

One day last week I went with representatives of the Farmers Home Administration on a tour of Marion county farms. We called at four farms where the farmer is acquiring land by means of a loan under the Bankhead-Jones act (to assist tenants to buy land).

The farms visited were: one in the Santiam bottom just above Jefferson, another in the Waldo hills district, another in the Central Howell prairie section, and a fourth just west of Woodburn. The tour gave one a fine view of Marion county agriculture at its busy summer season. The big chores now are putting up hay and picking caneberrries. There is cultivating to do on late crops and we saw several fields all white with freshly covered lime or land-plaster.

Stocks Plunge In Pessimistic Heavy Trading

NEW YORK, July 19 (AP)—A plunging stock market wiped out an estimated \$2,100,000,000 in value today in last week's headlong downward drive. The break was the biggest since Nov. 6, 1946.

More issues were traded than anytime in the exchange's history, 1,163 of a total of 1,410 stocks listed. The total volume of 2,560,000 shares was the highest since the current phase of the bull market started in May.

The break, which found leaders selling for \$1 to \$12 lower at times, posed a big Wall Street question—is the bull market over?

Traders sought the answer in the war danger signals over Berlin, the special session of congress which President Truman called to consider price fixing to bring down the cost of living, and the widening spiral of wage and price advances.

Pessimism in Wall Street splashed over into other markets. Butter futures in Chicago broke nearly 2 cents a pound. Egg futures were plumped down 1 1/2 cents a dozen in the heaviest trading this year.

Chicago grains were generally lower with oats breaking sharply as the new crop arrived. Hogs, cattle and cotton showed mixed price trends.

(Additional details on page 12)

State Salary Lists Studied

Questionnaires being sent a large group of private employers will be the basis of a study of state salary and wage schedules by the state civil service commission, it was announced Monday.

These questionnaires will form part of a study on which to base recommendations to the 1949 legislature in regard to a salary schedule geared to present economic conditions.

Director Robert Johnson of the civil service commission said contacts will also be made with officials of other states, along with data obtained through county courts and cities.

Upon completion of the study and drafting of a new salary schedule, public hearings will be held.

FLAMES HIT RICHMOND

RICHMOND, Va., July 19 (AP)—A five-alarm fire in the downtown warehouse area here tonight brought out 150 firemen to battle the blaze which gutted a four-story brick building and spread to two adjoining structures.

Animal Crackers



"Well, now that's more like it!"

PT&T Cuts Rate Boost Request

Workers Picket Hearing

Amount of requested telephone rate increase was reduced by Pacific Telephone and Telegraph Co. Monday in a surprise move at the outset of a state public utilities commission hearing on telephone rates at the Salem Chamber of Commerce hall.

Opposition to the requested rate increase was expressed by several banner-carrying members of the Association of Communications Equipment Workers, a CIO union, at the building entrance.

The surprise proposal was by Fletcher Rockwood, telephone company attorney, that the amount of \$5,500,000 annual boost originally requested by PT&T and later upped to \$6,060,000 had been reduced to \$4,123,000.

New Estimates Credited The attorney said the revised request of \$4,123,000 was based on the most recent estimate of its intrastate revenue requirements. He added the company would present a new schedule of rates which would modify the rates previously requested.

Although Rockwood did not say what the specific rate proposals would be under the \$4,123,000 annual estimate, he indicated the increases would be 75, 50 and 25 cents, respectively, for one, two and four-party residence service instead of increases of \$1, 50 cents and 70 cents as originally requested.

Rising Costs Emphasized Comparable changes would be made in other rates, Rockwood indicated, and emphasized that the additional revenue was required to cope with increased wages, rising material costs, plant expansion and to place the company on a financial plane of stability.

Intervening on the side of the utilities commission are the city of Eugene, represented by City Attorney John W. Pennington; the city of Portland, represented by Deputy City Attorneys Marion Rushing and A. W. Peterson, and Stanley E. Orr, executive secretary of the Oregon CIO.

Objection Upheld Deputy Attorney General Rex Kimmel, who is handling the legal phase of the case for the utilities commissioner, objected Monday to introduction of certain testimony, and as a result Commissioner Flagg ruled that no figures or data based on company operations prior to the close of the previous rate hearing approximately a year ago would be considered in the current proceeding.

