



Fastest Decline In Stocks Since 1940 Recorded

'Pre-Election' Market Strength Slips

NEW YORK, Nov. 6 (AP)—The stock market today finished its most disastrous week in more than eight years.

Not since the German army overran the lowlands have stock prices taken such a pounding.

A slight rally today, and another more substantial one on Thursday did little to wipe out the effects of the disappointment caused by the spectacular democratic victory.

Wall Street had looked forward with confidence to seeing Governor Dewey installed in the White House, stock prices had advanced consistently most of October and financial observers termed the trend a pre-election market.

Today buying interest perked up a bit at the start and leading issues got ahead by as much as a point or more. Demand didn't amount to much, though, and the day's best gains were lowered by the close.

What was the net result of post-election trading?

Prices, on the average, broke to the lowest level since April, as measured by The Associated Press composite of 60 stocks.

Individual issues were hammered down \$1 to more than \$10 a share.

The market value of all stocks on the exchange declined by about \$4,500,000,000.

In four days of business more than 8,000,000 shares of stock changed hands in the exchange.

Selling was based largely on a psychology of fear—fear of what the incoming administration would do about taxes, labor, farm support prices, controls, housing, about dozens of situations which would directly or indirectly affect the profits of business.

He said the figures approved today, for the fiscal year which starts next July 1, are "somewhat lower" than the current year's budgets.

"There may be a few cases where they are higher, but generally speaking they will be lower," he said, adding the budget will be made as tight as possible in order to get as nearly as possible to a balance.

However, he would not estimate the total of the new budget, or whether there will be a deficit at the end of the present fiscal year.

Truman Cuts Budgets for 16 Agencies

WASHINGTON, Nov. 6 (AP)—President Truman today approved generally lower budgets for 16 departments and agencies and his budget director announced: "We have adopted a hard boiled budget."

Budget Director James E. Webb did not name the 16 departments and agencies whose estimates for expenditures in the coming fiscal year were approved.

He told reporters after a conference with the president, however, that they did not include the military services, and constituted only about one-tenth of the entire contemplated budget outlay.

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Plans Vary on Store Closing Armistice Day

The fact that retail stores will remain open on Armistice day in Portland, Corvallis and several other cities has compelled many Salem stores to announce they, too, will be open for business that day, it developed Saturday.

The competitive situation, wherein many thousands of dollars would go to other cities on the holiday unless local stores were available, was termed a prime factor.

The vote to remain open was taken at a meeting of a score or more of store officials Friday, representing both independent stores and those with merchandising connections in other cities.

Officials of several other stores have indicated they would close, however, and some said they had not yet decided.

As for groceries and food markets, Arnold Kreuger said Saturday large independent and non-independent in Salem and West Salem had agreed that closing was feasible, and that these stores, as well as many smaller ones, would not be open.

Van Brocklin May Turn Pro

SEATTLE, Nov. 6 (AP)—Norman Van Brocklin, top serial tosser of the Pacific Coast Conference, said tonight he may turn professional next year—if he gets a high enough offer.

He made it clear that while he's planning to turn pro, he will do it when the right salary and signing bonus is presented.

"I'm a junior in health and education and I can still complete my course if I do play money football next year."

Dallas Woman Hurt in Wreck

Mrs. Dorothy McDermott, Dallas, received possible serious injuries Saturday night when the car driven by her husband collided with another on South Commercial street south of the Salem city limits.

Mrs. McDermott was taken to the Salem General hospital by first aid ambulance. Her physician said she was resting comfortably early Sunday morning.

None of the passengers of the second car was injured. McDermott suffered a slight knee injury. Two daughters riding in the car were unharmed.

SALEM PRECIPITATION (Sept. 1 to Oct. 7)

This Year	Last Year	Average
7.1	13.9	8.6

Weather

Salem	Max.	Min.	Precip.
Portland	52	34	trace
San Francisco	48	38	trace
Chicago	52	48	trace
New York	51	50	trace

Williamette (from U.S. weather bureau, McNary field, Salem): Partly cloudy, but with considerable sunshine today and Monday. High today near 53. Low tonight near 30.

Pay Cut Threat 'Alarms' State Employees Group

Football Scores

Oregon ----- 13	Notre Dame ---- 42
Washington ----- 7	Indiana ----- 6
Oregon State ----- 26	North Carolina -- 7
Washington State -- 26	William and Mary -- 7
California ----- 28	Tennessee ----- 13
UCLA ----- 13	Georgia Tech ----- 6
Army ----- 43	Northwestern -- 16
Stanford ----- 0	Wisconsin ----- 7
Penn State ----- 13	Minnesota ----- 34
Pennsylvania ----- 0	Purdue ----- 7
Michigan ----- 35	Oklahoma ----- 41
Navy ----- 0	Missouri ----- 7

Bayocean Families Flee From Homes on 'Island'

TILLAMOOK, Ore., Nov. 6 (AP)—Some of Bayocean's 80 troubled residents began fleeing today from their disappearing peninsula.

