

Russians Launch New Anti-U.S. Drive

In The Day's News

By FRANK JENKINS
A few days ago (before the present cool spell) I was sitting with a group of friends enjoying the pleasant twilight hours that followed the hot and sunny day. As the shades of evening fell, we began slapping mosquitoes.

Iranian Oil Agreement Announced

TEHRAN, Iran (AP)—Representatives of eight big Western oil companies and the Iranian government announced broad agreement today to restart Iran's frozen oil industry. They said they hoped to begin shipping at least some of the oil again in about two months.

Under the agreement announced simultaneously in Tehran and London, the eight companies as a consortium will operate the vast Abadan refinery and the surrounding oil fields. They will buy the oil output from Iran and will sell the production abroad. Iran will retain title to the fields and the refining facilities.

Settlement of the three-year diplomatic battle was announced in a joint statement by Iranian Finance Minister Ali Amini and Howard Page of Standard Oil of New Jersey, chairman of the negotiators for the oil companies.

Their statement did not detail the rate of payment to Iran but informed sources said it was virtually the same 50-50 split that prevails elsewhere in the Middle East.

Amini and Page estimated that Iran, through direct oil revenue and taxes, would get 420 million dollars during the first three years of the arrangement. The estimate for the third year, more than 187 million, is larger than Iran's pre-nationalization oil revenue.

The agreement will run for 25 years, with provisions for three 5-year extensions.

The eight companies making up the consortium are Britain's Anglo-Iranian, which developed and operated Iran's industry alone until Premier Mohammed Mossadegh nationalized its holdings in 1951; Standard of California, the Texas Co., Gulf Oil Co., and Socony Vacuum, all American; Royal Dutch Shell and Compagnie Francaise de Petroles.

Though Page in a separate statement said the companies "must now conclude a separate agreement among themselves covering their participation," informed sources said they would set up this division: 40 per cent to Anglo-Iranian, 40 per cent to the five American companies, 14 per cent to Dutch Shell and 6 per cent to the French firm.

(Authoritative sources in Washington said participation of the U.S. oil companies had been essential to get Iranian agreement after the bitter dispute with Britain over the nationalization.)

But—
As always—
There is a fly in the ointment.

That started us off on politics. AND economics. The two, you know, are related.

For the past dozen years or so we've had few FINANCIAL problems.

After nearly a quarter of a century of peace, WAR caught up with our country again back in 1941. War brought inflation. War ALWAYS brings inflation. There are inflexible reasons why war always brings inflation, but we won't go into that here. Let's just talk for a moment about inflation and what it does to our way of life.

In an inflationary period, too much paper money is created. There are inflexible reasons why that is unavoidable in wartime, but we won't go into that, either. It's too complicated.

Suffice it to say that inflation depreciates the value of our money and as the value of the money falls we raise PRICES to offset the decline. That leaves the wage earner in the lurch, so we raise PRICES again. That makes it necessary to RAISE WAGES AGAIN.

And so on—ad infinitum.

It's WONDERFUL while it's going on.

When profits begin to fall, we raise prices. Everything's hunky-dory—for a while. When (because of rising prices) wages won't buy enough, we raise wages. Then—for a WHILE—everything is hunky-dory again.

While it lasts, it's a grand and glorious rat race and everybody is happier than a kitten with a saucer of cream.

Hail Reported Over Basin

Rain in the valley and some hail mixed with electrical storms at higher elevations Wednesday afternoon were reported in a roundup of weather news from scattered points in the basin this morning.

Butte Valley was reported as the coldest spot. The Forest Service thermometer at Mt. Hebron dropping to a chilly 34 degrees early this morning.

Tulelake, Malin and Langell Valley reported showers in the afternoon but no hail fell and no crop damage reported.

KFFA lookouts reported some hail in the Yainak Butte area and light electrical storms both east and west of here. No fires had been reported this morning.

Two inches of hail fell on Ball Mountain in Northern California, according to the lookout there.

