

U.S. Needs New Storage Space for Atomic Bombs

By Elin C. Fay
Associated Press Military Affairs Reporter

WASHINGTON, July 31-(AP)—The atomic energy commission (AEC) may be making bombs so fast that new storage space is needed.

This developed today out of a brief reference in a semi-annual report to the president and congress.

"Development of new facilities for weapons purposes proceeded, and announcements were made of some of the sites," said the report.

AEC Chairman Gordon Dean was asked by reporters at a news conference to what site the report referred, in addition to announced new production projects such as the Savannah river project in Georgia.

Indicating that this reference in the report wasn't confined to production and test sites, Dean added that "for instance, we don't announce where we store our bombs."

So far as is known, all finished weapons have been stored at secret places in the United States since the first three bombs were produced in 1945. Air transportation can get them overseas quickly if a sudden need arises. For the last two or three years there have been both official and unofficial reports showing a substantial "step-up" in weapon production.

"Bigger Bang"

The progress not only in production but in continued improvement also was pointed out by the statement of AEC officials that tests of new weapons will be "much more frequent"—weapons which the officials described as giving a "bigger bang." The report said, in a conservative tone, that they are "several times more powerful than the Hiroshima and Nagasaki weapons."

Today's X-Ray Schedule	
Free chest X-rays offered by public survey equipment at the following location:	Hours
Quisenberry Drug	9-5
Sawyer-S. Comm'l.	9-5
Union	9-5
Turner	12-8
Swigle	1-9
Macleay	1-9
West Station	1-9

Yunnan Drive Used to Build Up Guerrillas

By Spencer Moore
TAIPEI, Formosa, July 31-(AP)—Official military quarters today said nationalist Gen. Le Mi's comeback drive into Yunnan province was designed to build up guerrilla operations in that southwest corner of the China.

These quarters backed up an earlier report that Li's forces and cooperating guerrillas hold one-third of Yunnan province.

It was the first time nationalist military quarters had acknowledged that Li was directing the anti-communist campaign. These same sources conceded that he could be driven out of Yunnan areas he now controls if the reds were determined to press an attack against him.

As if to prepare the public for such an event they emphasized that Li was waging hit-and-run warfare.

However, other sources said nationalist guerrillas dominated areas in west, southwest and north east Yunnan.

Among guerrilla chieftains supporting Li were three brothers named King. Perhaps only too naturally, they have earned for themselves the title of "The Three Kings."

On the east flank of Yunnan, in the hundred thousand mountainous area of rugged Kwangsi province, other nationalist guerrillas were said to have repulsed a major effort by red army regulars to crush them.

The defense ministry claimed that troops drawn from the communist second and fourth field armies withdrew July 15 after 10 days of sharp fighting. An entire red regiment was reported killed or captured.

Red army regiments generally run from 8,000 to 10,000 men.

Kwangsi guerrillas also were reported to have captured two river junks loaded with ammunition for Ho Chi Minh's Indochina rebels on the Indochina border. Some 300 communist troops escorting the supplies were killed, the ministry claimed.

LOCAL KIDS WIN

The Salem Commercial Book Store junior baseball team Tuesday won a 9-5 victory over a junior team in a game played at 6 o'clock.

CBS. 351 000 00-9 6 0
Scio 100 310 00-5 9 4
Johnson, Springer and Mays; Murphy, Shrunk and Bryan.

PRUNE SUBSIDY PLANNED

WASHINGTON, July 31-(AP)—The agriculture department announced today that it will seek to bolster grower prices of dried prunes and raisins by subsidizing exports.

Willamette Valley Hop Growers To Pay 4½ Cent Picking Price

By Lillie L. Madson
Farm Editor, The Statesman

Willamette valley hop growers will pay 4½ cents a pound for picking and a maximum of 85 cents an hour for common labor connected with hop growing, according to the scale set Tuesday afternoon at a growers' meeting held at the office of W. E. Kimsey, state labor commissioner.

Machine picking prices will be set at a meeting to be held at Independence Thursday night.

Some of the hopmen present at the meeting indicated they favored paying somewhat more for picking, but Kimsey explained that the newly effective wage stabilization order prohibits increasing wages more than 10 per cent above what was paid last year, except with the approval of the board in Washington, D.C.

It was pointed out that some growers paid more than the general run of 4 cents last year and these could, if they wished pay 10 per cent, this year over their last year's scale. However, none of the growers present objected to the set of 4½ cent maximum.

William Baile of the state employment office at Salem, explained that this has been the growers' season he had ever experienced when it came to recruiting agricultural labor. He gave as reasons, shortage of local crops, failure of crops in other areas, increase in cost of living which brought the secondary members of the family into picking, and the fact that good money was made in picking.

