

U.S. Negotiators in Ottawa for Lumber Discussions

Economy, Politics In Both Nations To Be at Stake

Ottawa — U.S. negotiators flew here today to begin talks that will pit the economic demands of the U.S. Pacific Northwest against the austerity program goals of Canada.

The issue is Canadian softwood lumber. This is a \$250 million a year necessity to Canada in its balance of payments crisis, but it is a job-stealing threat to the Pacific Northwest, where lumber mills have been shutting down while imports of Canadian lumber rise.

The stakes also include politics. In the United States, many senators and representatives must go back to face lumber-conscious voters in a little more than two months. In Canada, the government of Prime Minister John Diefenbaker needs all the support it can get for the austerity program it instituted a week after losing its majority in Parliament in late June's election.

Trade Impact

Finally, the negotiations will be watched for any light they may cast on President Kennedy's drive for tariff-slashing authority to expand international trade. A protectionist attitude could make other countries wonder whether the United States means what it says. Failure to look out for hometown lumber interests could add to Kennedy's troubles in getting the trade bill he wants from the Senate.

The U.S.-Canadian negotiations are one element of a six-point program proposed by Kennedy last month, after months of pressure from lumber state congressmen. Other points cover measures to help U.S. lumbermen compete and to aid in modernizing the industry.

The other points are relatively uncontroversial. The idea of import quotas is bristlingly sensitive.

Canada's share of the U.S. softwood market has been rising for the past 10 years. In 1951, Canadian lumber accounted for 7.4 per cent of the softwood market. In 1961, the Canadian share was 13.1 per cent.

Softwood lumber brings about \$250 million a year into Canada, which perennially sells less to the United States than it buys. Reports from Ottawa have said Canada will reject any suggestion that it voluntarily cut its lumber sales to the United States.

But substantial segments of the U.S. lumber industry demand just this. They have applied to the Tariff Commission, and Kennedy promised to ask the commission to speed its study of the issues.

The subject is sure to come up as the negotiations progress.

"We haven't ruled out the idea," an authoritative State Department source said last week, "nor would we consider this the only aspect of the problem we would like to discuss with the Canadians."

The other aspects — where chances of agreement appear more likely — would include steps to equalize competition and efforts to develop new markets for the lumber of both countries.

The U.S. team in the talks will be G. Griffith Johnson, assistant secretary of state for economic affairs, Jack N. Behrman, assistant secretary of commerce for international affairs, and John A. Carter Jr., assistant secretary of the interior for public land management. They will be accompanied by technical advisers.

No early solution is expected. The first phase of the talks, expected to last only a few days, will be devoted to a thorough review of the situation and a cautious exploration of possible action.

The demand for quotas is not unanimous. Two private groups — the Canadian-American Committee of the National Planning Association and the liberal trade-minded Committee for a National Trade Policy — have urged against import limits. And Sen. Maurice B. Neuberger (D-Ore.) whose constituents are vitally involved, has said, "I'm not really in sympathy with quotas."

But a large and vocal segment of the industry and the Pacific Northwest congressional delegation favor the view of Seattle lumberman William Reed, president of the Simpson Timber Co. "I hope our negotiators have in mind the welfare of our economy at least as much as the Canadians keep the welfare of their economy in mind," Reed said when the talks were announced. "They haven't always."

Foreign Briefs

BRITISH ENVOY GOING TO WEST GERMANY

London — Sir Frank Roberts, British ambassador to the Soviet Union, will leave Moscow Nov. 15 and will take up his new post as envoy to West Germany next February, it was learned Monday.

Diplomatic sources said Sir Humphrey Trevelyan, deputy undersecretary at the Foreign Office, will go to Moscow Nov. 26 to replace Roberts.

SWISS ARMY ENGAGES IN WAR GAMES

Mirigen, Switzerland — The Swiss army began five days of war games Monday that will cover operations stretching from Lake Geneva to the Austrian border, including the Alps.

Military sources said about 29,000 soldiers, 4,000 motor vehicles and 1,600 horses were involved.

EUPHRATES DAM FINANCING TO BE DISCUSSED

Bonn — Rudolf Fechter, the West German ambassador to Damascus, returned to Bonn Monday to prepare for negotiations on financing of the Euphrates dam.

The negotiations are expected to begin here on Sept. 25. Indications are that West Germany will finance up to \$125 million of the dam's cost.

FRANKFURT TO ASSIST JEWISH SCHOOL, NEEDY

Frankfurt, Germany — This city will give \$5,000 toward a Jewish school to be built in Haifa, Israel, and \$2,500 to the German Red Cross for the relief of needy Algerian children. The city council approved both measures in a meeting Monday.