World and News

Disastrous Drought Sears Huge Central States Area

By ROBERT H. JOHNSON JR., AP Staff Writer
Farmers and ranchers are glum and dispirited in the vast drought country where corn and cotton droop and cattle graze on brown pastures.

"Unless we assist in every possible way," says Agriculture Commissioner John White of Texas, "thousands of our rural people will have to abandon the land."

White speaks for only one state. But drought still rules all the great plains, in spite of recent rains and federal aid already granted to six states.

Good rains in sun-burned sections of the South and East have been more helpful but not enough to save most crops.

Here is what men who live on the seared land throughout the disaster areas say:

RAIN
Only a lot more rain, and then still more, can finally beat the drought and save them—and when that happy day will arrive is an impossible guess. Meanwhile, they need federal help to hang on—and, they grumble, they aren't getting enough.

"I don't think they're expecting a 'dole,'" White said. "For the sake of our economic future, we have to help the little farmer and rancher stay on the farm. We can't help them if they are forced to drift into the cities to seek employment."

The number of states eligible for federal aid reached six this week when Oklahoma and Missouri were added to Colorado, Wyoming, New Mexico and Texas.

Six more states—Alabama, Arkansas, Kansas, Kentucky, Georgia and Tennessee—have asked to be included.

SITUATION WORSE
Still, as of today, the situation appears slightly better than it was 10 days ago, when nothing but heat soaked the country from Georgia to Wyoming and Canada to Mexico.



ROBERT F. MEST, candidate for councilman from Ward 4, filed late Wednesday afternoon.

Mest Files For Council Post

The third candidate for a post in the city government paid his filing fee late Wednesday afternoon.

He is Robert F. Mest, 1939 Leroy, who has filed to run for councilman from Ward 4, the post now held by Frank Tarr. Tarr told a Herald and News reporter this morning that he has decided not to run for reelection.

Mest has been a resident of Klamath Falls since 1961 and has been associated with automobile dealership since he moved here from Portland. With George Dugan he operated the Dodge agency and recently the two have also acquired the Chevrolet agency.

This is Mest's first step in politics city or otherwise. He has said that his filing for candidacy was prompted by a desire for betterment of the community. Mest said he will "work to make the town grow and to attract more people to it."

Civic activities include campaign chairmanship of the Red Cross drive in 1953; vice presidency of the Lions Club and active participation in the Shrine Club.

Other candidates who have filed for city posts to date are Councilman James Barnes and Police Judge Frank Blackmer.

Barnes was elected over Gino Carnini in 1952 for a half term. Blackmer was appointed to fill the unexpired term of Leigh Ackerman when he died, and was elected in 1952 over Wilbur Whitcomb, Bob Elder and Otis Metaker.

Dulles Lauds Oil Agreement

WASHINGTON (AP)—Secretary of State Dulles said Thursday "every member of the community of free nations stands to gain" from the Iranian oil settlement.

Welcoming the agreement with "great pleasure," Dulles said in a statement it shows "that when good will exists and people strive earnestly and realistically, a way can always be found with honor and with fairness to overcome differences."

He predicted it will mean "a new era for Iran—an era of great hope and of prosperity." As soon as details of the agreement are completed, he said, substantial quantities of oil should begin to flow to market almost immediately. He added that Iran in a few years will regain its former position as one of the world's biggest oil producers.

Senate Committee Named To Investigate McCarthy

WASHINGTON (AP)—Vice President Nixon Thursday appointed a six-member Senate committee to make an investigation of the conduct of Sen. McCarthy (R-Wis.) and consider proposals that he be censured.

The members: Sens. Watkins (R-Utah), Carlson (R-Kan), Case (R-SD), Johnson (D-Colo.), Stennis (D-Miss.), and Ervin (D-NC).

While Nixon announced the appointment, the actual selections were made by party leaders.

Quickly after the appointment of the committee, McCarthy arose and asked who would be the committee's chairman. Nixon replied that "the committee will select its own chairman."

McCarthy asked for a meeting Thursday afternoon with the committee's members.

McCarthy said he wished, among other things, to get an understanding with the group which would avoid any conflict between its possible requirements on his time and his own plans for conducting hearings before his Senate investigations subcommittee.

