

GRAINS HIT BOTTOM--RECOVER

In The Day's News

WEATHER
Max. (Feb. 10) 38 Min. 13
Precipitation last 24 hours .00
Stream year to date 6.37
Last year 4.79 Normal 7.98
Forecast: Clear.

Local and News

By FRANK JENKINS

SECRETARY OF AGRICULTURE ANDERSON, complying with a demand from Senator Young of North Dakota, tells the senate agriculture committee this morning that E. T. Maynard, a Chicago trader, made "several hundred thousand dollars" on the recent price breaks in wheat and oats. Senator Young says the amount was \$400,000.

Do you feel the hair turning up on the back of your neck?
If so, wait a minute.

Secretary Anderson went on and told the senate committee that Maynard had NO inside information and that no corruption was involved. Maynard just used his knowledge of market conditions, the secretary said, and acted accordingly. Presumably his knowledge (acquired by hard study when a lot of other people were out helling around and having a good time) led him to the conclusion that prices were too high and had to come down.

That is to say, he MADE A BET that prices of these commodities would fall. Prices did fall. When his judgment was confirmed, he made a profit.

That is the way business works. Why is congress investigating these transactions?

That is a horse of another color. Let's take a look at it.

WHAT congress wants to know is DID SOMEBODY HAVE INSIDE INFORMATION?

In these days, the government is an immense operator in the commodity markets. It buys grain in huge quantities. As a matter of fact, the government sometimes SELLS grain—"hedging," as other market operators do.

Obviously, since it is a big operator, what the government does (or doesn't do) can affect the markets. If somebody knows in advance what the government is going to do, he can make a big profit at little or no risk.

That amounts to shooting craps with loaded dice or playing roulette with a fixed wheel.

If somebody is doing that, we ought to know it.

Congress is trying to find out. That's what this "investigation" business is all about.

In this country, we've had "free" markets ever since anybody can remember. Where there are free markets, there is speculation.

But, by and large, taking the bad with the good, our free market system has brought us more of the good things of life than anybody else's system.

That's the meat of the coconut.

HERE is a thought: When power to make or break prices is placed in GOVERNMENT'S hands, TEMPTATION IS LAID AT SOMEBODY'S FEET.

Since, from time to time, we have to put power into the hands of government, our job is to see to it that we get the right kind of men in government.

If we do that, we'll get along all right.

IT will do you no harm to think of that the next time some demagogue solicits your vote on some screwball promise.

If we put power into the hands of screwballs, we'll get screwball results.

Fire Sweeps Submarine Base
GROTON, Conn., Feb. 11 (AP)—Fire early today wrecked the headquarters of Admiral James Fife, Atlantic fleet submarine commander, at the navy's submarine base here.

The spectacular blaze was brought under control by navy and civilian fire fighters, working in last-zero weather, after a stiff battle lasting for hours.

The ice-bleached walls of the large, three-story brick building were left standing, but the interior was extensively damaged.

PRICE FIVE CENTS

KLAMATH FALLS, OREGON, WEDNESDAY, FEBRUARY 11, 1948 Telephone 8111

No. 1261

Mill Operations Back To Normal

Speculation Fracas Hits New Highs

WASHINGTON, Feb. 11 (AP)—Cracking commodity prices brought these congressional developments today:

1. Secretary of Agriculture Anderson told a senate committee that E. T. Maynard of Chicago is the big-time speculator who made "profits between \$300,000 and \$400,000 in the last few days." He said mass speculation by small traders is to blame for the "boom and bust" on commodity markets.

2. Senator O'Daniel (D-Tex.) told the senate that Anderson "is the real gambler" in the wheat market. He said it is time for Anderson to resign.

Three other democratic senators promptly came to the secretary's defense.

"Tommyrot and poppycock," snorted Senator Lucas (D-Ill.)

"Mudslinging and namecalling without the basis of a single figure to support what he said," declared Senator Hatch (D-N.M.), referring to O'Daniel.

"Throughout my life," Senator Chavez (D-N.M.) told his colleagues, "I have heard people abuse others. Abuse does not prove a thing. I know Secretary Anderson can take care of himself."

Big Mystery
Maynard's identity has been a mystery since Anderson first disclosed that a "leading speculator" sold 1,000,000 bushels of grain short on February 4. That is the day the prices began plunging down.

Anderson was called on to name the trader when he appeared before the senate group to urge government authority to fix margins on commodity trading.

He told reporters afterwards that the department does not know exactly how much profit Maynard made.

"He made more than \$200,000 on the drop in wheat, another \$40,000 or \$50,000 on cotton, and we do not know how much he made on oats," Anderson said.

