



HOUSE DESTROYED—A natural gas explosion destroyed this home in northeast Portland. The Rev. Lyle O. Wilson, 30, pastor of the Sunrise Baptist church, was listed in satisfactory condition in a Portland hospital despite burns, cuts and bruises inflicted when he was pinned by a falling wall while working in his yard at the time of the blast.

The explosion occurred a few hours after workers struck a gas main near the Wilson home. The house itself did not have gas connections but investigators said the gas seeped through the ground to the house. Wilson's wife and three children were not at home at the time of the explosion. (UPI)

Monday's Stock Market Decline Surprises Most Wall Streeters

By **JESSE BOGUE**
UPI Financial Editor

New York — (UPI) — The stock market has been dropping for weeks, but what happened Monday surprised most Wall Streeters, they said today.

For a comparison of statistics they reached as far back as 1929, year of a decline which still makes old-timers shudder. Some pointed out that most of the conditions which made investors yell "fire" in 1929 were not present and there were other statistics which seemed to indicate someone would call "halt" to the down hill rush. The question was when.

The New York Stock Exchange, the nation's largest and the bellwether for most investors, had no comment at its New York office. But down in San Antonio, Tex., G. Keith Funston, president of the exchange, said Monday's plunge was "nothing more than a manifestation of a free economy."

A. W. Zelomek, author and economist, said the paper loss "might affect some areas." But he said the decline "has looked overdone. The advance was overdone, too."

Home To Roost
A major Wall Street house said the selloff represented the "speculative excesses of the past three or four years" coming home to roost. Because of the emotional state of the market it could not be determined whether this would be the low. "But on the figures, the statistics, the earnings, the dividends and the general healthy state of the U.S. economy, stocks are rapidly becoming realistic."

Briefly, what happened to the market Monday was this: The paper values of stocks — and this is regardless of the true value of the industries which issued them, the prospects for the economy, or their dividend rates — shrank about \$28.5 billion on the "big board." This did not include losses on the American Stock Exchange, the nation's second largest, or in the sprawling over-the-counter market where far more issues are available for trading than on the exchanges.

Volume Heavy
Volume of 9,350,000 shares was heaviest since the 9,572,000 of July 21, 1933. The drop in the Dow Jones average of 30 industrial stocks, down to 576.93, was 34.95 points, biggest single day's drop since the 38.33 of Oct. 28, 1929. Of 1,375 issues

traded, 1,212 lost and 75 gained. At the close of trading, the ticker tape was 89 minutes behind the actual transactions. This is the standard by which the exchange measures the lateness of its reporting while trading is in progress. But the

cleanup, the more detailed reporting of all transactions and price changes, ran until 5:51 p.m. on round lots, and eight minutes later on other figures. The big question was: Who was doing the selling, and why?

Foreign Briefs

PANAMA GOVERNOR ASKED TO DELAY VISIT
Panama City — (UPI) — The U.S. government was reported trying today for undisclosed reasons, to persuade President Roberto F. Chiari to postpone the visit to Washington he has planned for mid-June. Informed sources said U.S. Presidential Aids Carl Kayser discussed a possible postponement at a meeting with Chiari Monday. Neither government would confirm the report.

CHINESE ARRESTED FOR MANILA FIRE
Manila — (UPI) — Five Chinese have been arrested in connection with the \$4 million fire that swept the central district of Angeles near Clark Air Force base last Friday, according to a Philippine news service report. Police arrested the five because they were seen leaving a grocery store where the fire started, the news agency said. Authorities said there were 50 cans of gasoline in the grocery.

WEST GERMANS CRACK SPY RING
Bonn — (UPI) — West German counter-espionage agents cracked five Communist East German spy rings during the past two months, the interior ministry announced Monday.

RUSSIANS TO FREE GERMAN COUPLE
Moscow — (UPI) — The Soviet government informed the West German embassy Monday it has decided to free a German couple, Adolph and Hermina Weber, who were arrested and imprisoned on espionage charges last fall. Embassy sources said it was unclear "when, where and how" the couple would be released.

ADENAUER CONGRATULATES KENNEDY
Bonn — (UPI) — West German Chancellor Konrad Adenauer Monday cabled his "heartfelt congratulations" to President Kennedy on his 45th birthday. "May it be permitted you to continue in good health to work for peace in the world and for freedom's victory," the message said in part.

Potent Injection Turns Stocks Higher

New York — (UPI) — Three top Washington officials conjured up a potent injection for remedying stock market hypochondria today and, with the help of a conducive "technical" situation within the market — it worked, temporarily, at least.

After moving off sharply again early in the day, the market began a wild and woolly rally paced by blue chip issues which wiped out early losses and cut deeply

into Monday's near record-breaking losses.

Trading resembled the worst days of the 1929 crash in volume, but this time the trend was up, not down. With high speed tickers nearly 2 hours and 20 minutes late at the close, volume seemed destined to surpass by far Monday's 29-year record turnover. Many on Wall Street had figured before the session began that stocks had been oversold on a wave of emotionalism and were ripe for a rally on purely technical grounds.