The Senate Democratic Policy Committee had an early morning meeting to decide finally on the Democratic members.

At its conclusion, Sen. Lyndon B. Johnson of Texas, Democratic floor leader, said, without disclosing the names, that his party's selections "are men who are symbols for patriotism, integrity and judicial temperament."

Johnson added: "Two of them have had eminent careers as jurists. The third is one of the most beloved and respected senior senators on the minority side of the aisle."

Colorado's Edwin Johnson is the senior senator to whom Lyndon Johnson referred.

Edwin C. Johnson, 70, has been in the Senate since 1937 and is outranked by only seven senators in point of service.

A former Colorado governor (1933-37), he has announced his intention to retire from the Senate and run again for the governorship.

Stennis, 55, is a former Missis-

Destruction Of American Role Sought

By JOHN M. HIGHTOWER
WASHINGTON (AP)—Russia's new proposal for a Big Four foreign ministers meeting is officially regarded here as part of a persistent drive to wreck Western anti-Communist defenses and to destroy eventually American leadership of the free world.

Officials said today Britain and France stand firmly with the United States in opposition to this Kremlin campaign. They forecast that the Russian proposal for new talks on European security will be turned down by joint decision.

Three-power talks on a reply are now getting under way in London.

However, further Soviet moves are expected. The belief here is that the Russians may try to devise proposals of increasing attractiveness to Western Europe. Their immediate major aim is to block West German rearmament.

Their proposal for an over-all European security system has been put forth as an alternative to the Western-sponsored European Defense Community proposal to rearm Western Germany as part of a six-nation army. EDC is due to come up for action soon in the French Assembly.

Russia's over-all campaign aimed at destroying U.S. leadership and isolating the United States is being developed along two main lines.

One is directed toward convincing non-Communist nations not only in Europe but all over the world that the Communist bloc wants only peace. The agreement of the Reds to end the war in Indo-China fits into that line, as does their European plan.

The other line is directed toward convincing the free nations that the United States is not peaceful but is committed to starting a new war.

President Eisenhower told his news conference yesterday the Soviets are "spending literally billions in different kinds of propaganda" and using subversion and bribery to drive this contention of their toward acceptance by millions. The President declared the United States must "be more imaginative in finding ways to combat" the Soviet campaign.

The latest Soviet maneuver was made yesterday when Russian ambassadors in Paris, London and Washington delivered notes proposing the foreign ministers of the Big Four powers should meet in August or September to discuss the calling of a big all-European conference on European security and on some German proposals.

PROPOSALS
The Russians had made like proposals earlier, most recently on July 24, urging creation of a European-wide security system which would include Russia and the Iron Curtain countries. They have frankly offered this as an alternative to EDC. They have suggested that the United States should be a member, that Red China should be an observer and that Russia might be taken into the North Atlantic Treaty Organization.

The whole concept of such a security system clashes with the system in being and proposed by the Western powers with the goal of blocking any future Soviet aggression.

Airline Strike Meetings Held

SEATTLE (AP)—Tentative agreement on hours of service and overtime was reached here Wednesday by West Coast Airlines and the AFL Air Line Agents Assn.

Federal mediator James Holahan said the agreement hinges on favorable settlement of the wage issue, to be negotiated Thursday.

He gave no details of the proposed agreement on working hours.



PASSPORT to the "State of Jefferson" of which Klamath Falls is the capital was given three visiting newspaper travel editors who spent Wednesday in Klamath County. The trio which had lunch at Crater Lake National Park and dinner in Klamath Falls as guests of city, were, standing: Allyson Sanders of the Houston (Tex.) Chronicle; seated, from left: Fred Taylor Kraft of the Long Beach (Cal.) Press Telegram, and Mrs. Dorothy Powers of the Spokesman-Review and Chronicle, Spokane.

Guatemalans Back Castillo

GUATEMALA (AP)—Leading Guatemalans petitioned Junta President Carlos Castillo Armas Wednesday night to oust his two partners on the governing group and take over the government, alone as President of the republic.