Anderson told the senators that government commodity experts are amazed at Maynard's uncanny ability to foresee the ups and downs on the markets.

"We wish we had him on our staff," Anderson said.

But he insisted that Maynard had no "inside information" from government agencies and that "no corruption is involved."

Bus Strike Postponed
PHILADELPHIA, Feb. 11 (AP)—Philadelphia's 11,000 transit workers postponed their scheduled strike for five days and warned they "will positively quit at midnight unless our terms are met."

The walkout was delayed last night two hours before the midnight deadline.

A tie-up of the Philadelphia Transportation company's vast subway, elevated, bus and trolley system would affect 3,000,000 riders daily.

Postponement until Sunday midnight was voted by more than 2500 members of local 234, CIO Transportation Workers union meeting at an emergency mass meeting. It was by voice vote.

PTC upped a six-cent hourly wage boost offer to 10 cents, Dougherty told the workers. The union asks a 40-cent hike.

"Bill" Lee, Former County Assessor, Dies In South
"Bill" Lee, member of a prominent Klamath county family and for many years county assessor, died early Tuesday afternoon at a Los Angeles hospital following a lengthy illness. Mr. Lee has made his home in Culver City, Calif. for the past 10 years and at his bedside yesterday were his three sisters, Mrs. Fred Schallack, Mrs. A. J. Vove and Mrs. Minnie Lee Henry, all of this city.

William T. Lee was born in Tennessee, son of the late Captain Joseph Pearson Lee and Della Davis Lee. The family moved to Klamath county in the early '80s, and "Cap" Lee, as he was familiarly known, served as an employee of the federal government on the Klamath Indian reservation. The elder Lee entered the ranks of the Tennessee Volunteers at the outbreak of the Civil War and served with the Confederate army with the rank of captain.

When the government opened the public domain of Klamath to pre-emptors, "Cap" Lee moved his fam-

They'll Get A Chance At National Scholarships



Joyce Ditmanson, KHS senior, (left), and Shirley Johnson, Malin high school senior student, were two of the five Oregon students who will have their art portfolios sent from the Scholastic Art exhibit now on display in Portland at the Carnegie Institute at Pittsburgh, Pa., for national scholarship competition. Both girls are students of Robert Banister, director of art education in the city schools. The five awards were made to outstanding senior students in the field of art, and should they weather national competition, both Joyce and Shirley will receive scholarships for their efforts.

Hines Quits Panama Post

WASHINGTON, Feb. 11 (AP)—Brig. Gen. Frank T. Hines resigned today as ambassador to Panama.

The White House announced the resignation is effective March 1. President Truman accepted it with "regret."

Hines negotiated an agreement with the Panamanian government for American troops to use bases in Panama for defense of the Panama Canal. But the Panamanian assembly refused to approve the agreement last year to approve the agreement.

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Freighter Limp Toward Safety
NEW YORK, Feb. 11 (AP)—The stricken U. S. Lines freighter Pierre S. DuPont, its hull cracked by 25-foot waves, proceeded slowly toward Newfoundland today as a coast guard cutter hastened to her aid.

The cutter Duane messaged the coast guard here that she had made radio contact with the DuPont and learned that the condition of the freighter had not worsened.

The DuPont, a war-built Liberty ship with a crew of 44, is making five or six knots en route to Argentina, Newfoundland, 535 miles to the northwest, the cutter reported. The Duane said she was 250 miles from the freighter.

A damaged British vessel in the same area steamed under her own power to sanctuary in Halifax harbor.

Lincoln's Birthday Closures
Banks, courthouse, liquor store, city hall, county agent's office, A. A. office, will be closed Thursday, February 12, in observance of Abraham Lincoln's birthday.

Inflation's Back Broken, Consumer Outlook Good

By HARRY T. MONTGOMERY, Associated Press General Business Editor

NEW YORK, Feb. 11 (AP)—The postwar inflation has had its back broken, and the American consumer can sit back today and say to himself, "So far, so good."

This is the big conclusion to be drawn to date from the spectacular break in commodity prices which began just a week ago. Now there are other things to think about.

Is a recession at hand? Will it be brought on by panic selling? What will check it? How far can these commodity price plunges and still leave us with just a healthy readjustment?

The top business brains of the country pondered these questions today, and most analysts viewed the situation with confidence.

The president expressed appreciation "for the able manner in which you have represented your country," and described Hines' services in Panama as having been "characterized by a high degree of loyalty and devotion to duty."

CIO Facing T-H Charge
WASHINGTON, Feb. 11 (AP)—A federal grand jury today indicted the CIO and its president, Philip Murray, on charges of violating the Taft-Hartley act's political expenditures ban.

The law forbids spending of union funds for political purposes.

