

PARTLY CLOUDY tonight, increasing cloudiness Sunday. Slightly warmer. Low tonight, 40; high Sunday, 68.

Interest Rates Hiked Private Home Loans

FHA and VA Boost To 4 1/2 Percent On Insured Loans

Washington — The government Saturday boosted to 4 1/2 per cent the interest rates that will be charged on private home loans insured by the Federal Housing Administration and guaranteed by the Veterans Administration.

For the VA, that was a raise of 1/2 per cent; for FHA, 1/4 per cent.

FHA also boosted by 1/4 per cent to 4 1/2 per cent the maximum rate on loans it guarantees for large rental housing projects.

The FHA rates in each instance are in addition to a 1/2 per cent charge which goes into the agency's insurance fund. VA makes no corresponding charge.

Other Housing Unchanged

Left unchanged at 4 per cent are the maximum rates on military, defense, and cooperative housing projects, on which the rates are fixed by law.

The military housing projects are those erected by private builders under authority of the Wherry Act.

The new rates will have no effect on mortgages already in effect, but may be applied to loan applications now in process where the loan has not actually been made.

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Send Diplomats To Middle East

Washington (AP) — A shift of diplomats and plans for a high-level tour emphasized today the Eisenhower administration's declared interest in the Middle East.

Two countries from that area—India and Pakistan—were receiving special attention as possible nominees for the task of supervising prisoners of the Korean War who refuse to go home. Informed U. S. authorities said that, while no firm policy decision had been made, the U. S. might agree if the Communist truce negotiators nominated either Pakistan or India.

President Eisenhower accepted yesterday the resignation of George C. McGhee as ambassador and chief of the U. S. aid mission to Turkey, effective June 20. There were reports Avra M. Warren, career diplomat who is being replaced as ambassador to Pakistan, might succeed him.

Settlement of Metal Strike

Seattle (AP) — An agreement which promises to end the month long strike of AFL unions against metal fabricating plants and foundries was reached by negotiators Friday night and union members were voting Saturday on ratification.

A back-to-work movement was expected Monday or Tuesday for the 10,000 persons felled by the strike.

A few unions reported they had not yet received copies of the agreement with Washington Metals Trades, Inc., but some had ratified before noon Saturday.

Boilermakers reported their wages would go up 12 1/2 cents an hour "across the board" and molders reported a 14 1/2 cents boost for most classifications. Journeymen in both cases would receive \$2.15 per hour under the agreement.

55,000 Licenses Smelt Dipping Issued

Portland (AP) — The State Game Commission said Saturday a record high total of more than 55,000 smelt dipping permits were issued for the late April run of the fish in the Sandy River.

The run, one of the latest, was the largest on record, and nearly everyone who tried, got the 25 pound limit, the commission said.

The previous license record was 32,000 in 1948.

Weather Details Maximum yesterday, 57; minimum today, 28. Total 24-hour precipitation, .031 for month; .031 normal. 10. Season precipitation, .88; 2.1 normal. 34.97. River height, 2.5 feet. (Report by U. S. Weather Bureau.)

Raver Pleads Restoration of Budget Cuts

Bonneville Program Declared Crippled By \$11 Million Slash

Washington (AP) — The head of the Bonneville Power Administration has told a Senate appropriations subcommittee why he feels it should recommend restoration of 11 million dollars to Bonneville's budget for the year beginning July 1.

Dr. Paul J. Raver, who urged Wednesday that the Senate increase the amount in the House-approved bill to the total recommended by the Eisenhower administration, completed his description Friday of effects he said the cut would have on Bonneville's Pacific Northwest power distribution program.

The House has approved appropriation of \$38,300,000 for Bonneville construction and five million for operation.

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Asks Halt in Ban on Imports

Washington (AP) — The State Department Saturday asked Congress to halt action on a bill by 14 western senators intended to curb the increasing flow of foreign agricultural imports, particularly wool.

Speaking for the State Department, assistant secretary Thurston B. Morton said in a letter read at a Senate Agriculture Committee hearing that a "parity protection" bill would have a "most unfortunate effect on our international relations."

Foreign nations, he said, would regard the move to increase import duties "as evidence that the United States was adopting a policy of non-cooperation in working out our national well-being and our security."