FUND RAISED FOR EARTHQUAKE VICTIMS

Rome — A fund for the relief of victims of the recent earthquakes in Southern Italy reached the \$800,000 mark Monday night.

A campaign for the fund is being directed by the state-owned radio and television network. Most of the money will be used to rebuild homes in areas where thousands of persons were left homeless by the series of tremors.

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MEDFORD MAIL TRIBUNE

MEDFORD, OREGON, TUESDAY, AUGUST 28, 1962

Stocks Turn Soft As Several Issues Dip Point or More

New York — Stocks turned soft today.

Steel and motor shares were unchanged to small fractions lower and so were most of the international oils and leading chemicals. Utilities held fairly steady but rails reacted moderately after eight consecutive sessions of advance.

Aerospace issues also sold off a bit, apparently influenced by profit taking. IBM lost nearly 4 and Texas Instruments, Litton, Motorola, Zenith and others at least 1 point. Polaroid and Xerox lost nearly 2 apiece.

Air products, General Outdoor Advertising, Beneficial Finance, Corning Glass, Chicago Yellow Cab, Hercules Powder, Pitney-Bowes and Procter & Gamble were all losers of a point or more.

New York — Dow Jones final stock averages: 30 Industrials 612.57, off 1.17; 20 railroads 125.16, up 0.82; 15 utilities 121.22, off 0.05, and 65 stocks 212.98, up 0.03. Sales Monday were about 3.14 million shares compared with 2.89 million shares Friday.

Monday's prices on selected stocks

Alcoa	38 1/2
Alum. Co. Am.	40 1/2
American Air Lines	18 1/2
American Can	44
American Motors	15 1/2
A.T.&T.	113 1/2
American Tobacco	31 1/2
Anacostia Copper	47 1/2
Arco	40 1/2
Bendly Corp.	56 1/2
Bethlehem Steel	22 1/2
Boring Air	41 1/2
Brainerd	21 1/2
Caterpillar Corp.	35 1/2
Chrysler Corp.	36 1/2
Coca Cola	38 1/2
CBS	38 1/2
Columbia Gas	38 1/2
Continental Can	42 1/2
Crown Zellerbach	42 1/2
Crucible Steel	18 1/2
Curtis Wright	19 1/2
Dow Chemical	48 1/2
Dyn. Point	20 1/2
Eastman Kodak	101 1/2
Firestone	32 1/2

Large Purse Seen At Pendleton Event

Pendleton — The annual Pendleton Roundup will begin this year Sept. 12, with prize money and entry fees totaling \$42,000, the largest purse recorded in recent years.

Stock purchased for the rodeo this year includes that of the Tucker string, from Joseph, Ore., obtained by the Christensen brothers of Eugene; Canadian stock from Harry Vold, calves from the Ivin Maon Flying M. ranch, Hermiston; and steers from Mexico.

Call ropers will be led by the current champion and leader Dean Oliver, Caldwell, Idaho.

EXPECTED TO REUNITE

Washington — President Kennedy may be reunited with his wife and daughter this week end at Newport, R.I. Mrs. Kennedy and daughter Caroline are scheduled to return Friday from a vacation in Italy and the President is expected to fly to Newport for a reunion with them.

Extension of Jobless Payments Request Killed by Vote in House Committee

Action Follows Kennedy's Praise Of Congressmen

Washington — President Kennedy's request for another extension of jobless payments was killed today by a House committee, blighting a new bloom of optimism over the administration's legislative program.

The setback came a few hours after the chief executive had praised Congress for recent progress toward writing some of his major proposals into law.

Kennedy offered the praise at a White House breakfast with Democratic congressional leaders. They told him in return that he could anticipate more favorable action on his list of priority bills.

But the Ways and Means committee promptly dashed this optimism by voting 13-12 to shelve the jobless bill.

Bill Said 'Phony'

In another development, Republicans said the next White House "must" item up for House action—a big public works bill—was a "complete phony." They said it should be defeated.

Kennedy had listed the jobless bill, which would extend benefits to workers who had exhausted them, as one of several that should be enacted to help the government fight recession without an immediate tax cut.

Labor Secretary Arthur J. Goldberg, present for the vote, called the action unfortunate and vowed hope it could be reversed. But House leaders saw no immediate way of achieving this.

The vote appeared to come as a shock to House leaders. The legislation has had bipartisan support in the past. On the showdown, nine Republicans and four Democrats voted against it.