The petition was presented during a rally of 25,000 persons, demonstrating in front of the national palace after the suppression of a two-day rebellion by dissident units at an army base just outside the capital.

Sponsors of the petition said if the rest of the junta did not quit in favor of Castillo Armas, they would call a general strike.

The petition was signed by representatives of leading farming, industrial and commercial enterprises, student groups and other phases of Guatemalan life.

Butte Valley was reported as the coldest spot. The Forest Service thermometer at Mt. Hebron dropping to a chilly 34 degrees early this morning.

Tulelake, Malin and Langell Valley reported showers in the afternoon but no hail fell and no crop damage reported.

Weather

FORECAST—Klamath Falls and vicinity: Fair Thursday night and Friday. High Friday 80; low Thursday night 40.

High yesterday 68
Low last night 37
Since Oct. 1 14.54
Same period last year 14.87
Normal for period 12.47

Lumber Strike Unchanged

By THE ASSOCIATED PRESS
The Northwest's lumber strike continued unchanged Thursday with a couple of small negotiation sessions at hand in the wake of total failure in large sessions.

At Eugene Thursday, as at Portland the day before, an effort of the Federal Mediation Service to lead an employer group and the unions toward a settlement got nowhere.

The Willamette Valley Lumber Operators Assn. and the AFL Lumber and Sawmill Workers were in the Eugene session. The AFL, as had the CIO the day before, proposed arbitration. The Willamette Valley operators, as had the employer group at Portland, said no and proposed that the unions negotiate strictly on a local basis.

The AFL, as had the CIO, said no. Mediator George Walker of Portland said he had arranged a meeting at Prineville Thursday for Friday between the Ponderosa Lumber Sales Co. and its employees.

UNREST
CASABLANCA, Morocco (AP)—In the face of rising unrest in Morocco, U. S. military officers at Port Lyautey warned personnel Thursday to stick close to their bases and not to become involved in incidents.

Landry Speaks To KASRU

Mayor Paul Landry has assured civilian pilots of a future for private flying in Klamath Falls.

He told Klamath Air Search and Rescue Unit members in a talk Wednesday evening that civilian fliers who use the municipal airport facilities will not be "sold down the river" when the airport is reactivated as a jet interceptor base.

The mayor emphasized that flying will be controlled by the Civil Aeronautics Authority 24 hours a day. It has been inferred that all fliers may be required to use two-way radios.

Further assurance that local civilian pilots will be protected was given when Mayor Landry told the group that representatives of the commercial pilots, whose livelihood depends on the airport facilities, and representatives of civilian "hobby" fliers will be consulted before final agreements are signed with the Air Force.

KASRU president, Elton Alt, introduced the speaker of the evening.

BURBANK, Calif. (AP)—The Navy said Thursday one of its two radically new "Pogo Stick" fighters has made history's first free vertical takeoff and the other has proven able to hover motionless in free flight.

The first, Convair's XFY1 Delta Wing job, rose unassisted 20 feet from the ground at Moffett Naval Air Station last Sunday. On subsequent flights Monday and Tuesday it rose 150 feet then backed down to a landing on its tail.

'Pogo Stick' Planes Tested

The other, Lockheed's XPV1, has taken off horizontally then hovered nearly motionless in the sky in a nearly vertical position for several seconds on several occasions.

Both the new planes are similar in design and are theoretically capable of taking off and landing vertically on their tails—as well as doing the same conventionally—then flying rapidly to high altitudes and maneuvering like any fighter. It is hoped they will eventually be launched from aircraft carriers.

The Convair ship underwent tethered flight tests before flying free. The Lockheed plane has made eight horizontal test hops at Edwards AFB on temporary landing gear.

Both depend for their lift on contra-rotating propellers powered by turbo-prop engines.



WALKING TO WORK this morning photographer chanced by were Yvonda Kirkpatrick (left), 5370 Harlan Drive, who is employed by B & B Electric and Lois Van Hook, 4211 Homedale, of J. J. Newberry Co.