In another important ruling Flagg held that operations of the company, both interstate and intrastate, involving the Oregon setup, would be considered as over-all matter and not be separated or rates based solely on intrastate revenues.

The last exhibit Monday showed that telephone plant in service in Oregon totaled \$79,605,000 on March 31 of this year compared with a total of \$55,112,000 on Dec. 31, 1945.

U. S. Jet Flight Reaches Iceland

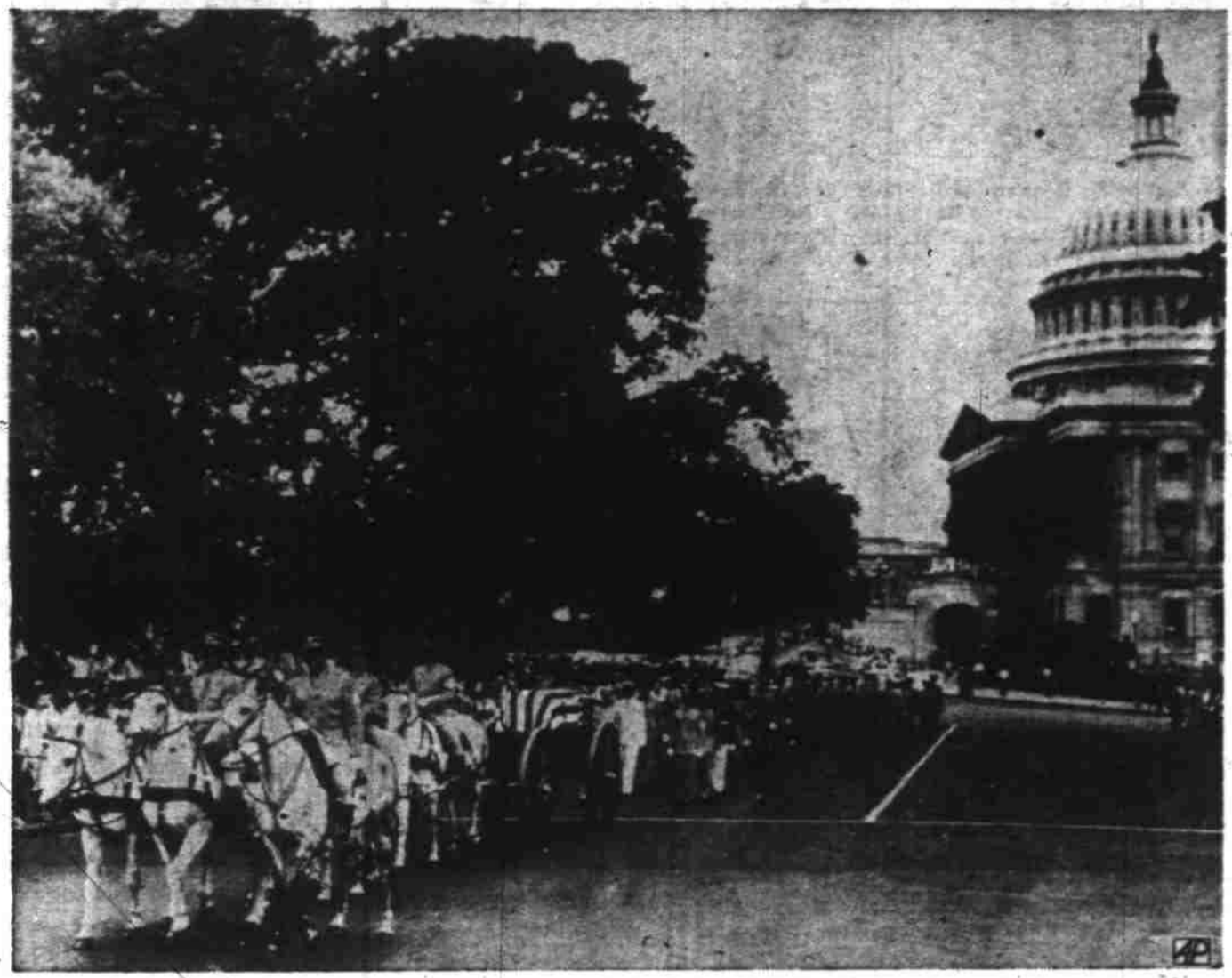
REYKJAVIK, Iceland, July 19 (AP)—Sixteen U. S. air force F-80 jet planes landed at Keflavik airport near here today on a flight from Greenland.

