

Padded Cell Fire Spreads In Prison; 8 Die, 15 Injured

TRUSTEE GIVES SMOKING MATERIALS TO INMATE

TOMS RIVER, N. J. (UPI) — A trustee gave the inmate of a padded cell smoking materials as "an act of kindness" that inadvertently led to a fire which killed eight inmates of the Ocean County jail, Prosecutor Howard Ewart said.

Ewart said it was determined that one of two trustees gave either a lighted cigarette or a cigarette and matches to the prisoner in whose cell the blaze erupted. Ewart's office was one of several agencies investigating Sunday's fire at the two-story jail. The blaze injured 15 persons.



GRADY PANNELL Joins Observer Staff

Grady Pannell Joins Observer News Staff

Grady Pannell, 36, has assumed the position of managing editor of the Observer, according to an announcement made today by Riley D. Allen, publisher.

Pannell, married and the father of four children, comes to La Grande from Las Vegas, Nev., where he was night editor on the Review-Journal for the last eight and one-half years.

A native of Bristol, Va., he has been in newspaper work for the past 14 years. His wife, Ann, is a former school teacher. They are currently in the process of hunting for a house.

The new editor is a World War II veteran having served three years in the infantry as a sergeant with the Second (Indianhead) Division. He participated in the Normandy landing and Battle of the Bulge.

Atlas Shot Successful

CAPE CANAVERAL, Fla. (UPI) — An early model Atlas missile roared 5,000 miles into the South Atlantic today in the fourth straight successful test since a series of failures upset the July 1 timetable for operational capability of the missile.

The Air Force said 35 minutes after the intercontinental ballistic missile blasted off that preliminary data indicated the 82-foot Atlas "appeared to achieve its test objective."

The Atlas was scheduled to reach limited operational capability by July 1, but five consecutive failures from February through June caused the Air Force to revise this date to Sept. 1.

There was no direct connection between today's launching here and the Atlas ground test at Vandenberg Air Force Base, Calif., Sunday.

Police Report Weekend Cases

A Portland man was arrested in La Grande Saturday morning for vagrancy.

James Hunter, 818 N. Russell, was picked up by police at Fourth and Adams at 10:03 according to police.

Bail was set at \$20 and a hearing scheduled for 3 p.m. this afternoon, police said.

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RAILROAD WELL CONTRACT DELIVERED

Fred J. Young, left, city manager, Richard Neeley, assistant city attorney, Dave Slaght, city engineer, and H. E. Waddell, city commissioner and representative of the Union Pacific railroad look with approval on the contract with the UP for the leasing of the railroad's wells to the city. Approximately one million gallons of water daily will be added to the city's water system. (Observer Photo)

House - Senate Conferees Hit First Snag On Labor Measure

WASHINGTON (UPI) — Senate-House conferees hit their first snag today in efforts to work out a compromise labor reform bill. The controversial issue: How to handle labor disputes in areas where neither the federal government nor the states now assume jurisdiction.

Until today, the 14-member conference committee had reached quick agreement on minor differences between the Senate's Kennedy-Irvin bill and the stiffer Lan-

drum-Giffin measure passed by the House.

The "no man's land" issue is one of three main ones on which the two bills differ widely. The other two concern secondary boycotts and organizational picketing. All three of these sections are amendments to the Taft-Hartley Law. The Senate voted to keep these changes at a minimum, but the House version would impose more definite restrictions on boycotts and picketing.

The conferees reported during the weekend they had received numerous letters urging that the stronger measures be adopted.

Senate conferees were known to prefer the milder bill, and it was feared in some quarters the committee might become deadlocked on the issues.

Other congressional news: Construction: A Senate subcommittee today approved a 500 million dollar federal outlay to help the state build schools. The spending bill would spread the allocation over two years and amounts would depend on population and wealth of the individual states. The same guides would determine what percentage states would put up in matching funds. The measure now goes to the Senate Education and Labor Committee.

Railroad, City Reach Agreement On Well Use

The city of La Grande's long negotiated, long awaited contract with the Union Pacific railroad for the use of the railroad wells was signed, sealed and delivered today.

