

FEDERAL HOUSING PROBE SLATED

In The Day's News

By FRANK JENKINS
Today's political pill (as in the case of other pills, it's a good idea to take it early and get it out of the way).
In high Democratic quarters, according to the dispatches this morning, the impression is growing that Adlai Stevenson not only wants a second try at the Presidency but will FIGHT for the 1956 nomination.

Well, the Democrats could do worse.
And probably will.

An upper echelon politics writer for the Associated Press sizes the situation up like this:

Generally speaking, the Republicans are insisting that the issues in the battle for the control of congress revolve around the slogan of "Peace, Progress and Prosperity."

The Democrats appear bent on contending that there is no peace but only the absence of a shooting war; that prosperity is only second-rate at best and that instead of making social progress the Eisenhower administration is drifting backwards.

Try this on your piano:
Go back in your memory to the years of the late 40's — when the Democrats were IN and wanted to STAY IN and the Republicans were OUT and wanted to get back in.

I think you'll recall that the GOPs were then contending exactly what the Democrats are contending now, and VICE VERSA. Politics — as has often been remarked — is a strange trade.

Let's insert here a line from Shakespeare:
"All the world's a stage, and all the men and women are merely players."

That fits, of course, the political scene, but what recalled it to my mind is the fact that back of the stage there is traditionally a backdrop. The backdrop provides a BACKGROUND for whatever play is being enacted on the stage.

At this moment in history the backdrop before which a drama of immense importance to mankind is being enacted is accurately portrayed by this paragraph from the news of this morning:

For the 18th straight day, the Chinese Nationalists attacked communist positions near the Nationalist island of Quemoy, which is just off the red mainland. A communiqué from Formosa says Nationalist vessels shelled a town on the mainland coast eight miles northeast of Quemoy, while medium bombers pounded the red port of Amoy.

At the same time, the communiqué added, Nationalist air force and naval units patrolled the red Chinese coast looking for targets.

Watch it. Watch it as intently as you would watch the sputtering sparks at the lighted end of a fuse whose other end led to a charge of TNT under your house.

The Chinese are trying to make up their minds whether we mean business in the case of Formosa. They are shelling the island of Quemoy, which lies within cannon range of the red mainland, to see if they can draw from us an inkling of what we are going to do about it all.

If they conclude that it is safe to do so, they'll attack Formosa. If they attack Formosa, WE'LL FIGHT. We know that, but they don't. We've backed off from trouble so often that they have an idea we'll back off again if they move in force.

If the Chinese reds attack Formosa and we fight back with everything we've got, the Russian reds may come to the aid of their Chinese buddies.
The backdrop is a grim one.

French Ask New Europe Arms Plan

STRASBOURG, France (AP) — Premier Pierre Mendes-France called Monday for a new West European defense pact which he said could reduce French opposition to West Germany's entry into the North Atlantic Treaty Organization.

The new organization, he said, could have a "degree of supranationality"—meaning some of the elements of a superstate.

It was partly because the six-nation European Defense Community had too much supranationality in it, he added, that it was defeated in the French parliament.

Mendes-France spoke before the parliament members from the council's 15 nations.

NEW ORGANIZATION
The job of the new organization, which the French leader described as a changed and enlarged version of the Brussels pact of 1948, would be to set top limits to the armaments and armaments of all member countries.

Any discrimination, he said, would be only on a "geographic and strategic basis."

In advance of the Premier's speech, usually well informed sources here said his plan calls for something like this:

1. Approval of the British proposal to expand the five-nation Brussels defense alliance of France, Britain, Belgium, the Netherlands and Luxembourg to include West Germany and Italy. The seven nations would be pledged to come to one another's aid in case of an attack.

2. This group would set limits on German rearmament as well as on the armaments of the other members keep on the European continent. By limiting all the nations, the demand for equality in any setup.

NATIONAL ARMIES
The European alliance would not actually control the various national armies; that job would be left to the 14-nation North Atlantic Treaty Organization, which includes the United States and Canada.

3. The new European alliance would not be a supranational organization like the European Defense Community which the French Assembly torpedoed. But decisions would be taken for the group by a council of representatives, on which no one nation would have a veto.

Reports from Washington said French-France was ready to join the British and the Americans in bringing West Germany into the North Atlantic alliance provided Britain and the United States maintain troops on the continent for a long period and as long as satisfactory armaments are put on German rearmament.