The bill by Sen. Mundt and 13 other senators would provide that whenever a domestic farm product is under government price-supports, the treasury would be required to collect a duty on imports of that product "so that the duty paid price in United States dollars is not less than the parity price."

Senators Balk On Ike's Plan

Washington (AP) — Two southern democratic senators Saturday urged President Eisenhower to change his mind about wiping out a defense agency they said saves the taxpayers billions of dollars.

Sens. Long of Louisiana and Stennis of Mississippi protested the proposed abolition of the office of director of installations, set up by congress just eight months ago.

Both lawmakers had reference to the president's plan to reorganize the department of defense. The plan was sent to congress Thursday and, by law, goes into effect 60 days from then unless either the senate or house rejects it by a clear majority.

Congress must accept or reject such plans as a whole, although amendments may be made in separate legislation later with senate and house approval and the president's signature.

Dark Star, 24-1 Shot, Wins Kentucky Derby

Louisville (AP) — Dark Star won the 79th Kentucky Derby, defeating previously unbeaten Native Dancer by a half length.

Dark Star, owned by Harry F. Guggenheim's Cain Hoy Stable, set all the pace and beat off the challenge of the fast closing Native Dancer, winner of 11 straight races before Saturday's mile and one-quarter classic. The time was two minutes and two seconds.

Invigorator, owned by the Saxon Stable, was third and the fast closing Royal Bay Gem fourth in the field of 11 three-year-olds.

Dark Star, winner of Tuesday's Derby Trial and ridden by Henry Moreno, broke on top and never relinquished the lead. He held a two length advantage over Correspondent

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WILLAMETTE'S MAY QUEEN



Pretty Dona Mears, senior from Roseburg, who was crowned Queen of Willamette University's May Week-end at ceremonies this afternoon on campus. Queen Dona I, who began her reign Friday afternoon, will also rule over tonight's Coronation Ball and the annual Queen's Breakfast Sunday morning at Lausanne Hall.

U.S. to Speed Up Delivery of Arms to Laos

Washington (AP) — Secretary of State Dulles announced Saturday that the United States has "taken steps" to speed delivery of military supplies critically needed by the defenders of Laos in Indochina.

Dulles said in a statement that this government considers the communist attack on the state of Laos "ruthless and unprovoked." Red talk of a Lao "Liberation Army" and of "Vietnamese Volunteers" are classic communist phrases, Dulles said, which help identify Red aggression.

Reports have been received, he went on, that the people of Laos are rallying around their king and are cooperating with French-led forces in defense of their capital, Luang Prabang. The United States is in "close contact" with the Laotian and French governments, Dulles said, and in addition to speeding delivery of military supplies has directed the foreign aid mission in Laos to Laos to help with funds and relief supplies to take care of "Victims of Vietnam" communist aggression.

Payroll Cut For Treasury

Washington (AP) — Secretary of the Treasury Humphrey has started economy at home—in the secretary's office.

Treasury personnel officials said reorganization of the secretary's office ordered by Humphrey took 30 people off the treasury's payroll for a saving of \$147,000 a year. The secretary's office last year employed an average of 467 persons, with salaries of \$2,585,000.

At the same time, however, Humphrey has added a deputy secretary and three assistants to the secretary. Those salaries add up to \$48,400.

So the net saving in the secretary's office is \$98,600 a year.

Pea Sale Loss Over \$6 Million

Washington (AP) — The U. S. department of agriculture took a \$6,400,000 loss when three Pacific northwest firms purchased 80,000 tons of Austrian winter peas for \$30 a ton.

The peas, acquired by the department under its seed price support program, cost the government \$110 a ton.

The three firms which bought the seeds as cattle feed are Archer-Daniels-Midland company of Portland, Ore., E. F. Burlingham and Sons of Forest Grove, Ore., and Henry D. Gee company of Seattle. The commodity credit corporation, which negotiated the sale, said Friday the peas had been offered for sale at \$80 a ton as seed. Then when germination no longer could be guaranteed, the peas were offered at \$50 a ton as feed. There were no buyers though, because other feed could be obtained at lower prices.

School Board Buys Site For New Administration Building

Tornadoes Kill 27, Injure Many In Southeast

(By The Associated Press) A tornado dipped into eastern Tennessee Saturday, killing at least three persons. This brought to 27 the three-day death toll from twisters in a three-state area.