They piled household goods into automobiles and, at low tide, forded the ocean to the Tillamook county mainland. A bulldozer helped tug the laden cars through the surf.

Refugees, whose road to the mainland has been cut off twice within a week by crashing seas, said they wouldn't go back again until somebody finds out whether their home is an island or a peninsula.

A storm tore a 200-foot gap through Bayocean peninsula, the five-mile-long spit protecting Tillamook bay from the sea, last Tuesday. Engineers had just plugged it up when another blow opened a wider hole.

The town itself wasn't endangered, but Bayocean's water supply was cut off. Engineers tried to rebuild the pipe line, but the battering waves tore out the pipe supports as fast as they were put in.

With yet another storm brewing, County Engineer William Anderson said they wouldn't even try to rebuild the road until next week.

Some old-timers expressed belief the whole thing was hopeless, anyway. They pointed to the once grandiose Bayocean tourist resort which for years now has been crumbling into the encroaching ocean.

"The spit," they said gloomily, "is slowly disappearing."

Arab Positions In Palestine Said 'Hopeless'

PARIS, Nov. 6 (AP)—A United Nations source said tonight four Arab governments have been advised their military position in Palestine is "hopeless" and that they had better make peace.

This authoritative informant, who insisted upon anonymity, said Brig. Gen. William E. Riley, a United States marine corps general and chief of staff of the United Nations Truce mission in Palestine, "mimed" the words in a three-hour conference with Syrian, Egyptian, Lebanese and Iraq representatives.

The meeting, which took place on the initiative of Dr. Ralph Bunche, acting UN mediator, was attended by Bunche and his deputy, Henri Vigiery, the informant said.

Riley was reported to have told the Arabs that as a military man he believes time has come for the Palestine truce of last July to be replaced by some more suitable basis for peace. The Jews, he pointed out, are in complete military control of Palestine.

Animal Crackers By WARREN GOODRICH



"I don't like to disappoint you fellows, but the job is in a nut and bolt factory."

Turnover In State Help Cited

The Oregon State Employees association, in a letter sent to Gov. John H. Hall Saturday, said state employees are alarmed because of a recent newspaper item quoting the state budget director as saying it may be necessary to reject the wage and salary schedule recommended by the state civil service commission because of adoption of the old age pension measure.

"Our association appreciates your desire and efforts to provide adequate salaries for state employees and also realizes that any attempt to reduce salaries at this time would be contrary to your wishes and disastrous to the state service," the letter read.

The letter said most state agencies are finding it difficult and in some instances impossible to meet their obligations to the public because of inadequate staffs.

The letter included figures from the civil service commission showing that 4,492 classified employees have terminated their services with the state since Jan. 1, 1948.

"The loss to the state due to this tremendous turnover in personnel, if figured in money, efficiency and service is staggering," the letter continued. "Employees who have chosen to remain in state service have for the past several years been working for salaries 20 per cent under those paid by private industry."

The letter said this year's \$20 per month cost of living adjustment brought some relief but stressed that the cost of living has continued to increase.

"Faced with these discouraging facts there is little chance for trained and experienced personnel but to seek employment where wages are more in line with a decent standard of living," the letter said.

Bookmaking, Racing Pool Law Invalid

PORTLAND, Nov. 6 (AP)—Portland's city ordinance against bookmaking and racing pools was held invalid today by three circuit court judges.

The judges ruled that the ordinance conflicts with the state racing act. The city regulation prohibits bookmaking except in the enclosure of a state-licensed racing meet, whereas the state law does not restrict such activities to the exact place where the race is run.

They declared that under the 1933 state racing act, pool-selling, bookmaking and wagering on races where the pari-mutuel system of betting is employed "can no longer be deemed public nuisances and a crime under the law."

They added that the question of whether such activities are in the public interest is a matter for the legislature, not the courts, to decide.

City officials said they would study the opinion before deciding what action to take. The ruling came on a case brought by the city against A. J. Duntley, owner of the Santa Anita turf exchange club.

The opinion was by Judges James R. Bain, Walter L. Tooez and Ashby C. Dickson.

100,000 REGISTER

WASHINGTON, Nov. 6 (AP)—Nearly 100,000 officers of local and national unions now have filed affidavits with the national labor relations board disavowing communism.

The 58-member political committee of the general assembly in debate on the Balkan problem. Duntley told the same committee yesterday that earlier Soviet charges that the U. S. sought world mastery were "vicious falsehoods."

