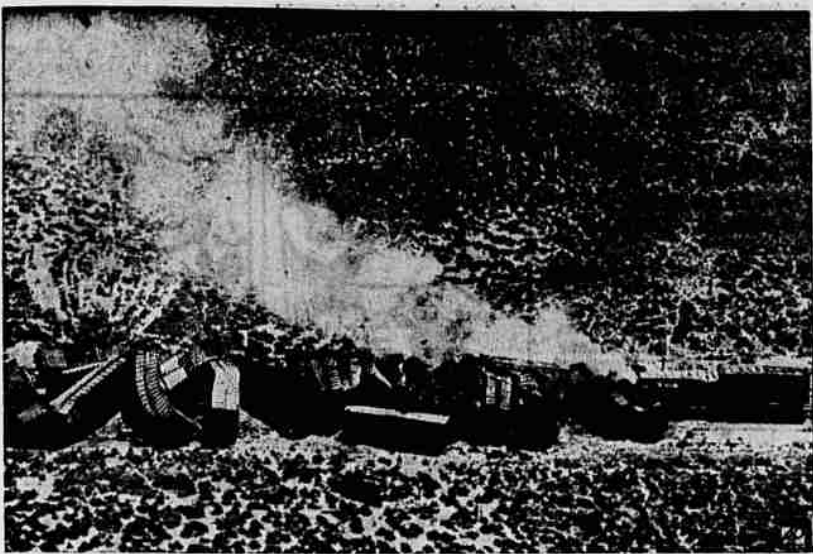




Freight Train Burns on Desert—Cargo of untold value goes up in smoke as a 30-car Western Pacific train burns after derailment, 31 miles east of Well, Nev. Cars piled up in a heap less than a city block long and were described as total loss to the cargo of sugar, lumber, tires and canned goods. Firemen responded from Elko, 70 miles to the west. No one was injured. (AP Wirephoto)

Treasury Hopes to Finance War with 'Cheap Money'

By SAM DAWSON

New York, Aug. 22 (AP)—The treasury hopes to finance the Korean war with "cheap money." At the same time, the federal reserve board hopes to make money "dearer" and scarcer for you when you try to borrow at the bank.

Many people say it won't work. But here is what the government apparently has in mind:

Government interest rates will continue low on the money it must borrow to wage the war. At the same time the reserve board is out to see that there is less money around for businessmen to borrow. And presumably that will mean businessmen will have to pay higher interest rates at the banks.

All of this is aimed at curbing inflation. At least, that's the spot view taken by many in Wall street of the twin announcements over the week-end: 1. The treasury will seek to refund \$13.5 billion of outstanding securities with 13 month 1 1/2 percent notes. 2. The Federal Reserve Bank of New York today starts asking 1 1/2 percent instead of 1 1/4 percent for discounting commercial paper of member banks.

Some contend that the plan can't work, that the treasury and the federal reserve are at cross purposes, the former actually feeding inflation, while the bank tries to curb it. These critics point out that the reserve bank is trying to curb inflation by making it less attractive for the member banks to sell their commercial paper to get more money to lend to other industrial bank customers. The idea is that the member banks will thus have less money to lend to businessmen, and there will be less "cheap money" around to power the inflationary boom. Also, the commercial banks will tend to raise the interest rates on what money they lend to businessmen.

At the same time, the critics say, the treasury is refusing to make money dearer. Its reason, of course, is that it wants to hold down the total of interest payments which the government is paying out on its huge national

debt. That saves the taxpayer money. It also may encourage more government borrowing and spending, however.

But the treasury, at least for the time being, has turned its back on the reserve board's plan, which was for the treasury to offer long-term non-marketable 2 1/2 percent securities to investors. Instead, it will offer \$14.5 billion short-term, low rate notes to the banks. The non-marketable bonds would be considered as non-inflationary because they take money out of circulation and cannot be used by banks as the basis for extending credit.

Some close to the federal reserve board also think it is planning further moves to curb inflation.

**DANCE
WEDNESDAY
CRYSTAL
GARDENS
OLD TIME AND
MODERN MUSIC**

By Pop Edwards

74c including tax

Polk Fair Pulls 4-H Livestock

Plans are being made for the Polk County Fair to be held in Monmouth August 24, 25, and 26. This year we expect an even larger number of 4-H club livestock exhibits, states Stan Fansher, county extension agent. More than 35 dairy calves and cows will be exhibited and 35 to 40 each of sheep and swine plus several poultry, beef, rabbit, forestry, gardening, and woodworking exhibits.

The county fair offers an opportunity for all people to see various types of livestock judged and to assist them in selecting their own breeding stock on their farms. All judges are asked to give reasons for their placings of each class of 4-H livestock and this acts as an excellent medium for teaching 4-H club members the good parts about the various types of livestock. Members have a good opportunity to make new acquaintances and to learn to win or lose in a sportsman-like manner.

As a special feature of the fair this year, 4-H club members will present the evening's entertainment at the fair on Thursday, August 24. Talent from several 4-H clubs will be seen.

The Farm Bureau will put on the show on Friday evening, August 25 and the Boy Scouts

will present the performance on Saturday afternoon. On Saturday night all three groups will combine the best talent for that evening's program. These programs are free of charge and the public is cordially invited to attend all the performances.

'Old Madame Chao' Held

Hong Kong, Aug. 22 (AP)—The Chinese communists say they have captured "old Madame Chao, mother of the guerrillas." "Old Madame Chao" is Chao Hung-Wenkuo, whom the nationalists gave the title of "commander of Chinese peoples national salvation army."

Church holidays are the occasion for fireworks displays on the Mediterranean islands of Malta and Cyprus.

Stanley Earl May Take State Job

Portland, Aug. 22 (AP)—There was speculation in labor circles here today that Stanley Earl, former secretary of the Oregon CIO council, might take a job with the state tax commission. Earl refused comment last night, but didn't flatly deny that he had been offered an investigation position with the commission.

The former state labor leader quit his union job last year to work for the federal government's economic cooperation administration in Korea. He returned with his family when North Korean communists in-

vaded South Korea. He is a member of the CIO International Woodworkers of America and when he went to Korea paid his dues in advance for three years. If he entered state service he likely would join the AFL State, County and Municipal Employees union since it has jurisdiction over employees in the state tax office.

Sally Rand, Dancer Marries Manager

Toledo, O., Aug. 22 (AP)—Sally Rand, the shapely, veteran fan dancer, is honeymooning today with her manager, Harry Finkelstein. They were married yesterday

by a justice of the peace. Miss Rand, appearing with an outdoor show, listed her aged as 46. Finkelstein said he is 40 and has owned three New York night clubs, the 21 Club, the Mardl Gras and the Ringside Club. He has been married twice before. The dancer gave Helen Gould Beck as her real name and said she was born in Hickory county, Mo. She listed one previous marriage, to Thurkel Greenough.

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Good beans. New improved six-inch variety. 3rd picking. 2 1/2 lb. 1/2 mi. north of Crawford School, 1st house on left. Rt. 1, Box 119, Turner. U. E. HANSEN

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WOOL SKIRTS

Flared and pleated models; in solid red, navy, green; dashing plaids; colorful checks. All nicely tailored. Sizes 7 to 14.

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WOOL CARDIGANS

Popular with all girls—big 'n little! Red, navy, green, brown wool knit; with ribbed crew neck, ribbed wrists and bottom. Sizes 7 to 14 years.

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Children's, second floor



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Sizes 7 1/2 to 9 1/2, multicolor. Regular 49c value, if perfect.

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Hanes' White Cotton Tee Shirts
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