The first shortage of labor of the season may be felt during hop picking, he said, adding that he did not anticipate too much of a shortage then.

Paul Brown, who assisted Kimsey at the meeting, reported that a survey of the coast hop crop had recently been completed showing

approximately 95 per cent of the available 1951 crop is contracted. The average contract price for seeded and seedless was 66 cents a pound.

For sometime now the market has been quiet with somewhat reduced prices. The 1951 crop is now normally 65 to 75 for seeded seedless, but the prices are not too representative as there is no activity in the market. Some offers have been made as low as 50 cents for the 1950 crop. There is a good carry over of this crop and the average grower is so well stocked that they are not out looking for hops.

Picking of early fuggles will start about the middle of the month, growers reported. In irrigated sections the crop is in excellent condition. In the unirrigated areas, a rather light crop is expected.

TRI-CITY WRIPS VICS

KENNEWICK, Wash., July 31-(AP)—(Night game)

Victoria 181 010 200-4 14 3
Tri-City 000 005 232-4 11 1
Osborn, Jackson (7), Dunn (8), and Thrasher; McCollum and Peaut.

SPOKANE LOSES 14-9

WENATCHEE, July 31-(AP)—(Night game)

Spokane 000 000 063-9 12 1
Wenatchee 011 130 80X-14 17 3
Palm, Wyatt (5), Richardson (8) and Sheer; Toet and Robertson.

AMERICAN LEGION DINING ROOM

New Management of "Del" Post
ALL members and
ALL auxiliaries welcome
Clubs - Parties - Individuals

Iran Refinery Closed to Await Negotiations

ABADAN, Iran, July 31-(AP)—The world's largest refinery shut down production today to await the outcome of hopeful new negotiations between Britain and Iran in their long dispute over Iran's oil nationalization law.

The production stoppage at the Anglo-Iranian Oil company's (AIOC) plant here was followed within hours by word from Tehran, the capital, that the new talks may begin there this weekend.

Optimism was the keynote of American special envoy W. Averell Harriman and the Iranian government. Less than ten hours after Harriman's return from a five-day weekend visit to the London government, the last barriers to the talks were reported cleared away in Tehran.

Harriman had got Iran's decision to receive a British cabinet mission and Britain's agreement to send one headed by Richard Stokes, lord privy seal.

Final Plans Laid

Premier Mohammed Mossadegh dined with Harriman to go over final arrangements.

Stokes said: "We are very optimistic. The Iranian government has accepted Stokes as head of the British negotiation delegation. Harriman's sincere and friendly efforts have brought results that surpassed the most optimistic expectations."

The conferees are expected to try for reconciliation on a basis of British recognition that Iran owns the oil production and installations of the AIOC under Iran's oil nationalization act, but they should continue to be run with British know-how and salesmanship.

Royalty Basis

The partnership before nationalization had been on a basis of royalties for Iran from the British-controlled company.

British Foreign Secretary Herbert Morrison announced in London yesterday the United States had "strongly pressed" Britain to accept the principle of Iranian oil nationalization. President Truman sent trouble-shooter Harriman to Iran in mid-July.

The British announced the Abadan plant had to be shut down because all storage tanks are full.

The glut resulted from withdrawal of the British tankship fleet when its captains refused to sign receipts declaring their oil cargoes were from the Iranian National Oil company. Iran has no tankers but has offered oil for sale, F.O.B. Abadan, in advertising over the world.

20 Shots Down Sheep-Killing Grizzly Bear

BURNS LAKE, B.C., July 31-(CP)—Old Red, the sheep-killing grizzly of the Caribou country, was killed last night by a rancher whose sacrifice of one of his sheep gave him time to reach his gun.

Twenty shots finished the mauling of the bear, killer of 29 sheep in the last two months on the range of the Shelford sheep ranch.

Cyril Shelford and Old Red came face to face last night when the rancher went to drive a flock of sheep to the corral.

Shelford was unarmed, carrying only a short club.

He threw the club and ran through the corral opening. Old Red followed before Shelford could shut the gate.

"I knew I had to think fast," he said today. And Shelford did, just that.

He sprinted toward an injured ram lying in the corral and drew the bear's attention.

The bear did just what Shelford hoped. He stopped and killed the ram.

Shelford, meanwhile, sprinted to the ranch house and came back—armed and with a companion.

Shelford poured shots into the bear, named Old Red by ranchers because of the peculiar strawberry-roan hue of his hide.

Once Old Red went down. But, when the men drew close, he staggered to his feet and charged again. Twenty shots in all ripped the bear.

