk bottled here is produced in the valley, but after Friday the bottlers will not bring in any more milk from outside this area to Klamath Falls.

Diverting the supply to sweet cream shipment, dairymen say, will bring them no financial loss over the present setup. The actual cash returns may be a little less but expenses will be cut by not having to conform to strict grade A milk regulations. There is no culling on sweet cream.

The OPA thus far has been reluctant to make any definite commitment concerning the milk situation. The price boost asked for would probably raise the retail price of milk from 14 to 16 cents a quart.

**WEATHER**  
March 13  
Max. (March 12) 44 Min. 29  
Precipitation last 24 hours .19  
Stream year to date .10.61  
Normal..... 8.55 Last year 7.32  
Forecast: Snow in mountains.



'Maestro X' Performs  
Detroit's Wayne County General hospital's mentally ill pianist performs over a national radio hookup from Detroit. Doctors hope to bring the 45-year-old musician out of his mental illness through his love for the classics. —AP wirephoto.

### Stalin Says Churchill's Speech Contained 'Lies'

LONDON, March 13 (AP)—The Moscow radio said tonight Generalissimo Stalin had told a Pravda reporter that Winston Churchill's speech in Fulton, Mo., was "very dangerous" and contained "lies" about Warsaw, Belgrade, Bucharest and Budapest.

Stalin said the Soviet Union had lost 7,000,000 men which he asserted was more than Britain and the United States combined.

The broadcast, recorded in London by The Associated Press, said Stalin described Churchill's claim that the present Polish government was under Russian influence as "again a large lie on the part of Churchill."

"Churchill is disappointed that Poland has chosen the new road instead of following the road that Churchill likes and instead took the road of closer relations with the USSR," the broadcast quoted Stalin as saying.

The broadcast quoted Stalin as saying that Churchill was calling the people to war against the USSR while at the same time offering the Soviet Union a treaty of friendship for 50 years.

"A treaty of this kind is nothing more than a piece of paper of no value," the Moscow broadcast quoted the Soviet leader.

Stalin said the German invasion of Russia was made possible only because of the existence then of neighboring governments hostile to the Soviet Union.

**5 Held In Jail For Beating Cop**  
GRANTS PASS, March 13 (AP)—Four men and one woman were held in jail by city police here today pending charges connected with the beating last night of City Officer A. R. Wiley.

**RAISE GRANTED**  
WASHINGTON, March 13 (AP)—The wage stabilization board today approved an 18½ cent an hour wage increase for 100,000 rubber workers.

**Arriving In United States**  
By The Associated Press  
Frank L. Miller, T/5, Tulalake, arrived on Admiral Hughes due in San Francisco March 11.

### Coggeshall Reports On Progress

Another step toward possible use of the Klamath Marine Barracks as an educational center was taken yesterday afternoon when the state board of higher education voted to ask the war assets corporation to appraise the plant.

The action was taken after Capt. Lowell T. Coggeshall, Barracks medical chief, made a report to the board on the progress of his efforts in Washington to clear the project through various governmental agencies involved.

Capt. Coggeshall said here today that the purpose of the appraisal will be to determine what facilities and equipment would be needed for worthy purposes by the state of Oregon.

**Authority**  
He said the war assets corporation has authority to turn the plant over to the state for the educational program which has been proposed for the Barracks, the equipment, supplies and other facilities to be used specifically for this purpose.

Under this arrangement, a co-educational educational center could be set up, with both veterans and non-service students attending.

If, after the educational emergency has passed and the state wishes to make some other use of the plant, the transaction could be re-negotiated.

**Project Favored**  
Capt. Coggeshall said he found enthusiasm and favor in Washington for the proposed Oregon project, designed primarily to help solve the veteran education problem in the state. It was necessary, however, to clear through several agencies, and the governmental authorities were careful not to establish any precedents with respect to the Oregon institution which they would not want to follow in other states.

A hopeful development, he said, is the proposal of a congressional measure which would set aside a large sum of money to be used in conversion housing of facilities in the states for veteran education. This might eliminate the housing conversion cost for the state of Oregon at the Barracks.

A representative of the federal department of education is expected here to study the state's proposed education program at the installation on the hill.

**KF Lumberman Raps Subsidies**  
WASHINGTON, March 13 (AP)—Irving Kesterson, Klamath Falls, Ore., said he was glad the house had rejected administration proposals for \$600,000,000 subsidies for building materials.

Kesterson told the senate agriculture sub-committee investigating shortages of lumber that lumber producers do not want a subsidy, but "want the right to do business."

**Italy Seeks Admission To World Bank, Monetary Fund**  
SAVANNAH, Ga., March 13 (AP)—Italy has asked admission to the world bank and monetary fund, it was learned today, and the United States plans to support her bid for early entry.

Fred M. Vinson, chairman of the board of governors of the international monetary conference of Wilmington island, informed the membership committee of the Italian request yesterday, a U. S. delegate revealed.

## CIO Takes 18.5 Cent Pay Hike

DETROIT, March 13 (AP)—An agreement for an 18½ cents an hour (16.5 per cent) wage rate increase and the creation of an "equalization" fund, brought an end today to the 113-day-old General Motors strike.