President Pleased

Kennedy told his Democratic legislative lieutenants at a White House breakfast he was pleased with action so far toward passage of his latest list of priority bills. He was especially happy by House action Monday giving final congressional approval to a constitutional amendment to abolish the poll tax in federal elections.

Speaker John W. McCormack said the public works bill was a \$190 million anti-recession measure designed to pump extra construction money into areas hard hit by unemployment.

The House scheduled two days of debate on the measure beginning today.

Board of Health Gets \$19,500 Grant

Portland — The Oregon Board of Health said today it has received a \$19,500 federal grant for metropolitan hospital planning. It said the grant will be used for cooperative planning for non-profit hospitals in Portland and in Multnomah, Washington, Clackamas and Columbia counties.

MESSY HIGHWAY

Lafayette, Ind. — A truck collision sped up 150 cases of ketchup onto U. S. Route 52 Monday and highway department workers were called in to mop up the mess.

\$10 Shrinks Again

Living Costs Reach Record Figure as Food, Services Up

Washington — Higher prices for major food items and services pushed the cost of living to a new all-time peak in July, the Labor department reported today.

The increase chipped another two cents off the buying power of the consumer's \$10 bill. It also triggered penny-an-hour pay raises for 950,000 workers in auto, farm equipment and aerospace industries.

Sherri Finkbine Returns To States

Lawrenceburg, Ind. — Mrs. Sherri Finkbine, 30, has returned to the United States, tired but full of confidence "my friends will understand" who she underwent an abortion in Sweden.

The Phoenix, Ariz., television personality and her school teacher husband, Robert, landed in Chicago after a flight from London Sunday. Following a brief meeting with newsmen the couple flew to Cincinnati, Ohio, Sunday night.

The Finkbines flew to Sweden and obtained permission from the Swedish State Medical board for a lawful abortion on the ground that her pregnancy might cause a mental breakdown.

Following the operation in Sweden, Mrs. Finkbine's husband announced that medical evidence showed her child would have been deformed.

At Cincinnati, the Finkbines were met by the teacher's father and mother, Mr. and Mrs. Amos Finkbine, and the younger Finkbines' daughter, Terry, 7.

consumer price index rose by two-tenths of one per cent last month to 105.5 per cent of average 1957-59 prices.

A spokesman said the advance was in line with seasonal expectations, however, since the index has climbed in July every year since 1950.

Higher prices for pork, milk and eggs were the major causes of a rise of three-tenths of one per cent in food prices. The price of services—medical care, haircuts and public transportation—and similar items—also helped push up the index.

The July increase put the index at 1.1 per cent above its year-ago level. Most of the increases occurred during the first six months of this year.

In the housewife's terms, the index means it costs now \$10.55 to buy the same goods and services that could have been obtained for \$10 five years ago.

The index, a barometer of inflation and the buying power of the dollar, measures price changes in 300 items bought by the average city wage-earner.

Changes in the index frequently trigger wage increases for workers whose pay is tied to living costs through escalator clauses in labor contracts.

Labor department price experts have conceded that the index has shown that inflation is being held in check despite the gradual upward creep of living costs.

They have noted that prices are rising more rapidly in several European countries that are going through postwar production booms.

Average annual increase in prices has ranged from 1.5 to 2 per cent in recent years and forecasts call for a similar advance in 1962.

San Francisco — Retail average prices of goods and services in the Portland area rose 0.9 per cent between April and July to a new all-time high, the U.S. Department of Labor's Bureau of Labor Statistics said today.

The over-the-quarter rise brought the Bureau's all items index for Portland to 104.8, a rise of 0.4 per cent above the 1961 figure.

Food prices increased 0.8 per cent with the advance taking place the first two months of the quarter.

A decline in prices of house-furnishings was overshadowed by increased rents, up 0.3 per cent. Reading and recreation rose 4.6 per cent. Transportation costs went up 2.4 per cent.

Increased doctors' and dentists' fees offset lower drug prices. The result was a 0.5 per cent rise in the medical care group. But average prices of items in this group were still 0.4 per cent below the year ago level.

Apparel costs declined 0.3 per cent.

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DATELINE SAN FRANCISCO

September 1-15

Two weeks of things to do and things to see—when you visit San Francisco, the eventful city.

SPECIAL ATTRACTIONS

"Barbary Coast Fandango," a two-day, two-night festival, turns back the clock to the turn of the century—with contests, shows, dancing and costumes. Sept. 1-2 on Pacific Street between Montgomery and Sansome. "The Ice Follies," Sept. 1-2 at Winterland, Post and Steiner Streets. "Ringling Bros. Barnum & Bailey Circus," Sept. 1-2, at the Cow Palace. Morrison Planetarium. Golden Gate Park, presents "Man and the Stars, the Story of Tycho Brahe," Sept. 5-8.