Just before dawn, a tornado struck near Decatur, Tenn., some 45 miles northeast of Chattanooga. Killed when their home was demolished were Mr. and Mrs. Carl Harmon, both about 40, and their 14-year-old daughter, Doris.

Saturday's storm struck in the wake of tornadoes which earlier killed 25 persons and injured hundreds in Alabama and Georgia.

Twisters struck along a 60-mile path in North Central Alabama Friday, hitting hardest at Ashland. Seven were killed and 12 injured. A tornado which ripped the area of Warner Robbins, Ga., on Thursday, killed 18 and injured between 250 and 300. The twisters caused millions of dollars damages to property.

Showers in Prospect Showers were in prospect for much of the southeastern section of the country. The weather bureau, however, had not issued any tornado warnings early today. A cool front had moved into eastern Kentucky this morning.

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Canada OK's Gas Pipeline

Ottawa (AP) — The second phase of Westcoast Transmission Company's \$113,000,000 project to pipe natural gas from Peace River area to Southern British Columbia and Pacific Northwest states Saturday was approved by Canada's Board of Transport Commissioners.

This second phase is for construction of a spur line off the main Peace-Vancouver arm to feed natural gas to Eastern Washington state and the industrial center of Trail, B.C., and nearby points. This spur would start near Brookmere, B.C., and pass through Princeton to hit the U. S. border at Osoyoos.

The transport commissioners last year granted Westcoast's application for the main line from the Peace to Vancouver and points as far south as Portland, Ore.

Hearings are still going on before the U. S. Federal Power Commission in Washington on Westcoast's application to pipe gas into the Pacific Northwest states. This hearing is the crux of the project because such a pipe line would be uneconomical without the U. S. market.

Lattimore Trial Set in October

Washington (AP) — A federal judge Saturday threw out charges that Owen Lattimore lied about alleged Communist sympathies but ordered him to trial here Oct. 6 on three lesser counts of perjury.

District Judge Luther W. Youngdahl struck out four of seven counts on which Lattimore, far eastern specialist, had been indicted last Dec. 16.

The judge denied defense appeals for killing the entire indictment, for moving the trial site from Washington and for postponing the trial until next year.

He was indicted on charges of lying to the Senate Internal Security subcommittee. Lattimore has denied all the charges brought against him, including what he called the "pure moonshine" statement by Sen. McCarthy (R-Wis.) that he was the top Soviet espionage agent in this country. Lattimore, a Johns Hopkins University lecturer, served on occasion as a State Department consultant on far eastern affairs.

48 Hour Recess Called By Reds in Time Table To Plan Major Move

Panmunjom (AP) — The Communists called a 48-hour recess in truce talks today and it was believed they might be seeking high-level instructions in preparation for a major move.

North Korean Gen. Nam Il asked the recess after Lt. Gen. William K. Harrison, United Nations truce chief, accused him of making a "deliberately untrue statement" about the choice of a country to take charge of Communist prisoners who refuse to go home.

The U. N. and Communist teams bickered throughout today's 84-minute session over the disposition of the 48,500 anti-Red prisoners.

There was only one development. The Communists said they regarded India, Pakistan, Burma, and Indonesia as neutral countries which might take charge of the anti-Red prisoners until their future has been decided.

But the Communists refused to nominate one of the four countries unless the U. N. agreed that the prisoners should be transported to the custodian nation instead of being kept in Korea.

Nam Il accused Harrison of having rejected any Asiatic nation as prisoner custodian.

"That, of course, is not a true statement," Harrison retorted. "We cannot see how you could make other than deliberately untrue statement we have just heard from you."

Nam Il gave no reason in asking for the recess until Monday.

In the past, however, the North Korean and Chinese Communist negotiators often have asked such recesses so they could seek instructions on an important issue from their governments, which may, in turn, seek guidance from Moscow.

Bombers Busy Blasting Reds

Seoul (AP) — United Nations fighter bombers blasted Communist bridges, railroads and supply targets today to climax a week of perfect combat flying.

Deadly Sabre jet dive bombers plummeted down on the Haeju Peninsula in two attacks, destroying eight buildings, touching off three fires and two explosions with 1,000-pound bombs.

Thunderjets destroyed two bridges on the Freedom Road between Pyongyang and Sariwon and broke rail lines in 14 places.