The indictment charges that Murray published an endorsement for a Maryland congressional candidate last July in the union-financed CIO News.

Murray and the CIO have openly defied the law and invited prosecution. They contend congress had no right to enact it—that it conflicts with the constitution's guarantee of freedom of speech.

If the courts should find there is such a conflict, that section of the Taft-Hartley act would become void.

Hartley General Tom Clark issued a statement in connection with the indictment recognizing that there is a delicate constitutional question.

He said the political expenditure ban "can present a problem in the accommodation of the constitutional power of the congress to regulate federal elections with the constitutional freedoms of speech and the press.

PGE Power Back On Local Lines

Sawmills in the Klamath basin and in Northern California resumed normal operations this morning as power flowed back through the Pacific gas and electric transmission lines to The California Oregon Power Company.

Mills in this area, served by The California Oregon Power company, have been operating on off-peak schedules since the power curtailment which started Monday afternoon of last week and by the following Tuesday was widespread throughout Southern Oregon as well as Northern California, as far south as Redding.

Order Yesterday
The order to resume operations came at 3:30 p. m. yesterday from Harlan P. Bosworth, assistant general manager of Copco at Medford.

Sam Ritchey, district manager here, started advising mill operators that the emergency was over and by this morning everything was back on an even keel.

Ritchey said that PG&E has agreed to deliver 15,000 kilowatts starting this morning, Wednesday, and to continue to increase deliveries during the week until requirements are met.

Industrial activity in this big sawmill area was halted when the supply from PG&E in California was cut to drought conditions in that section of the neighboring state.

Copco was able to carry along with 50 per cent of power supply but mills were forced to off-peak schedules, mainly night operations as there was no curtailment of night supply.

Copco receives power during day peak operations, 8 a. m. to 8 p. m., through its transmission lines from the south. After 8 p. m. Copco is able to supply sufficient power to the mills so that it was possible to shift operations and to keep the greater number of its employees at work.

Only three mills in this area were not affected. They were Weyerhaeuser Timber company and Ewauna Box company, which manufacture their own power, and Modoc Lumber company which operates on a commercial schedule.

Soviets Halt U. S. Train

FRANKFURT, Germany, Feb. 11 (AP)—Russian troops halted a British train and an American train in the Soviet zone today, officials announced.

Both incidents occurred at the Russian zone town of Marienborn, just beyond the border of the British occupation zone. Unofficial sources said the British train was searched.

The American train, en route from Frankfurt to Berlin, was stopped about 4 a. m. by three Soviet lieutenants. The Russians demanded to see the interzonal permits of five Germans aboard. They were shown two strong to be stamped at this time into a severe recession or depression. There are too many jobs yet to be done, too many things that people need and won't be able to get for some time.

The farmer has seen his best prices. Food must be cheaper, now that the rest of the world is beginning to take care of itself. With food cheaper, other retail prices should come down gradually, or at least stop going up.

The Russians insisted upon seeing the interzonal entry permits and refused to let the train proceed to Berlin. A Russian liaison officer who was aboard the train was summoned by the Americans. He spoke to the Russian guards who then allowed the train to continue.

Chiloquin Man Shot In Head
A young Chiloquin man identified as Eugene Lehr was in Klamath Valley hospital today with a bullet wound in his head. Lehr was found near Chiloquin early this morning and details of the shooting were not available here at an early hour this afternoon.

His condition was described as critical and Lehr was in surgery at 1:30 p. m. He was unconscious when admitted to the hospital.

Up In Divorce Rate And Juvenile Delinquency Seen As Threat To Future Of U.S. By Psychiatrist
LOS ANGELES, Feb. 11 (AP)—America is on the brink of disintegration, a top-ranking psychiatrist said today. Reason: The increase in divorce and juvenile and adult delinquency.

Dr. Edward A. Strecker, chairman of the psychiatry division of the National Research Council, warned in an interview that:

As parents, most Americans are failures. They fail to instill self-reliance in their children. Children grow into emotionally immature adults unable to meet responsibilities.

"Somewhere along the line," Dr. Strecker declared, "we have lost our spiritual values. Through technological advance we have achieved a highly materialistic civilization, but underneath we are straw."

Dr. Strecker is here to address a postgraduate assembly of neo-ecologists and obstetricians. He blamed mothers for the growing tendency to cling to the maternal apron strings longer after they should be independent individuals.

Howling Blizzard Hits Panhandle

AMARILLO, Tex., Feb. 11 (AP)—A howling blizzard—the worst storm of an unusually hard winter—snarled highway and rail traffic today in the Texas Panhandle as it fanned out to the south and east.