Fred J. Young, city manager, received the contract allowing the city use of the nearly 1,000,000 gallons which flow daily from the wells with a big smile.

The city will lay a pipe from the wells to connect with the city system as soon as the pipe is available.

The addition of the wells will provide the city with a backlog of water against emergencies and also will help to eliminate periods of curtailed water usage by residents of La Grande.

Young also stated that it was possible that the added water supply would be looked on favorably by the Oregon Fire Insurance Rating when the question of re-rating comes up.

The city manager said he was "particularly jubilant over the contract. It will add up to a

million gallons to the city's water flow. It will take up any deficiency we have had in the past when the use of water has exceeded the city's facilities."

The mountain supply is more than adequate to take care of water demands through nine to 10 months of the year, Young added. However, it has to be augmented during the summer dry spell and this will do the trick the retiring city manager stated.

Pipe Order Due

The city already has a contract with Water Works Supply Co. of Portland for the delivery of approximately 1,800 feet of eight inch pipe. Work on the installation of the pipe will begin as soon as the pipe is available according to Dave Slaght, city engineer.

The work will take approximately 10 days to complete according to Slaght and that includes the installation of and the switching of valves and pumps at the pump house.

The total cost of the pipe and installation will run about \$12,000 the city engineer estimated.

Negotiations for the contract began with the railroad in 1954 but had always gotten hung up in the legal department said a city spokesman. H. E. Waddell, a member of the city commission and also of the railroad, Richard Neeley, assistant city attorney, the city manager and city engineer were present at a brief ceremony in the city building this morning.

Nixon May Dedicate The Dalles Dam

SALEM (UPI) — Gov. Mark Hatfield said today vice President Richard Nixon was "most encouraging" in response to urging that he come West Oct. 19 to dedicate The Dalles dam on the Columbia river.

Hatfield said the vice president's office probably would announce late today or Tuesday a decision on the proposed date.

Nixon was in Oregon Feb. 14 of this year to open the state's Centennial activities.

Michael Lynch, 17, Dies In Car Wreck

Red Boss Determined On Berlin

PARIS (UPI) — Soviet Premier Nikita Khrushchev has sent notes to the western allies expressing Russian determination on the Berlin situation as a prelude to his talks with President Eisenhower, diplomatic sources said today.

The latest note to West German Chancellor Konrad Adenauer was delivered Sunday in Bonn. Diplomatic reports said Khrushchev letters also had been sent to France and Britain, and British Press reports said there had been a note to Washington as well.

The diplomatic sources said they did not know the contents of all the notes but that Khrushchev apparently was summing up the Russian unyielding demands including a free city status for Berlin and an end of western military occupation.

Some quarters here believed Khrushchev's main idea was to show that the Soviet official attitude had not softened one whit on basic issues like Berlin's status, German reunification and European security.

SOCCER TEAM IS UNMASKED

BILSTON, England (UPI) — The Italian Ladies' touring soccer team, Benfica, lost its reputation during the half of a game here Sunday. Italian teacher A. N. Norgilio tried to strike up a conversation with some of the lassies and discovered not one of them could understand him. Finally, the girls admitted — in English — they actually were from a neighboring town.

Stiff Tax Jolt In '61 May Result

PORTLAND (UPI) — Staff members of the State Tax Commission indicate that should the voters defeat in November of 1960 the income tax measure passed by the 1959 Legislature then Oregon taxpayers may face a stiffer tax jolt in 1961.

The tax problem was discussed here Saturday at the final day of the Legislative Interim Tax Committee meeting.

Economist George Pederson presented figures showing the 1959-60 fiscal year should end with a surplus of \$15,826,938. If revenues remain the same in the 1960-61 fiscal year the current biennium would end with a surplus of slightly more than four million dollars, according to an estimate of needs in 1960-61.

Some Non-Returning

However, Pederson said that "unfortunately some of these revenue items are non-returning." He added it was anybody's guess if the biennium would end with a deficit.