The recovery was triggered mid season when traders heard that Commerce Secretary Hodges had called for a corporate and personal tax cut, possibly this year.

The market tickers were so far behind in reporting transactions that the stock list and Dow Jones averages were not available at press time.

One factor which seemed more apparent in the market Monday than in previous days of large sales and declines this year was the sale on margin calls.

Posts 70 Per Cent
Under the present margin requirements, an investor must post at least 70 per cent of the price of the stock — \$70 on a \$100 stock. If the stock begins to drop, the broker may call upon the customer to post more margin.

If the customer holds several stocks, he may elect to sell some to cover margin on those he wants to hold; or he may elect merely to sell.

Effect of the margin requirements seemed particularly notable in the case of American Telephone & Telegraph, which sold off 11 points on 282,000 shares.

There are special subscription accounts in this stock. Last April AT&T, with more shareholders than any other U.S. corporation, issued 11 million shares of stock, with rights to those who then held the stock. Instead of selling the rights for cash, many shareholders decided to exercise them; and, in conformance with the minimum regulations of the New York Stock Exchange, some brokerage houses permitted 25 per cent margin; others, 30 per cent.

Margin calls on these began some time ago, and the figures make it appear that they increased sharply Monday, particularly in cases of small accounts where credit ratings might not be the highest.

Boy Scouts To Assist at Fair

Ten Boy scouts from the Crater Lake council have been selected by the National council, Boy Scouts of America, to take part with the Boy Scout World's Fair service corps. The corps will be made up of one troop of 40 Scouts for each week for 11 weeks from June through August.

The local scouts are Michael Ford, Larry Wright and Philip Hollen, Troop 1; Carl George and Ted Mauck, Troop 2; Bruce Cunningham and Paul Brainerd, Troop 3; David Doty and James Sevard, Troop 14; and Mike Burrell, Troop 15. Local leaders for the patrol are H. A. Mauck, committeeman of Troop 14. The patrol from here will be on duty at the Fair from Aug. 23 through 30.

Regular duty assignments will include information aids, guides, messengers, color guards, aids to the handicapped and other duties that Scouts may perform. Each patrol will be assigned four hours of duty each day.

The Scouts will be housed and fed at Ft. Lawton and transportation to the fair will be provided.

Complaints on Estes' Operations Said Received Early in Storage Business

Washington — (UPI) — An Agricultural department official told congressional investigators today he started receiving complaints about Billie Sol Estes' operations almost as soon as the Texas farm tycoon entered the grain storage business.

C. H. Moseley, head of the Dallas office of the Agriculture Commodity and Stabilization Service, said Estes was "the subject of endless conversation on the part of his competitors. They viewed him with alarm. The complaints started very early — probably in 1959."

Moseley, who is responsible for moving grain in and out of Texas elevators, testified during the second day of public hearings on Estes' tangled affairs by a House government operations subcommittee.

Another Agriculture department official testified that a Texas accountant admitted signing a statement on Estes' financial worth without checking it adequately.

This testimony was given by S. R. Smith, administrator of the Agriculture Marketing Service. He said Winn P. Jackson, a certified public accountant, also admitted destroying the papers he used to make the report.

Moseley said some Texas warehousemen gave kickbacks to induce farmers to store their grain with them.

Rep. Ross Bass (D-Tenn.) said he thought some federal

laws may have been broken. He said he would ask the attorney general to look into the matter.

"This is the sort of thing which permits a con man like Billie Sol Estes to operate," Bass said.

Moseley said congressmen frequently wrote to him in behalf of elevator operator constituents seeking a greater share of the government grain business. But he said he did not receive any such letters in behalf of Estes.

Moseley said he had only two personal contacts with Estes.

He said the first was Sept. 6, 1961, in Dallas when Estes introduced himself at a meet-

ing of peanut growers and Agriculture department officials. The other, he said, was in January this year when

Estes made a telephone request for a change in classification of his terminal elevator facilities at Plainview, Tex.

The department was moving grain out of terminal facilities and Estes wanted the classification changed to a "country elevator" type. Moseley said he denied the request, which would have al-

lowed Estes to retain government surplus grain and collect 13 cents a bushel for its storage.

Rep. Odin Langen (R-Minn.), a subcommittee member, said testimony Monday from agriculture official Roland Ballou "aroused my suspicions more than ever that favoritism was shown to Estes." He said Ballou's replies to questions on whether Estes got preferential treatment and whether the govern-

ment lost money storing grain in Estes' elevators were "quite inadequate." Ballou denied both charges.

When Ballou testified that most of the storage contracts were granted by the Eisenhower administration, Langen said some of the official's statistics were wrong and wondered why he was trying to put the blame on "one administration or another." Ballou replied that he was trying to correct press reports.

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