Shelford has a souvenir of his encounter, a collection of claws, each more than three inches in length.

Korea Patrols Clash Sharply

U. S. EIGHTH ARMY HEADQUARTERS, Korea, Wednesday, August 1-(AP)—Allied and communist armies exchanged a series of small but sharp patrol jabs on the Korean warfront Tuesday.

Far East air forces warplanes punched at sensitive red military targets throughout North Korea. More than 526 sorties were flown in rainy weather, with the heaviest attacks near Pyongyang and Kimsong—red built-up areas in central Korea.

On the battlefield, allied units on the eastern front consolidated newly-won strategic positions on high ridges seized Monday night.

Dance

At Angel Auditorium
Thurs. Aug. 2nd
Music by Johnny Bels and His Orchestra
Dance 7:15-12:30
Sponsored by Sodality

British Official Tells Russian People True Status of West As Red Paper Accepts Dare

LONDON, Wednesday, Aug. 1-(AP)—British Foreign Secretary Herbert Morrison told the Russian people through a Moscow newspaper today that if they were really free they would know the west wants peace and Soviet leaders are sowing the seeds of war.

Morrison's plain spoken, 1,500-word statement was published in the communist party newspaper Pravda. In a speech at a British press association luncheon June 13, Morrison had challenged Pravda to print fully a statement from either him or Prime Minister Attlee.

Pravda accepted the challenge. It also published a 2,500-word rebuttal. The text of both the message and the rebuttal were made public in London at the hour of Pravda's press run.

At the same time Russia's new English-language magazine, The News, announced it would give space to both United States and Russian journalists in its columns "for the expression of ideas designed to promote friendly relations between our country and America."

Morrison's statement to the Russians said:

"You are told that we are warmongers, that in alliance with the other countries to west Europe and the United States of America we are arming to the teeth to attack the Soviet Union; that we are engaging in an arms race; that we are preparing for a new war. This is not true. None of it is true."

Morrison said that in Russia there is "no freedom of speech and free access to knowledge of how the rest of the world lives and thinks, which is essential to understanding of each other."

"This ignorance creates fear and suspicion of the motive of other peoples," Morrison said.

"I regret, therefore, that full knowledge of what is happening in my country is not available to you."

Morrison said even British broadcasts to Russia are "artificially and intentionally jammed by your government."

"I wonder why," asked Morrison. "What has your government to fear? I wish it would follow our practice—broadcasts in English from the Soviet Union can be freely listened to and not only the British communist daily paper but Pravda itself can be bought."

"Our view is that, in a free and enlightened democracy, everyone is able to judge for himself the truth of what he hears and reads."

Pravda wrote in reply:

"In the U.S.S.R. freedom of speech, freedom of the press, freedom of organizations does not exist for enemies of the people, for the landlords and capitalists overthrown by the revolution. Nor does it exist for incorrigible thieves, for subversive agents, for traitors and assassins sent in by foreign secret services, for the criminals who shot Lenin x x x."

"Surely it is not for these gentlemen that Mr. Morrison seeks freedom of speech, freedom of the press and personal freedom?"

Pravda added that Morrison failed to mention freedom from exploitation and "freedom from economic poverty."

The British broadcasts to Russia, Pravda said also, constitutes "interference in the internal affairs of the U.S.S.R."

Credit Curbs Relaxed by Controls Law

(Story also on page one.)

WASHINGTON, July 31-(AP)—Here are the major provisions of the new controls bill, signed tonight by President Truman aside from the pricing rules:

1. Wages—Essentially the same basic controls as at present.

2. Rent—Increases allowed up to 20 per cent above 1947 levels in areas now under control, with boosts since that time to be deducted from the 20 per cent. The senate banking committee estimated the average new rise would be 5 to 7 per cent. Rollbacks to the rates in effect just before Korea are allowed in newly designated critical defense areas where housing is short because of defense production or military activities.

Construction credit rules would be relaxed in such areas, to an extent to be determined by the president. Otherwise "regulation X" on down payment requirement is undisturbed.

3. Consumer credit—New and used automobile would require one-third down payment but the payoff time would be 18 months instead of the present 15. Radio sets, television receivers and household appliances could be bought with 15 per cent down instead of 25, and 18 months would be allowed for payoff instead of 15. Used car or appliance traded in would apply against the down payment.

4. Allocations and priorities—Essentially the same rules as at present apply in channeling scarce materials to producers of essential goods.

5. Subsidies—Payments to encourage output of raw and non-processed non-farm commodities by high-cost producers is permitted by high-cost producers is permitted.