Roosevelt Seeks Party Backing

NEW YORK (AP) — Rep. Franklin D. Roosevelt Jr. worked hard Monday seeking to muster enough delegate strength to start a stampede for his nomination for governor at the Democratic state convention.

But party leaders promoting the candidacy of former mutual security administrator Averell Harriman predicted he will win on the first ballot Tuesday night—by a wide margin.

Democratic state chairman Richard H. Balch, an ardent Harriman supporter, said 764 of the convention's 1,019 votes were lined up for Harriman. A total of 510 is needed for nomination.

There was talk meanwhile that Roosevelt might be nominated for the lieutenant governorship for the Nov. 2 election.

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Martial Law Declared By Chile Chief

SANTIAGO, Chile (AP) — The government declared a state of siege (modified martial law) in almost all of Chile Monday.

President Carlos Ibanez declared, in issuing the decree, that it was evident Communist elements intended to carry out a program of violence.

In a separate announcement, the government said a group at the Potrerillos copper mine tipped down the Chilean flag Monday morning, shouting: "We are Communists, not Chileans." The flag had been placed in the central plaza of the northern mining town Sunday in honor of Chile's independence day. The mine is a subsidiary of the American-owned Anaconda Co.

Caches of dynamite were found after the demonstration, during which one stick, hurled at the heads of policemen, exploded without harm. Fifteen demonstrators were arrested.

In Washington, diplomatic sources said it appeared the declaration of the state of siege was intended by President Ibanez to obtain powers from the Chilean congress, which it would not grant him, to deal with strikes.

The government imposed the state of siege for six months and said it took the action "because of the danger of a movement aimed at destroying our democratic way of life." The action was taken despite the apparent solution to the recent strike of copper miners.

Last week various political parties expressed opposition to demands for extraordinary powers in the face of the strike.

The politics and economy of Chile, a nation of 5,685,000 on a long strip of land between the Andes and the South Pacific, revolve around its mines. Copper is a leading export.

Government sources announced three weeks ago the copper production—much of which goes to the United States—will be boosted next year to 400,000 tons due to increased world demand and price increases. Chile is counting heavily on bigger copper sales to improve her supply of foreign currencies, dangerously low in recent months.

It was only last Friday that the government announced settlement of a month-long strike by 6,500 workers at the American-owned Braden Copper Co.

Merrill Spud Meet Planned

Basin potato growers will meet Thursday evening, September 23 at the recreation hall in Merrill to discuss potato supplies for 1954 and express opinions in respect to the advisability of marketing agreement size regulation this year.

The discussion called for 7:30 p.m. is a joint meeting of Klamath Potato Growers Association and Tri-Valley growers.

Those in attendance will hear a report of proceedings at an interstate meeting of control committee members, held September 13, in Greeley, Colorado.

Representatives of control committees from all parts of the nation met recently in Chicago at the invitation of the National Potato Council. The annual meeting of the council was held in Chicago last week.

Pendleton Winners Told

PENDLETON (AP) — Del Haverly of Benson, Ariz., placed first in two major events to win the all-around cowboy championship at the Pendleton Round-up, which ended here Saturday.

Haverly was first in the bareback riding and calf roping events. Gene Rambo of Brawley, Calif., was second in calf roping while Toots Mansfield, Anders, Texas, and Ed Coffey, Thbrn, Calif., split third and fourth money.

In the bareback riding contest Jack Spurling of Portland was second; Bud Abott, Victorville, Calif., third; and Buck Rutherford, Lenape, Okla., fourth.

Other results:
Bronc riding—Gene Pruett, Oazark, Ark.; George Menkenmaier, Burns, Ore.; Bill Ward, Angels Camp, Calif.
Bulldogging—Dud Taylor, Parkfield, Calif.; Barney Willis, Napa, Calif.; Leonard Saye, Broadus, Mont.

Steer roping—Don McLaughlin, Smithfield, Texas; Jim Snively, Pawhuska, Okla.
Northwest amateur bucking—Harry Noble, Bonanza, Ore.; Bill Duffy, Sprague, Idaho; Jim Grove, Spangle, Idaho.



PAINED EXPRESSIONS of youngsters who lined up for typhoid shots at Peterson School Saturday greet the Herald and News photographer. A full-scale immunization program for children and adults who live in the southeast suburban area is under way today and Tuesday under the direction of the Klamath County Health Department with the full cooperation of the Klamath County Medical Society. The preventative measures are being taken following diagnosis of two cases of typhoid. (l to r) Mrs. Muriel Palmer, health department, Terrilee Shaw, Patrick Shaw and Coleen McEnerney, nurse. Parent of the Shaw children are Mr. and Mrs. Russell Shaw, 3202 Laverne Street.