Accepting the 18½ cents an hour offer of the management, the CIO United Auto Workers said in a statement that the "equalization" fund meets the union's 19½ cents an hour demand, which was the amount recommended by President Truman's fact-finding commission.

Settlement of the strike means an early return to work of 175,000 GM production workers in 92 plants throughout the country. Just when the plants will be reopened was not immediately disclosed. UAW Vice President Walter P. Reuther said the men could start back some time next week.

**Management did not comment immediately on this statement.**  
General Motors said the contract to be signed with the union would run for two years.

Vice President Harry W. Anderson said he assumed this would be two years from the date of ratification.

Of the wages, General Motors said a flat wage increase of 18½ cents an hour would be applied to all wage classification rates effective as of the date of ratification of the agreement.

**Get Increase**  
All employees who worked between November 7, 1945, two weeks before the strike was called, and the date of ratification shall receive an increase of 13½ cents an hour for all hours worked between those dates.

This is the only retroactive feature in the agreement.

The settlement was achieved after an unprecedented negotiation meeting between union and corporation which lasted 17 continuous hours after having begun last night.

The union said the peace terms with General Motors surpassed the "economic and non-economic terms" recommended by President Truman and his fact-finding board and "tops the tremendous wage victories already won throughout the automobile industry."

These victories, the union said, were a result of the "campaign spearheaded by the courageous and determined strikers of the General Motors workers."

Union headquarters here, in its announcement, declared it and the top GM negotiating committee "shall heartily recommend" acceptance of the terms to the national GM conference of local delegates to be convened here Friday.

In view of this ratification was regarded as certain.

General Motors previously had said that it probably would be in position to place all the 175,000 workers back on the job within a week or 10 days of ratification.

**Truman-Byrnes Talk Red Issues**  
WASHINGTON, March 13 (AP)—President Truman today called in Secretary of State Byrnes for a review of the foreign situation, and the White House termed mostly inaccurate a number of British reports dealing with purported new United States moves in international affairs.

The specific points set down for the Truman-Byrnes conversation were not disclosed, but presumably they will encompass the Russia moves in Iran and Manchuria and the American protests against the Soviet action.

ing the 35-nation monetary conference here.

A majority of the United States group favors opening the doors to Italy, the other delegate told a reporter, on the theory that her economic plight is so grave that her rehabilitation is a worldwide responsibility.

Opponents of this view hold that the self-same economic distress makes it unlikely the Italians could meet their responsibilities — that is, repay their borrowings from the \$9,100,000,000 bank and \$8,800,000,000 monetary fund — and should for the present remain a relief recipient.

In the background is the obvious consideration that if Italy's economic future is shaky, this country would like other nations to share the liability for any of her defaults.

**Red Troops Close In On Tehran**  
By JOSEPH GOODWIN  
TEHRAN, Iran, March 13 (AP)—Russian combat troops in full campaign kit were declared by British and other official sources today to have closed within 20 miles of this capital and to be moving southwest across northern Iran close to the borders of Turkey and oil-rich Iraq.

The reports caused Secretary of State James F. Byrnes to announce in Washington last night the dispatch of another note to Moscow demanding an explanation.

This correspondent flew over Karaj, 20 miles from Tehran, and counted 14 Sherman tanks, a score of other vehicles and saw half a dozen red fighter planes at Kazvin to the north.

Premier Qavam es Saltaneh, just returned from inconclusive negotiations in Moscow over the continued presence of Russian troops in Iran, declared today that no agreements were reached.

**Ridiculous**  
Qavam described as "ridiculous" reports circulated during his visit to Moscow that he agreed to six Soviet demands which were reported to have included the incorporation of Azerbaijan into the Soviet Union, granting of oil concessions to Russia and direction of the Iranian army by Russian officers.

**Agency Lake Man Drowns**  
The body of Ed Parker, 32-year-old trapper, was found by W. J. Cox, his employer at Agency lake, on the shore of the lake at 1 o'clock this afternoon.

Cliff Hogue, Klamath Falls flier, located the boat used by Parker, upside down at the mouth of Wood river. Hogue flew over the lake just before noon today and spotted the boat from the air.

Parker had been missing since yesterday morning when he set out to run his muskrat trap lines. His lines are between the points where Seven Mile creek and Wood river pour into the north end of the lake.

He had taken a steel shell boat out about 7 o'clock yesterday morning and was to be back in Fort Klamath at 2:30 yesterday afternoon.

He apparently ran the line and came back to the landing, left the steel boat there and went out again in a 14-foot green-painted wooden boat, Deputy Sheriff Dale Mattoon, investigating the disappearance, said.

The distance between the two streams coming into the lake is approximately five miles. Ice on the east side of the lake was breaking loose all day yesterday and a strong northeast wind was blowing.

The sheriff believes that Parker's boat may have been caught in the ice floes. He asked Cliff Hogue to fly a plane over the north end of the lake in an effort to spot the boat.

It was just a year ago today, March 13, 1945, that Harold Manning, 38-year-old trapper, was lost on Agency lake. He had set out to run a trap-line in a 12-foot sea sled. His body was not found for more than a month later.