THEATRE

The original D'Oyly Carte Opera Company presents a program of Gilbert & Sullivan at the Geary Theatre, Sept. 1-8. "Kismet" with Alfred Drake and Anne Jeffreys at the Curran Theatre through Sept. 22. Maurice Chevalier presents his "One Man Show" at the Masonic Memorial Auditorium Sept. 11-15. "The Boy Friend" can be seen every night at the Sheraton Palace Hotel's Garden Court Dinner Theatre. "The Wonderful World of the Brothers Grimm" is the Cinema presentation at the Orpheum Theatre. Little theatres are numerous with performances usually on Friday and Saturday.

SPORTS

Baseball — San Francisco Giants vs. Cincinnati, Sept. 1, 2; Chicago, Sept. 7, 8, 9; Pittsburgh, Sept. 10, 11, at Candlestick Park. Horse Racing — at Golden Gate Fields, Albany, Sept. 10-Oct. 30.

MUSIC

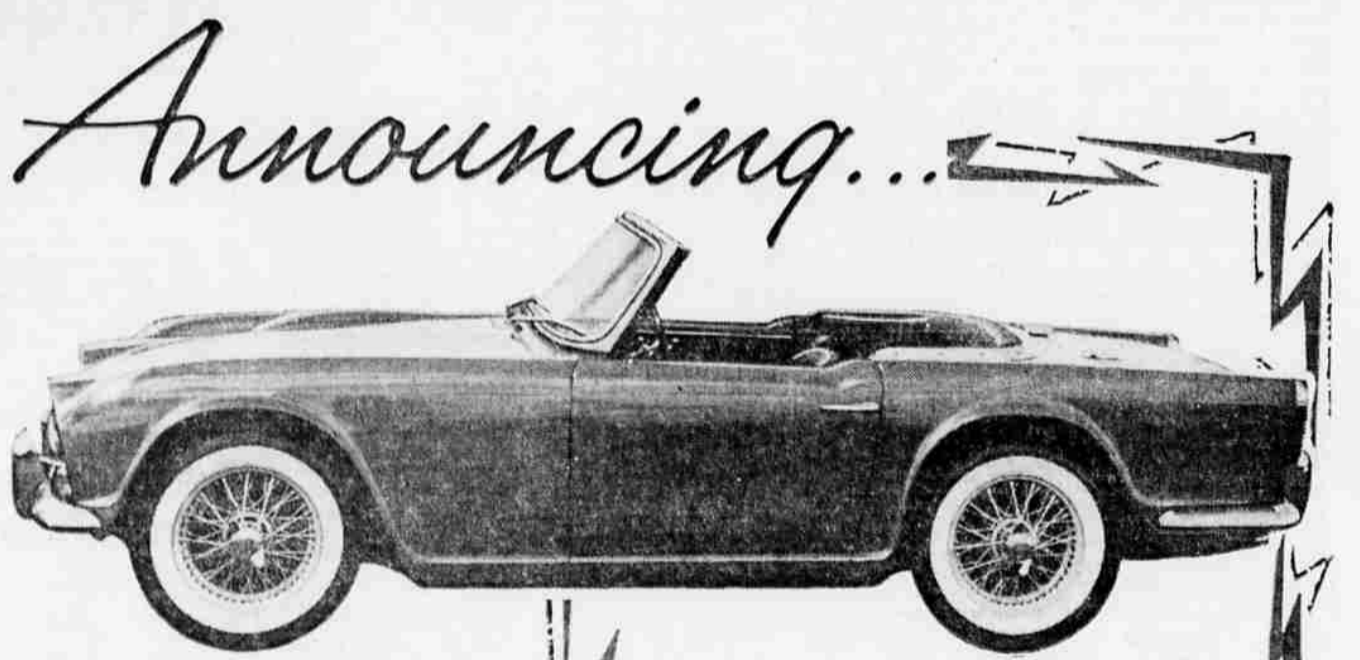
San Francisco Opera Season opens with "La Boheme," Sept. 14; "Wozzeck," Sept. 15, at the War Memorial Opera House.

ART

Exhibit of Tutankhamen's Treasures (King Tut) opens Sept. 15 at the California Palace of the Legion of Honor. Selections of American Decorative Art, Sept. 10-Sept. 30 at the M. H. de Young Memorial Museum. Two exhibitions, the "New Art of Brazil" and "Art for the Collector" are on display in September through the 23rd at the San Francisco Museum of Art.

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