The sleek Shooting Stars are making the pioneer American transatlantic flight by jet planes.

Dayton, One of Oregon's Oldest Towns, Will Observe Its 100th Anniversary on July 24-25

DAYTON, July 19—One of the oldest towns in Oregon—Dayton—will commemorate the 100th anniversary of its founding at a centennial celebration next weekend, July 24 and 25.

Pershing Funeral Procession Moves to Cemetery



WASHINGTON, D. C., July 19 — A flag-draped casket containing the body of General of the Armies John J. Pershing rests on a caisson drawn by six grey horses as the funeral procession leaves the capitol (background) in Washington, D. C., and proceeds towards Arlington national cemetery. (AP Wirephoto to The Statesman.)

Ford and Union To Renew Talk; Walkout Voted

DETROIT, July 19 (AP)—Walter P. Reuther appealed directly to Henry Ford II today to help avert a strike of 116,000 Ford Motor Co. production employees.

As a result, Ford agreed to resume negotiations with the CIO United Auto Workers. They were broken off July 14.

The company and the union announced they would hold both morning and afternoon sessions tomorrow in renewed efforts to reach agreement on contract terms.

Reuther acted after his UAW-CIO executive board unanimously authorized a walkout in 48 Ford plants across the nation.

Tito to Remit On U. S. Claim

WASHINGTON, July 19 (AP)—Marshal Tito's Yugoslavia settled amicably a long dispute with the United States today in the wake of his split with the communists.

The Yugoslav deputy finance minister came from Belgrade to sign an agreement to pay more than \$17,000,000 in settlement of American wartime and postwar claims.

The United States in return will surrender to Tito some \$47,000,000 of Yugoslav gold reserves held in this country since 1942. It also will unfreeze Yugoslav private assets amounting to \$10,000,000.

Included in the sums Tito's communist regime agreed to pay within the next 45 days is compensation for two United States army transport planes which Yugoslav fighters shot down two years ago.

Gen. Pershing Interred in Arlington

WASHINGTON, July 19 (AP)—Gen. John Pershing was laid to rest today on the summit of a tree-shrouded slope, surrounded by the graves of men he commanded from the jungles of the Philippines to the borders of imperial Germany.

A reverent hush fell over the generals, the cadets and buck privates standing at attention in Arlington national cemetery at the army's chief of chaplains, Maj. Gen. Luther D. Miller, intoned the last words.

"The march of another soldier is ended, his battles are all fought and all won, and he lies down to rest while awaiting the bugle's call."

"Black Jack" Pershing died last Thursday at the age of 57.

Cairo Raided; Truce Charged

CAIRO, Tuesday, July 20 (AP)—A plane raided Cairo late last night, dropping one bomb which blasted Fouad street in the heart of Cairo.

There was no immediate report of the damage or whether there were any casualties.

Earlier Israel charged Syria with widespread violation of the Palestine truce today and an Israeli spokesman said "The Israeli army will consider itself at liberty to attack the Syrian army wherever they are."

The truce, ordered for last night by United Nations mediator Count Folke Bernadotte, was reported generally effective on the southern and central fronts.

Blockade Shuts Berlin Plants

BERLIN, July 19 (AP)—Economic paralysis spread in Berlin today. The number of factories closed since the Russians clamped their blockade on the German capital reached almost 1,400.

American military government experts said as many as 200,000 persons may be looking for work by the end of this week.

Soil-Breaking Today for New Retail Center

Ground-breaking for a Sears, Roebuck & Co. store as main part of a \$2,000,000 retail trading center near Capitol and Center streets is set for 11:30 a. m. today.