Trains and buses were delayed or cancelled. A number of automobiles were reported stalled between Vega and Adrain in the Panhandle. A North Worth and Denver passenger train carrying President Ralph Budd of the Burlington railroad was hours overdue in Amarillo from the south.

The mercury dropped to two degrees below zero last night at Dumas, in the northwest corner of the Panhandle. Livestock losses were feared there as the snow rode a 50-mile per hour wind.

Prices of wheat and corn fell the limit of 10 cents and 8 cents respectively, a few minutes after the Chicago pits opened this morning.

The rallying tendencies cropped up about noon and some wheat and corn recovered four cents a bushel from the day's low.

Cotton prices recovered as much as \$4.50 a bale from the day's lows in New York as short covering and trade buying began again.

Security markets in London, Manila, Sydney and Copenhagen slumped.

Hog prices at Chicago were 50 cents to \$1 a hundred pounds higher. Arrivals were the smallest for a Wednesday since October 9, 1946, the last week of culling prices.

Cattle and sheep prices remained steady.

Some New York stockpilers termed reports of wholesale reductions misleading. They said they were taking losses by cutting some items to meet chain store competition.

Customers Wary
Several retailers reported customers were becoming extremely wary in making purchases. They said shoppers were buying on a day-to-day basis and waiting for costs to drop.

The housewife, meanwhile, is paying less for meats, flour, butter and sugar.

An Associated Press survey of retail prices in 25 leading cities shows the consumer today is enjoying appreciable markdowns in grocery stores across the nation.

Hacon costs the housewife 10 cents a pound less than a week ago. A ten-pound sack of flour is a dime less. Many meats are down 5 to 6 cents a pound.

Butter is down 4 to 5 cents a pound; lard is 5 to 6 cents a pound less, and shortening has dropped two cents a pound.

Now the consumer wants to know whether the price cuts are here to stay and what other items will be affected.

Suits Gain
He is certain of one thing—the price declines are not going to spread to men's winter suits. The American Woolen company has announced an 8 to 12 per cent boost on such fabrics for next fall.

Some food retailers say, however, further reductions are in sight. Most analysts think cheaper food prices are here to stay.

The wholesale meat market at Chicago felt the results of the commodity fall unusually soon and prices fell yesterday as much as \$4 a hundred pounds.

It was part of a general slump that was worse than any day last week.

Weather Stays Cold In Basin

The Klamath basin shivered in a 12 above zero temperature early this morning and the weatherman didn't do much better at noon today when the GAA reported a reading of 25 degrees. The forecast is for clear and cold.

Snow-packed mountain roads were in better shape today after sanding crews had worked them over, the state highway commission reported. There was no new snow in the mountain passes and crews had time to sand the curves and straightaways which have been hazardous for several days.

At Odell lake on the Willamette highway the temperature stood at 19 degrees at 9 a. m. today. Sun mountain on The Dalles-California highway reported 8 degrees below zero and it was 8 above on Hayden mountain on the Greensprings.

Klamath Falls To Play Host To Governor Hall

Klamath Falls will play the role of host to Governor and Mrs. John H. Hall tomorrow morning on their arrival here from Salem at 8 o'clock, and the governor and his lady will be busy throughout the entire day.

This is Governor Hall's first official visit to Southern Oregon and he will include Lakeview in his tour with a Friday trip to the neighboring town.

The Halls will be guests at the Willard. At noon Mrs. Hall and Mrs. Harry D. Bolvin will be Mrs. Rose M. Pool's guests at the Soroptimist club while the governor speaks at the Kiwanis luncheon at noon. Mrs. Hall is to be honored at a tea from 3 to 5 p. m. at the Pellican, arranged by the Council of Republican Women. That afternoon, from 2 to 5 o'clock, Governor Hall is available for appointments at the Willard. The Lincoln Day banquet will be held Thursday night at the Willard and the governor is the speaker. KFLW will air the speech from 8 p. m. to its conclusion.

John H. Hall, 24th governor of Oregon, was born in Portland on February 7, 1899, son of Jesse and John H. Hall Sr. He succeeded to the governorship on October 30 of last year with the death of Governor Earl Snell. Hall was speaker of the Oregon house of representatives at the time of the tragedy.

Following attendance in Portland secondary schools, he attended Culver Military Academy in Indiana and later Oregon State college where he was graduated with a bachelor of science degree in 1923. During World War I Hall enlisted in the navy at the age of 18, serving as a medical corpsman and hospital apprentice aboard the U. S. S. Floridian. He was discharged in 1919 and after graduation from college later attended Northwestern College of Law. He was admitted to the bar in 1926 and was associated with his father in the practice of law. He was elected to the Oregon legislature from Multnomah county in 1933, 1939, 1943, 1945 and 1947 when he was elected speaker of the house.