Australian Meteors ruined 22 buildings at a troop concentration area west of Chaeryong, and Pantherjets dropped 27 tons of bombs on troop and supply areas north of Suan.

Other flights hit Red fortifications and gun emplacements along the 150-mile battlefield. The Far East Air Force reported that U. N. planes had carried out all their missions this week without losing a single aircraft in aerial battles or to Communist ground fire. One Sabre jet was lost because of mechanical failure but the pilot was rescued.

Freed GI Sent To Valley Forge

Phoenixville, Pa. — The army began treatment today at its Valley Forge hospital of a number of freed American soldiers who "may have been victims of communist propaganda" during their imprisonment in North Korea.

The men were among a group of 20 ailing former captives who arrived by plane from the Willow Grove airfield to the hospital by bus and ambulance, some 30 miles. They were immediately assigned rooms and provided facilities to make telephone calls to relatives.

Army authorities were quick to point out that "only a few" of the 20 men were suspected of having fallen victim to communist "brain washing" during their confinement. They were not identified.

\$33,000 Paid For Property at 13th and Ferry

By FRED ZIMMERMAN The Salem school district has purchased a tract of land at 13th and Ferry streets from Roy M. Lockenour where a school administration building will be built during the next year, according to announcement Saturday by Gardner Knapp, chairman of the board.

The tract has outside dimensions of 141 feet on Ferry street and 165 on 13th. Four old-type dwellings are located on the tract and it will be necessary to remove all of them in order to provide space for the new building as well as off-street parking.

Modest Structure The land is located immediately north across Ferry street from the school district's shops, formerly owned by the city. This condition made the Lock-

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Asks Foreign Policy Revised

Washington (AP) — President Eisenhower asked congress Saturday to set up a commission to make "a thorough re-examination of our whole foreign economic policy."

Congressional leaders already have agreed to the establishment of such a group, to be made up of three senators, three house members and five persons appointed by the president.

A principal objective of the commission would be to study tariff questions. Eisenhower has asked a one-year extension of the present reciprocal trade agreements act pending review of tariff and related questions.

Jet Airliner Missing in India

New Delhi, India (AP) — British Overseas Airways announced that a Comet jet airliner which left Calcutta for New Delhi Saturday is missing and has not been heard from for six hours.

Reports received here said 38 persons were aboard—a crew of five and 33 passengers.

The local flying control said contact with the plane was lost within six minutes of its take off from Calcutta's Dum Dum Airport, and except for the fact it must be within the Calcutta area, nothing further is known.

Another Comet, a British-built, four-engine jet, crashed during take off at Karachi, Pakistan, on March 3, killing all the 11 persons aboard. That one belonged to Canadian Pacific Airlines and was being delivered for the start of a trans-Pacific air route by that organization.

The Comets, built by de Havilland, cruise at around 500 miles an hour and have a range of between 2,500 and 3,000 miles.

2 Northwest POW Located

Tokyo (AP) — Two more Pacific northwest men were reported Saturday "in good shape" at communist prison camps in North Korea where they still are being held by the Reds.

Sgt. Harry A. Cutting, Belle Plaine, Ia., who was released by the communists last week, gave a Kansas City Star correspondent a list of 75 American prisoners he said he left behind.

Cutting said he smuggled the list of names past the Reds in a small notebook. They included Pfc. Henry M. Lyman, whose wife, Martha B. Lyman, lives at 109 N. Central, Olympia, Wash., and Delwayne Codellington, Portland, Ore. Lyman was with the Second division when he was taken prisoner.

Percy Blundell, Calpak Superintendent, Dies

Percy Blundell, superintendent of the Salem plant of the California Packing Corporation since 1930, died early Saturday morning at Emanuel hospital in Portland following a three weeks illness.

A native of Salem, Blundell was born November 24, 1894, and received his education in Salem schools. His parents were Thomas Henry Blundell and Margaret B. Blundell, who died in January, 1952.

Blundell had spent almost 45 years with the California Packing Corporation with all but about two years of that time in Salem. The only time that he was away from here was when he was named superintendent of a plant in Lewiston, Idaho, in 1928. He came from that position to Salem to become superintendent here. He was a member of St. Mark's Lutheran church, of (Continued on Page 5, Column 8)