On hand for the ceremony will be Gov. John Hall, Mayor R. L. Elfstrom, Manager Clay Cochran of Salem Chamber of Commerce and Sears officials including Manager Gene Vandemeynde.

The store building will have 200-foot frontage on North Capitol street and extended 125 feet along Marion and Union streets. Remainder of the block and part of an adjacent block will be devoted to parking space.

The actual decision on who will be called first has not been made yet, Hershey said at a news conference after the ceremony.

Actual drafting cannot start until September 22.

Wallace Party Opens Session

PHILADELPHIA, July 19 (AP)—Henry A. Wallace's third party pitched camp today and completed arrangements for its founding convention.

The week-long Wallace exercises get under way tomorrow with an executive session of the 74-member platform committee.

Initial phase of preliminaries was a meeting by 50 members of the Civil Rights congress and the Committee for Democratic Rights to merge their groups and outline a program of action.

21 Slain in Riots; Togliatti Improves

ROME, July 19 (AP)—The death toll of riots following the attempted assassination of communist leader Palmiro Togliatti today rose to 21 as one policeman and two civilians died of wounds incurred in the fighting.

Togliatti's condition was reported steadily improving.

U.S., West Europe Ponder Counter-Moves in Berlin

Caution Urged By Five Nations In Red Dealings

THE HAGUE, The Netherlands, July 19 (AP)—Leaders of five western European nations here tonight viewed the Berlin crisis as "extremely grave" and advised utmost caution in dealing with the Russians.

This was disclosed by an authoritative source at a meeting of the western European union to force a common defense linked with the armed might of America, Britain, France, The Netherlands, Belgium and Luxembourg make up the union. The source, from one of the Benelux countries, said the representatives met for four hours tonight but reached no agreement on a course of action in the Berlin crisis.

Originally British Foreign Secretary Ernest Bevin and French Foreign Minister Georges Bidault were slated to discuss the Berlin crisis.

They called in Premiers Paul-Henri Spaak of Belgium and Pierre Dupont of Luxembourg, and Foreign Minister Baron Von Boetzelar Van Oosterhout of the Netherlands. All five form the western European permanent council created more than two months ago.

With economic matters slated to be out of the way by tomorrow the ministers were scheduled to get to the heart of their agenda—the straightening out of their 50-year military alliance and the possibility of basing it solidly on definite commitments of American military assistance.

25-Year-Olds May Be First Draft-Called

WASHINGTON, July 19 (AP)—Men of 25 may be the first ones called in the peacetime draft.

Maj. Gen. Lewis B. Hershey disclosed that idea was under consideration as he was sworn in today as director of selective service under the law passed by the last congress.

Hershey gave no details in his brief comment but the purpose of taking 25-year-olds first would be obvious—they will soon be past the law's age limit.

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In the American sector alone, 8,500 persons have been thrown out of work by the closing of 400 of 2,000 plants.

The British joined the Americans today in flying coal to the city but their combined haul is not expected to match the tonnage supplied by rail for industrial needs.

Berlin Gets Soviet Food

BERLIN, July 20 (AP)—With great propaganda fanfare the Russians announced today that they were prepared to supply food for all Berlin including the 2,000,000 German inhabitants of the western sectors whom they have blockaded for more than a month.

They claimed they would be able to do this with 100,000 tons of bread grains imported from the Soviet Union.

An announcement by the official Soviet news bureau told western Berliners they must buy this food with Soviet-sponsored German currency which circulates here as a rival to the western-sponsored Deutschmark.

The announcement was timed to coincide with a statement by the western allies they were unable because of the Russian land blockade to deliver proposed increases in food ration scales for their sectors of the city.

French Premier Quits as Army Budget Sliced

PARIS, July 19 (AP)—Premier Robert Schuman's coalition government collapsed tonight. It had been in existence since last November.

The collapse was caused by the national assembly's action in amending a government-sponsored army budget and the announced resignation of the five socialist ministers from Schuman's 15-man cabinet.

The issue was chiefly a proposed budget for national defense, although there were other conflicts in the background. Schuman and his MRP tried to spend the equivalent of \$1,017,000,000. The socialists and radical socialists wanted to cut this by \$400,000,000.