Medical Group Protests Rule

PORTLAND (AP) — The State Board of Higher Education decision on admission of patients to the proposed new state teaching hospital at Portland was protested Saturday by the State Medical Society.

The board announced last week that any patient whose case was of interest to the faculty as a subject of teaching would be admitted. Some private physicians in Portland, contending that they were losing practice, had asked that only indigents be allowed in the hospital.

The society said it was "incredible" that the board had acted so hurriedly in the matter. Dr. J. Milton Murphy said the board had asked the society to make studies but then had gone ahead and made the decision without receiving the society's recommendation.

"We cannot but believe that this action is of a tentative nature," the society's statement said.

But Dr. R. E. Kleinsorge, Silverton, president of the board, said:

"We asked them to appoint a committee to meet with us, and after a delay of three months with no appointment of a committee, we went ahead and adopted our policy."

"As to its permanence, no policy could be permanent. All policies are subject to change as times or conditions require," he said.

Koreans Angry At Troop Move

SEOUL (AP) — Announcement that the U. S. 3rd Division would leave Korea in October was accompanied Monday by renewed South Korean charges of bad faith in Washington and complaints the withdrawal will leave Korea open for Red conquest.

"The state is set for Korean unification, but by the Communists," said a statement by Maj. Gen. Choi Duk Shin, a former armistice negotiator who accompanied President Syngman Rhee to Washington recently.

The statement appeared to be in reply to one by the U. S. Embassy last week. The embassy insisted the redeployment of U. S. troops had been discussed with South Korean officials in Washington. It also emphasized that South Korea was not being abandoned.

The U. S. 8th Army announced Sunday the 3rd would be the fifth American division to leave Korea this year and that a sixth will follow, leaving two U. S. divisions still on the divided peninsula.

2 DAYS
Until the Red Cross Bloodmobile Arrives
Wednesday, September 22 and
Thursday, September 23
AT THE ARMORY
this visit is sponsored by
The United Veterans of Klamath Falls

9 O'clock Special



BUTCHER BOY Bill Milne, 419 High Street, was on his way to work at the Quality Market, 830 Main, this morning as the 9 o'clock photographer came by.

BULLETIN

All signed blood donor cards are to be turned in to the American Red Cross headquarters by noon Tuesday, it was announced by Frank Fleet, chairman of the American Legion division of the Allied Veterans Council, sponsor of the coming visit of the Red Cross Bloodmobile.

Thunderstorms Hit Mid-Area

Vigorous thunderstorms across the nation's midsection Monday marked the meeting edges of warm and cool air masses. The storms extended from Missouri across southern Illinois and Indiana and into the central Appalachians. Heavy rainfall and 40 to 50 miles an hour winds were frequent.

Three communities in north central Pennsylvania were hit by tornadoes Sunday night. Power lines, trees and roofs were damaged but no casualties were reported.

Hailstones ranging up to golf ball size and propelled by gusts up to 65 miles an hour lashed the St. Louis area during a thunderstorm which dumped nearly two inches of rain. Flying glass from smashed windows injured 17 persons.

To the north, from the Pacific Ocean to the Great Lakes, readings were in the 40s and 50s, and somewhat higher in the north-east.

Cutbank, Mont., reported the overnight low of 35 degrees and some light snow.

Typhoid Shots Given In KF

An overwhelming response to the immunization program against typhoid fever, was chalked up Saturday afternoon when 1,400 men, women and children swamped doctors and nurses at Peterson School in the southeast suburban area.

The program was continued this morning at Church of the Brethren, 4400 Bristol Avenue, where between 400 and 500 had appeared by 10:30 a.m. Shots will be given Tuesday morning, September 21, at the same location between the hours of 9 a.m. and 12 noon.

A series of three shots, one week apart, are given for complete protection. Those who received shots Saturday, September 18, will return to Peterson School, Saturday, September 25 and Saturday, October 2. Those having shots this week, Monday and Tuesday, will return for the next two weeks, one week from the date of the original injection.

Immunization has been urged by the Klamath County health officer, Dr. Seth Kerron and members of the Klamath Medical Society as a precautionary measure.

The action followed diagnosis of two cases of typhoid in the district.