Vishinsky said Greece was out to destroy the Greek partisans "by any means, including toxic gases." He added that the Greek delegate, Panayotis Pipinellis, has shown "he was well acquainted with toxic gases."

"It is no accident," Vishinsky said, "without any compunction, his government with the knowledge of the United States and Britain, is preparing to take such action."

The Russian delegate said the newspaper of Constantine Tsaldaris, Greek Foreign Minister, advocated last August that the Greek government use gas against the guerrillas.

Truman Upsets Traditional Maxims

Dewey Blames GOP Overconfidence

By D. Harold Oliver

WASHINGTON, Nov. 6 (AP)—Political Truman upset many old political maxims with his victory over Gov. Dewey of New York.

He tossed into the ash can so many traditional factors that appeared to favor his opponent that the "experts" are still looking for the whys and wherefores.

For example he won: A fifth straight time for the democrats, the first time any party had achieved this since the Civil war.

And he won despite the following factors:

1. From the Civil war until now, the party winning an off-year congressional election always went on to win the presidency two years later. The GOP captured control of congress in 1946.

Split Within Ranks

2. The democratic party was split, with Henry A. Wallace winning more than a million votes, most of them perhaps from the democrats, and Gov. J. Strom Thurmond taking 38 electoral votes for the state rightwingers.

3. The "solid south" was broken for the first time since 1928 when Herbert Hoover captured five states for 62 electoral votes.
4. Many city and state party leaders, who had fought tooth and nail against Mr. Truman's nomination, did little if anything to further his campaign.

5. The vote was small. All previous signs indicated the democrats needed a large turnout—55,000,000 or so—to beat Dewey. The vote probably will be less than 50,000,000.

6. The democratic war chest was small. None of the old regular contributors shelled out as before. Southern state organizations diverted their cash to the anti-Truman states rights candidates. The party usually gets more than \$500,000 from the south. It received less than \$50,000 for the 1948 campaign.

7. Mr. Truman triumphed without the electoral votes of New York and Pennsylvania, something no candidate of either party had done since Woodrow Wilson won over Charles E. Hughes in 1916.

8. Why did he do it despite all these impediments? That's what many politicians are still asking themselves. A few in the democratic leadership figure it out this way: He won because:

- 1.—Of economic prosperity. Voters usually let well enough alone. They were "afraid of a change," as one campaign leader put it.
- 2.—He was the "underdog." A lot of people like to help an underdog. One party chief said, "I know a republican who voted for Truman because everybody else was jumping on the little guy."

- 3.—Of the women's vote. This was described as a "terrific factor" because women going to market naturally hate high prices.
- 4.—Of the labor vote and the Taft-Hartley act. Most all labor organizations went down the line for the president, who pledged to work for repeal of the Taft-Hartley act.

- 5.—Of the farm vote uprising in the midwest. The president won five midwestern states, including three (Iowa, Ohio, Wisconsin) which went for Dewey in 1944. Thirty-five of the house seats picked up by the democrats from republicans were in eight midwestern states. (The other gains were: East 27 seats, far west nine, border state seven.)

- 6.—Of a determined drive by the democratic national committee to counteract the sweeping southern revolt following the president's nomination at Philadelphia.
- 7.—The fight the president made for civil rights "consolidated the Negro vote in Illinois and Ohio," this official said. "We couldn't have won without those two states. We also could not have won without capturing seven of the eleven southern states."

WALLGREN GOES EAST

SEATTLE, Nov. 6 (AP)—Governor Wallgren, who has been boosted for a federal job since he was defeated in his bid for re-election, left today for the east and a possible meeting with President Truman.

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Five Straight Wins Sets New Party Record

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BRIDGES DISCUSSES PLAN

SAN FRANCISCO, Nov. 6 (AP)—Harry Bridges' CIO Longshore leaders met today and discussed a proposed plan for resuming negotiations to end the 60-day-old West Coast shipping strike. No result was announced.

SEC. MARSHALL DECINES

PARIS, Nov. 6 (AP)—Secretary of State Marshall has been invited but will not attend a Soviet reception here tomorrow celebrating the 31st anniversary of the Russian revolution.

STEVEDORES REJECT PLAN

NEW YORK, Nov. 6 (AP)—AFL longshoremen in both New York and Philadelphia port areas have voted down by overwhelming margins a "final" employer wage offer.

Republican 'Surprised' By Low Vote

ALBANY, N. Y., Nov. 6 (AP)—Gov. Thomas E. Dewey, set for an Arizona vacation, today blamed republican overconfidence for his stunning defeat in the presidential election.

The GOP candidate told a news conference:

"I was quite surprised by the very low vote.

"It looks as if two or three million republicans stayed home (from the polls) out of overconfidence."

When a reporter asked Dewey whether, in his judgment, that was the main reason for his defeat, he replied:

"It's one factor that stands out in the returns so far."