Schuman was willing to allow a cut of \$23,000,000, but refused to go along on the remaining \$17,000,000.

The assembly voted, however, to adopt the socialist-sponsored amendment calling for the full \$400,000,000 cut. The vote was 297 to 214, with 76 abstentions.

Schuman told the house before the vote that "if this amendment is voted, I shall be compelled to give my resignation to the president of the republic."

Less than two hours later he went to President Vincent Auriol to resign.

Rhee Selected Korea's Head

SEOUL, Tuesday, July 20 (AP)—Syngman Rhee, who for nearly 40 years has been voicing Korea's demands for independence, today was elected president under the country's first democratic government.

The government is now being set up in American-occupied south Korea. A separate communist regime has been created in the Russian-ruled north.

American Killed In Korea Ambush

SEOUL, Tuesday, July 20 (AP)—One American enlisted man was killed and another wounded slightly in an ambush yesterday at an outpost near the dividing line between American and Russian zones of Korea, the army announced today.

Weather table with columns for Max, Min, Precip. and locations: Salem, Portland, San Francisco, Chicago, New York, Willamette river.

FORECAST (From U.S. weather bureau, McNary field, Salem): Fair today and tonight. High temperature today near 82; low tonight 53. Conditions excellent for all farming activities.

Dulles, Franks In State Office Consultations

WASHINGTON, July 19 (AP)—Thomas E. Dewey's foreign affairs advisor and the British ambassador were called in by the administration today in a round of high-level conferences on the Russian blockade of Berlin.

There was some speculation that the move might mean the next counter-measure has been decided on.

The German crisis, with its underlying threat to world peace, was "high on the list" of discussions between President Truman and top diplomatic and military officials at the White House.

Later John Foster Dulles, advisor to Governor Dewey, republican presidential nominee, and Sir Oliver Franks, the British ambassador, were consulted at the state department.

Truman Hears Report Dulles had his first face-to-face meeting in weeks with Secretary of State Marshall. They conferred about 45 minutes.

Franks talked for an hour later in the day with Undersecretary Lovett. He told reporters that the Berlin situation was discussed.

Mr. Truman got a fresh report in person from Undersecretary of the Army William H. Draper.

Draper has just returned from the Berlin area, where a Russian clampdown on food and fuel shipments from the west has brought about the possibility of a clash between Russian and western arms.

Allies, Zonal Heads to Talk West Germany

BERLIN, July 19 (AP)—The Americans, British and French military governors agreed tonight to talk over with political leaders from their zones German counter-proposals for a separate western German government.

They will meet the German ministers - president of the three western zones in Frankfurt tomorrow in an effort to obtain clarification of the German proposals, American officials said.

Reliable sources said that in the background was a growing hesitancy of the French to push through the western powers' plan for a separate government.

The reluctance coincided with the Berlin crisis and increasing tension between the western powers and Russia.

The Germans said their counter-proposals stemmed from fears they would be accused of splitting Germany by carrying through plans for a separate government in the west.

German political leaders proposed a weaker version of the recommendations, substituting a west German executive committee for a government and an administrative statute for a constitution.

Steelworkers Sign New Republic Pact

PITTSBURGH, July 19 (AP)—President Phillip Murray of the CIO-United Steelworkers today announced agreement had been reached with the Republic Steel Corp. of Cleveland granting 13-cent hourly wage increases to 55,000 production workers.

Murray said the agreement was negotiated "on the same terms and conditions as the wage pact reached Friday with the U. S. Steel Corp."

GANDHI ASHES STREWN DUBAN, South Africa, July 19 (AP)—The last ashes of Mohandas K. Gandhi were scattered at the mouth of the Unguri river today by his second son, Malilal. It was in Durban that the elder Gandhi first developed his weapon of passive resistance. Other ashes were consigned earlier to rivers in India considered sacred by the Hindus.

BOLT HITS POWER LINES PORTLAND, July 19 (AP)—Lightning struck two Bonneville Power lines between Grand Coulee and Spokane today and forced Bonneville to suspend power for potlines of four aluminum plants for 15 minutes in order to restore other service.

OUR SENATORS LOST 6-1