6. Imports—Present controls on fats and oils continue and dairy products may be controlled in certain instances.

Car Found with Lights, Radio On—And Upside Down

A convertible setting in a stump-studded field with lights and radio on isn't exactly unusual.

But the added fact that it was upside down sent state police on a hurry up call to the scene six miles south of Silverton on the Silverton-Stayton highway at 10 p.m. Tuesday.

The car, a 1949 Oldsmobile, had apparently failed to negotiate a turn in the highway and flipped.

Police found the driver and only occupant, C. W. Savage of Silverton route 3, at his home and unhurt.

Bunnell Receives Lieutenant Bars

Promotion of Sgt. James Bunnell, 1997 State st., from the rank of sergeant to second lieutenant in the army reserve corps was learned here Tuesday.

Bunnell, a student at Oregon State college, served in the army from July 1946 to Dec. 1947. His service was aboard a troop transport in the Pacific.

Previous to his commissioning, effective July 23, he was assigned to headquarters battery of the 929th FA Bn.

Shasta Water Flow to Start South Today

REDDING, Calif., July 31-(AP)—Water from mighty Shasta dam will pour into the Sacramento river channel tomorrow, fulfilling a dream of three generations of Californians.

The release of the water from the giant dam 10 miles north of this northern California city will mark the start of the first integrated operation of the \$4,000,000,000 central valley project.

In 10 days, the water will have been transferred by means of an intricate system of dams, waterways and pumps 500 miles south to the thirsty land of the southern San Joaquin valley.

For 10 days the citizens of the central valley—from here to Bakersfield—will mark the occasion with music and dancing, fireworks and speeches.

Shasta dam is the second largest concrete dam in the world and keystone of the CVP. Its harnessing of the Sacramento river makes possible the longest water transfer ever accomplished by man. The U. S. bureau of reclamation has built and is operating the project.

Shasta dam backs up a lake 35 miles long capable of holding 4,500,000 acre feet of water. Nestled in front of it and to one side is California's largest hydro-electric power plant.

From Redding the CVP festival will move south with the water. The celebration will be climaxed Saturday at the Tracy pumping plant, where Sacramento river water will be pumped 200 feet to flow into the San Joaquin valley.

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WEDNESDAY
Largest dance
orchestra
Oregon
Pop! Edwards
CRYSTAL GARDENS
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China Cafe

(Just Before You Get to the Hollywood Stepplights)
We are
SERVING LUNCH and DINNER!
Choose From Our Famous
Chinese and American Dishes
Open 11 A. M. to
2 A. M.
Saturdays to 3 A. M.
2053 Polkgrounds Road Phone 2-4596

ICC Reduces Freight Rates In West, South

WASHINGTON, July 31-(AP)—The interstate commerce commission today took two further steps to establish uniform freight rates for the whole country. They involve additional rate reductions for the west and south.

In two separate opinions, the ICC:

1. Ordered the railroads to complete and file within the next four months a new and uniform classification for manufactured articles, so as to abolish class rate differences on the same type of article in different parts of the country.

2. Reaffirmed its 1945 finding that all freight rates should be the same east of the Rocky mountains.

To establish such equality, the commission said that freight rates in eastern territory east of the Mississippi and north of the Ohio and Potomac rivers should remain at about current levels, but that rate reductions ranging up to 15 per cent should be made in the south and in the territory lying between the Mississippi river and the Rocky mountains.

These rate changes were not ordered into effect, but were proposed as a fair basis for bringing about uniformity after the new nationwide freight classification tables are filed and approved by the commission.

Although the classification action will apply to all parts of the country, the proposed rate adjustments do not apply to the Mountain-Pacific territory west of the Rockies, where the rate structure is being separately investigated.

Similarly, Ocean-rail rates are not involved, but are the subject of a separate inquiry.

Yellow Objects Possible Clue To Lost Plane

JUNEAU, Alaska, July 31-(AP)—Searchers speculated cautiously tonight on whether "yellow objects" sighted off the rugged Alaskan coast 30 miles southwest of Yakutat last night might be from a Korean airlift C-54 which vanished early last Saturday with 38 aboard.

They also awaited identification of a nautical chart catalog found near Knight island in Prince William sound.

An air force plane spotted the "yellow objects" about 7 o'clock last night. The pilot later reported the objects looked like they might be life rafts or life belts.

Two planes from Yakutat and the coast guard cutter Storvik, went out to search, but made no reports since.

Some observers said they felt the "yellow objects" might be old hillbilly set flags.

A plane spotted a plywood signal panel near Knight island, but it was ruled out as a clue as it was too waterlogged.