The 1961-63 biennium looks more gloomy, Commission experts said. Paul O'Day, research director, said that if economic conditions remain good revenue for the next biennium should be up about five million dollars from the current biennium. But, he said, by the end of the 1959-61 biennium the state will have used up a 31 million dollar surplus. If there is no surplus in July of 1961 the Legislature would face about the same situation as in 1955 when a 45 per cent surtax was levied.

Dr. C. Ward Macy, head of the University of Oregon department of economics, said there were two reasonable ways to hike revenue — a sales tax or more income tax.

New Hawaii Legislators Are Sworn In

WASHINGTON (UPI) — The three members of Congress from the new state of Hawaii were sworn into office today. The first official act for the two new senators was to participate in a lottery.

Sen. Hiram L. Fong (R), first man of Chinese ancestry ever to sit in the Senate, won a coin toss and a drawing to become the 50th state's "senior" senator with almost a six-year term.

His colleague, Sen. Oren E. Long (D), drew himself a four-year term.

The two new senators drew lots for the length of their terms after being sworn in as the Senate's 99th and 100th members. They could have been six, four or two years.

Two historic mahogany ballot boxes held the answer to how long a term awaited each of the new senators.

Long, having earlier lost a coin toss for seniority, drew first from a box which held one blank card and another signifying a six-year term ending Jan. 2, 1965. He drew the blank.

After Fong picked the six-year card, Long drew from the other box which held cards for a "four-year" term ending Jan. 2, 1963, and a "two-year" term ending Jan. 2, 1961. He got the four-year card.

Coast Shipyards Hit With Strike

SAN FRANCISCO (UPI) — The International Association of Machinists went on strike at West Coast shipyards today in a labor dispute that may idle an estimated 10,000 workers.

Pickets appeared shortly before 7 a.m. today at the main gate of Bethlehem Steel's Shipbuilding Yard, the largest San Francisco shipbuilder involved. The plant employs 2,300 workers.

Corvallis Fire Guts Seed Mill; Threatens Gas

CORVALLIS (UPI) — A \$500,000 fire destroyed the Oregon Seed Company mill and warehouse here late Sunday night, and for a time threatened to touch off nearly 100,000 gallons of gasoline and fuel oil stored nearby.

Firemen continued to pump water on the smoldering ruins early today.

A three-story grain elevator and two-story warehouse were destroyed by the flames. An adjoining company office was gutted.

LHS REGISTRATION DUE

Senior high school students who have moved into the community during the summer are urged to register Tuesday and Wednesday, August 25 and 26, at Second and K avenue.

Victim's Sister Survives

Michael Curtis Lynch, 17, was killed Saturday night in a two-car accident just east of La Grande on highway 30. The youth was the son of Mr. and Mrs. Mike Lynch, 702 Spring Ave., La Grande.

Michael and his sister, Ann, 22, were coming toward La Grande when the right front headlight and bumper of a car driven by Robert A. Delaney, 3114 N.E. Couch street, Portland, collided with the left rear bumper and tail light of the Lynch vehicle, police said.

State Police said that the car turned over several times and hit a telephone pole on the right side of the road. The youth was thrown from the car. His sister suffered only minor injuries.

Delaney, driver of the other car, was alone and police cited him for violation of the basic rule.

Outstanding Student

Michael was born in La Grande and would have been a senior at La Grande high school this fall.

An outstanding math and science student, Michael won the "outstanding student in science" award this spring.

High school records show that Michael listed photography and airplane model making as his hobbies.

Funeral arrangements are under the direction of Daniels Funeral Home and have not been completed.

Nilsen Backs Sen. Humphrey In Oregon Bid

PORTLAND (UPI) — State Labor Commissioner Norman O. Nilsen said today he would support the candidacy of Sen. Hubert Humphrey (D-Minn.) for president. He said he would take part actively in Humphrey's Oregon primary campaign.

Nilsen, who twice has been elected to the labor commissioner's post, said "It is my belief that Senator Humphrey is the candidate most qualified to fulfill the responsibilities of the office of president of the United States."