Refreshed by lots of sleep, the New York Governor announced: Going to Arizona

"I am going to get a little holiday. I am going to Arizona to get some sunshine."

He will fly to Tucson from LaGuardia field in New York tomorrow at 8 a. m. He will be accompanied on the two-week trip by his family, two friends and their families.

Dewey reiterated that he has no intention of trying a third time for the presidency. But he made it clear that he did not plan to withdraw entirely from the political scene.

He said his decision not to try again for the White House "doesn't mean that I do not intend to be useful to my country."

He shot back a "no, sir" when a newsmen asked whether he would give up his role as titular head of the republican party for the next four years.

"As a matter of fact, I couldn't (renounce it) if I wanted to," he added.

Gunman Kills Eight Before Suicide Shot

CHESTER, Pa., Nov. 6 (AP)—A deadly accurate berserk gunman, barricaded in his squalid second story tenement room, killed eight persons and wounded four others today before taking his own life as police laid siege to his meager fortress.

Assistant District Attorney Paul Lessy identified the gunman as Melvin Collins, 38-year-old man from Exmore, Va.

Police were unable to find an explanation for the shooting.

Mike Pappas, owner of the building in which Collins died, said he rented the room to Collins about a week ago but knew little else about the man.

A number of patrons were in Pappas' restaurant on the first floor when the shooting started. They quickly took cover behind tables, counters and other protection.

At Chester hospital the dead were listed as Purnelle, 56, first Negro to be appointed a sergeant in this southeastern Pennsylvania community of 60,000; Casino; James Simon; Peter Parker; Boyer; Samuel Hill, about 43; Samuel Little and Collins. Louis Moore died later of a gun wound.

Liquor Sales Drop in State

Oregon liquor sales for the three months ended Sept. 30, dropped \$383,022.71 below those for the same quarter in 1947, the state Liquor Control Commission reported Saturday.

The report showed that from July 1 to September 30, the liquor sales totaled \$9,985,377.73 compared with total sales of \$10,368,404.44 a year ago. Inventory of the Liquor Commission, according to its report, turned over \$4,335,000 for public welfare purposes during the quarter and also appropriated \$24,973 to incorporated cities and \$79,516.71 to all other cities and counties.

Forrestal May Quit Cabinet

WASHINGTON, Nov. 6 (AP)—Defense Secretary James Forrestal's own words today indicated that he may leave the cabinet.

Forrestal, who has been in government service for eight years and who has headed the defense establishment since September, 1947, was asked by photographers at the White House to pose with Navy Secretary John L. Sullivan.

A photographer, referring to the new term for the Truman administration, said "We are starting another four years."

"But not for me," Forrestal interjected, laughing.

Reporters at the Pentagon were told by one of Mr. Forrestal's aides that he meant:

"He did not intend to remain in government service for another four years. There was no other inference to be drawn from his remark."

'Mum' Show Sweepstakes Won By Mrs. McWain, Mrs. Sexton

By Lillie L. Madsen

Garden Editor, The Statesman

Mrs. Virgil Sexton, who captured sweepstakes at the recent Salem Men's Garden club fall show and fair, repeated in the horticulture division of the Salem Optimist Club Chrysanthemum show which opened Saturday afternoon at the Salem armory and again took top place in garden club entries in this show.

The winning entry was of Lavender Feather chrysanthemums, broom and green acuba, arranged by Mrs. J. W. Hall, Mrs. H. A. Thomas and Mrs. A. W. Coon.

Attracting the eye of all show goers was the deep mulberry-colored, Ben Leighton, first shown in Portland two years ago. While the variety was entered in the red division here, a number of the committee members felt that this should have its own section because of its outstanding color.

Lee Hart and Karen Harris tied for first place in the junior division, which the judges admitted was the most difficult class to judge. This group depicted nursery rhymes, with some excellent entries displayed. Lee's showing pictured "Peter, Peter Pumpkin Eater," and Karen's was the "Old Woman Who Lived in a Shoe."

Mayor Robert Elstrom gave the formal address of welcome at the 7 o'clock program Saturday night. This division featured a style show of evening gowns, cocktail dress, fur and a wedding scene, which will be repeated at 4 o'clock today. Music was furnished by the Bandel String Trio, with Elizabeth Jesson at the piano, Delbert Jepsen, violin and Mr. Bandel at the cello. Local merchants furnished the styles displayed and Harriett Ness of Willamette university was the compentator.

Kenneth Foster is president of the Optimist club. Sidney Jary, vice president, has charmaned the show. The Eta chapter of Beta Sigma Phi has a booth at which its members provide boutonnieres for show goers.

(Winners on page 6)

Weather

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San Francisco	48	38	trace
Chicago	52	48	trace
New York	51	50	trace

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