The same plane spotted the nautical chart catalog in the vicinity. A fish boat picked it up and the chart was to be flown to Yakutat for identification by a C.P.A. man there.

Searchers said that officially they could not discount the finds, but that their personal opinions ruled out the possibility the objects were from the missing plane.

Nineteen planes totaled 122 hours in the air searching from Baranof island to Prince William sound. Today a cloud bank of 8,000 to 12,000 feet kept the searchers from the mountainous areas, but 20 ships took to the air.

McGee Held In Jail

David McGee, 1770 S. Commercial st., was held in the Marion County jail Tuesday night following his arrest by City Detective Wayne Parker on a charge of obtaining money by false pretenses. Police said the charge involved a check.

Appointment with DANGER

CO-FEATURE
"SIEGE PASSAGE"
Wayne Morris, Lola Albright

Paradise Islands

Swimming - Boating - Dancing
Furnished Equipment
IDEAL FOR PICNICS IN
NATURAL SURROUNDINGS
1 Miles Out On Turner Road

8:00 to 8:30 Tonight

At The Capitol Theatre
MILLER'S PRESENT

"Winner for Tonight"

BY GENE NELSON
FUN! VALUABLE PRIZES!

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... MILLER'S FAPPLIANCES
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... MILLER'S FURS, STORAGE
... JESTEN-MILLER STUDIO
... LOVEALL'S PERMANENT WAVES
... MILLER'S CAFETERIA

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Win Valuable Prizes!
Grand Prizes for Finalists
At End of 13 Weeks!

EVERY WEDNESDAY AT CAPITOL THEATRE

8:00 to 8:30 on Stage

38 Per Cent of Students Flunk Initial Draft Test

By Vern Handland
WASHINGTON, July 31-(AP)—Selective service reported that 38 per cent of the college students who took the first draft aptitude test flunked it.

But 40 per cent of the poorer students who would not have rated consideration for draft deferment on the basis of their showing in the classroom got by the test with scores of 70 or better.

In the upper portions of classes, the percentage of passing grades was 75.

Local draft boards have been asked to give a score of 70 or better the same consideration, as a basis for deferment, as is given to a student ranking in the top half of the freshman class, top two-thirds of the sophomore class, or top three-quarters of the junior class.

About 62,700 of the 165,000 college men who took the first test May 26 failed to make the passing score.

Altogether, 339,086 college men have taken the tests, in a series extending into July. Scores of the later tests are yet to be analyzed.

Selective service said that in the initial test May 26, scores of 70 or better were made by 53 per cent of 42,500 freshmen, 64 per cent of 63,000 sophomores, 72 per cent of 44,000 juniors and 77 per cent of 18,500 seniors.

Seniors going on to graduate work were required to make a score of 75 or better, or to stand in the upper half of their classes, to gain a claim to deferment.

Although students in graduate and professional schools were not

required to take the test and could be deferred upon certification by their schools that they were doing satisfactory work, 7,000 graduate students took part in the first test. Selective service said that scores have been mailed to draft boards and are available there only to each student. For that reason, local boards are not permitted to give out test statistics for a board

Lawyers Ask Commutation For Wilsons

PORTLAND, July 31-(AP)—Some 100 Portland attorneys have signed a petition asking Gov. Arthur M. Lange of Washington to commute the death sentences of Utah and Turman Wilson, the condemned men's lawyers said today.

The Wilson brothers are sentenced to die August 20 at Walla Walla prison for the March 19, 1950, kidnap-slaying of Jo Ann Dewey.

The petition according to attorneys Irving Goodman, Portland, and Sanford Clement, Vancouver, Wash., cited the statement of the Washington supreme court that the trial court had erred in withholding testimony which the defense tried to offer.

The withheld testimony concerned the Wilsons' reasons for a trip to California after the 18-year-old girl's body was found. They contended they feared Utah would be accused of a theft and his parole revoked.

The supreme court ruled that this evidence "in all probability would not have changed the verdict."

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"The Thing"
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Joan Crawford
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"Goodbye My
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Now! — 2 Ace Hits!
THE GREAT GRAYSON
and KEEL
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SAVAGE DRUMS

— 2ND HIT! —
JOHN WAYNE
IN "DAKOTA"

STATE

Last Day!
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"Blondie's Vacation"

Tomorrow!

GLENN ANNE
FORD • BAXTER

FOLLOW THE SUN

— 2nd Smash Hit! —

SMUGGLER'S ISLAND

standing
JOHN CHANDLER
and KETES
Color Cartoons • News

LIBERTY

Now! — Open 8:45
Joan Bennett
Friede March in
"TRADE WINDS"
— and —
"During Desperadoes"