Keith Burns, spokesman for Oregon Democrats for Humphrey, announced names of several persons he said had joined in support of Humphrey's campaign. They include Rep. Ben Evick, Madras; Rep. Tom McClellan, Neotoma; John Warden, Coquille attorney; Don Reed, Baker; Alf Wenmark, The Dalles.

Search In Oregon For Escaped Cons

WALLA WALLA (UPI) — A search was being conducted today in Washington and eastern Oregon for three inmates who walked away from the minimum security building at the Washington State Penitentiary here Sunday.

The three escapees were identified as Charles A. Green, Benjamin Louis Moran, 26, and Paul O. Watrus, 31.

Green was serving a 25-year term on a second-degree murder charge from Pierce County, Morgan, Everett, was serving a 20-year sentence for robbery; Watrus, Tacoma, was serving a 10-year sentence for a previous escape.

WEATHER

Partly cloudy through Tuesday; scattered thunder-showers late today and tonight and probably again late Tuesday; highs 74-80; low tonight 46-52.

Off-Duty Patrolman Captures One Of Six Escaped Convicts

FORT MADISON, Iowa (UPI) — An off-duty patrolman today captured one of six convicts who broke out of the Iowa State Penitentiary Sunday. Another fugitive, the last remaining at large, was believed trapped in a cornfield and woods.

Penitentiary officials said Charles Wallerick, 25, was seized by the patrolman in Dallas City, Ill., across the Mississippi River from here.

Prison authorities reported that the remaining fugitive, Arlee H. Elliott, 25, was believed surrounded in a rugged area south of Burlington, Iowa.

Authorities said Elliott took to the fields and timber area after running through police gunfire at a roadblock.

The six convicts overpowered four guards and sawed their way to freedom. One, Wilbur Bihain, a convicted forger, was seized outside the prison a few minutes after the escape.

Three others, Samuel Parres, 40, Charles W. Carlyle, 30, and Ronald C. Bessler, 22, invaded a minister's home and held the minister's wife and three children hostages at knifepoint for nearly three hours before they were discovered and captured.

Their presence was uncovered when a 17-year-old neighbor boy, also being held as a hostage, signalled inquiring police by facial gestures that he was talking under duress when officers stopped at the home during a house to house search.

The boy, Tom Thomas, was seized by the convicts when he paid a visit to the home of the Rev. William W. Swift.

Surprised by Deputy A deputy warden, Bernard Nelson, a family friend who knew the layout of the Swift house, kicked out a basement window and made his way up the basement steps.

"I had the three men under my gun before they knew anybody was in the house," Nelson said. "They dropped their knives and gave up."

The minister's wife, Mrs. Patricia Swift, said she let the convicts in when they knocked on the door Sunday at 9 a.m., dressed in civilian clothes. She said they brandished knives but said they would not harm her or the children, William, 3; Charles, 10 weeks; and Olizia, 5, if they kept quiet and cooperated.

At the time, the Rev. Swift was conducting a service at St. Luke's Episcopal Church, where he is the rector.

Mrs. Swift said that neither she nor her children were harmed.

"In fact, one of the convicts even warmed the baby's bottle for me."

WON'T RUN AGAINST SEN. NEUBERGER

Hatfield Says His Ambition Is To Be Two-Term Governor

PORTLAND (UPI) — Gov. Mark Hatfield said Sunday "my ambition is to serve as a two-term governor."

The 37-year-old governor earlier disclaimed any intention of running against Sen. Richard L. Neuberger (D-Ore.) next year. He also said last week he believed the Republicans would look to the West for a vice presidential candidate. He has been mentioned as a likely candidate against Sen. Wayne Morse in 1962.

The governor's office said that if Hatfield serves two full terms as governor he would be the first man to do so in this century in Oregon. The late Gov. Earl Soell was in his second term when he was killed in a 1947 plane crash.

Members of the panel which questioned Hatfield on the program "Let's Face It" were R. L. (Dick) Revenaugh managing editor of the Oregon City Enterprise-Courier; Dr. John Swarthout, dean of faculty at Portland State College, and ex-State Sen. Rudie Wilhelm.

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