KF Pet Parade Awards Given

Klamath Falls' first annual Pet Parade, held at Conger Field Saturday morning, was declared an outstanding success by its sponsors, the local food stores, city recreation department, Klamath Falls Exchange Club and Swift & Company.

Judges for the event were Mayor Paul O. Landry, Arnold Grapp, superintendent of schools, and S. R. Balsiger, president of the local Exchange Club. Assisting on the field were Bob Bonney, head of the city recreation department, Paul Stewart, local manager for Swift & Company, and Ralph Hunter of Fluhrer's Bakery. D. M. Hayes, Swift & Company, San Francisco, was master of ceremonies. W. R. (Bill) Kernode of the Portland canned goods division, and H. L. Kelley, Klamath Falls Swift & Company office, distributed prizes to the winners. Bill Kuntz, Neil Melon and C. E. Richardson of the local Swift & Company office, also assisted. Swift & Company representatives from out of town included Bones Skelton, Los Angeles refinery department, and Frank Conner, Los Angeles Allswet department.

The first special award of the day went to Evelyn Overstreet, 2020 Fargo, 11-year-old girl confined to a wheel chair by polio, who entered a "57 varieties" dog.

Prizes for the largest pets went to Mark Bailey, Lakeshore Drive; Kermit Whittier, Route 2, Box 698, and Stevie Simons, 2604 Autumn.

Smallest pet prizes to Billy Cook, 1522 Siskiyou; Frank Meyers, 512

(Continued on page 4)

Grand Jury Convened To Investigate

WASHINGTON (AP) — Atty. Gen. Brownell Monday ordered a special grand jury convened here to investigate "possible bribery and other criminal conduct" in the federal housing program.

Brownell directed specifically that U. S. Attorney Leo A. Rower "present evidence of the activities of Clyde L. Powell," who resigned as assistant commissioner of the Federal Housing Administration last April 13 during congressional investigations of alleged irregularities in the agency.

Brownell announced also that U. S. Attorneys in all other districts across the country are being directed "to present to grand juries as soon as material is available full testimony concerning criminal conduct uncovered by the administration's FHA investigations in their districts."

He said Warren Olney III, assistant attorney general for criminal prosecutions, was sending out these instructions.

Congressional investigators have asserted that numerous builders in various parts of the country made millions of dollars in "windfall profits" by getting FHA-insured loans on apartment projects which exceeded the actual cost of the projects.

ANNOUNCEMENT
Brownell's announcement made reference to this in relation to Powell. It said:

"While assistant commissioner, Powell had charge of the rental housing program which operated from 1946 to 1950. This program resulted in windfalls to speculators exceeding \$1 million dollars alone in the 265 cases reviewed by the special investigations office set up by the present administration in FHA."

The department announcement also asserted:
"Powell, who entered FHA in 1938, rose to assistant commissioner despite knowledge of the former administration of an arrest record, including conviction for jewel theft."

Powell, when called before the Senate Banking Committee during its investigation of FHA, declined the fifth amendment to the constitution which provides that a man may not be forced to give evidence against himself.

STatement
The banking committee put into its record a statement that Powell had a criminal record.

Powell's attorney, Daniel B. Maher of Washington, later filed a formal statement denying that the committee's statement of his record was correct.

The Justice Department declined to say exactly when the grand jury will convene here. However, it was learned that Powell was served with a subpoena last Friday for a grand jury appearance on Oct. 6.

The FHA has undergone a sweeping reorganization in recent months. Reputed irregularities in its operations have been under FBI investigation since last year.

In a recent summary of results, the Justice Department said that during 1953 and this far in 1954, the government has invoked foreclosure proceedings on 39 housing projects on which loans for more than \$3 million dollars were defaulted.

On the criminal side, a total of 74 indictments involving 136 persons were returned in the same period, with 67 convictions resulting.

Weather

FORECAST—Klamath Falls and vicinity: Fair through Tuesday; valley fog Monday night. Low Monday night 30; High Tuesday 72.

High yesterday 69
Low last night 37
Precip. last 24 hours 0
Since Oct. 1 15.44
Same period last year 15.81
Normal for period 13.05

Baseball Scores

AMERICAN
Philadelphia 000 000 002-2 4 1
Boston 000 200 30x-5 12 0
Gray, Oster (8) and Robertson; Brewer and White.

VIGILANT

NATIONAL DOG WEEK

SEPTEMBER 19-25

Courtesy of the Klamath County Humane Society