

Jury Indicts Financier, Three Others

Accused of Plotting \$24 Million Fraud

EL PASO, Tex. (AP)—A federal grand jury has indicted multi-millionaire financier Billie Sol Estes, 37, and three other Texans on charges of plotting a \$24-million fraud.

The four were charged in indictments returned Thursday with conspiring to defraud nine finance companies with faked mortgages.

In most cases, security for loans was liquid fertilizer tanks. Prosecutors claim some of the tanks never existed. One of the biggest among Estes' 30 enterprises is a business handling the fertilizer.

Dist. Judge R. E. Thomason received the grand jury's report while sheriff's officers were investigating the unexplained death of George Krutleik, 49, an El Paso certified public accountant who had worked for Estes.

A rancher discovered the body of Krutleik in his car near Clint, Tex. A hose from the exhaust pipe indicated carbon monoxide fumes had been piped inside the auto.

Not Asphyxiated

Dr. Frederick Bornstein, a pathologist, said a preliminary report indicated, however, that the fumes were not the cause of death but that the decomposed condition of the body made it difficult to determine the exact cause of death. He did not set a time of death.

Federal agents arrested Estes at his palatial home in Pecos, Tex., last week. He is free on \$100,000 bond.

Also named in the indictments were Superior Manufacturing Co. of Amarillo and three officials of the firm—Harold E. Orr, 31, president; Ruel W. Alexander, 38, secretary-treasurer; and Coleman McSpadden, 45, a director. Each has posted \$25,000 bond.

Firms Named

The government charges them with defrauding Pacific Finance Co. of Los Angeles; Commercial Credit Corp. of Baltimore; Pioneer Finance Co. of Detroit; Walter E. Heller & Co. of Chicago; Associate Investments of South Bend, Ind.; First Acceptance Corp. of Minneapolis; CIT of New York; and Kuykendall Investment Co. and Caprock Investment Co., both of Lubbock. Asst. U.S. Atty. Fred Morton said these firms held fraudulent mortgages and promissory notes for \$24 million.

Estes testified at a bond hearing he owes about \$32 million and holds assets worth \$20 million.

New Air Leader

LONDON (AP)—Air Marshal Sir Hector D. McGregor will take over as commander-in-chief of the British Far East Air Force June 10. The 52-year-old New Zealander will succeed Air Marshal Sir Anthony Selway who becomes commander of the Royal Air Force Coastal Command.

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Author Nixon

Author and former Vice President Richard Nixon stands at the center of a huge crowd in Oakland's Capwell's department store Thursday as he autographs his book, "Six Crises." The book set a new record for one-day sales in Oakland.

Ike Technically Subject To Pentagon Speech Rules

WASHINGTON (AP)—Overlooked in the controversy over alleged military muzzling is the fact that three famous five-star generals still are on the active list and technically subject to Pentagon speech regulations.

They are Dwight D. Eisenhower, Douglas MacArthur and Omar N. Bradley.

Eisenhower is in a slightly special category because he does not take his \$20,000-a-year Army pay. Instead he gets the \$25,000 pension and the \$50,000 annual office allowance provided for former presidents.

But that does not affect the question of what would happen if the Defense Department should decide to be technical and require Gens. Eisenhower, Bradley and MacArthur to observe military regulations.

For one thing, they would be obliged to submit their speeches and articles for clearance by the Pentagon's security and review section.

They would be under strict

injunctions to avoid public discussion of foreign affairs or other matters properly in the province of the State Department and White House.

Judging by the case of former Maj. Gen. Edwin A. Walker, they would be in trouble if they engaged in controversial activities or tried to influence the votes of men in uniform.

The department's unofficial view is that "active duty" for five-star officers is merely honorary, and usually a means of paying them full salary instead of a pension. They are in other respects treated as retired officers.

School Election Set

KLAMATH FALLS (AP)—Klamath Falls will vote May 7 on whether to build a ninth-grade school in the south part of the city at a cost of \$1,500,000. The school later could be used as part of a two-year junior high school, the school board said in approving plans.

Cloud Cover Delays Shot

CAPE CANAVERAL, Fla. (AP)—Weather Friday forced at least a 24-hour delay in the attempt to launch the first Centaur high-energy rocket.

Heavy cloud cover and high winds in the Cape Canaveral area were responsible for the delay. Officials desire ideal weather conditions for the initial flight, which is intended to follow a brief 15-minute trajectory to check out rocket systems.

When operational in about two years, Centaur will be capable of lifting 4½-ton satellites into orbit or hurling large payloads to the Moon, Mars and Venus. Its second stage is the first rocket powered by powerful liquid hydrogen — which produces 40 per cent more thrust per pound than conventional chemical fuels.

A modified Atlas is the first stage.

Slow House Detour Facing JFK's Transportation Plans

WASHINGTON (AP)—President Kennedy's plans to streamline transportation on land, sea and air are likely to run into a slow detour.

The big roadblock is time.

The proposals, submitted Thursday in a 10,000-word message to Congress, contained far-reaching suggestions requiring preliminary action by five House committees before they can come to a vote in the House.

Rep. Oren Harris, D-Ark., chairman of the House Interstate Commerce Committee, said there was a possibility his committee may act this year on the proposal dealing with rate reductions.

"But by no stretch of the imagination could you get it all this year," he added.

In general, Harris said, he thought the President's plan was "a forthright, bold approach to the problems that are recognized to exist."

Rep. John B. Bennett of Michigan, top Republican on Harris' committee, said he saw no prospect for action of any kind this year. Bennett said he favored some of the President's proposals, especially those for cutting travel taxes and for putting rates on a more competitive basis.

But, he pointed out, Congress hopes to adjourn late in July or early August and it has many other major matters to consider.

Chairman Warren G. Magnuson, D-Wash., promised that the Senate Interstate Committee would consider the proposals but said nothing about the likelihood of action this year.

Kennedy's transportation tax proposals could be the first facet of his complex program to be acted on in the House, Democratic leaders were con-

sidering incorporating at least some of these into a bill extending Korean wartime excise taxes, which lacking congressional action would expire on July 1. The Ways and Means Committee's timetable called for quick action on this bill next month, so the House may consider it early in June. Kennedy's recommendation for surface transportation tickets, and reducing the rate to 5 per cent on airline tickets, was expected to be well received. There was considerable pressure for similar reductions when the Korean taxes were extended last year.

Airlines, however, will prob-

ably raise a cry of discrimination if they are faced with a continuing 5 per cent tax and also with extension of the gasoline tax on jet fuels, now tax-free. Kennedy in his message said such taxes were really user charges and would raise only half the revenue needed to cover the annual cost of the federal airways system—about \$500 million.

The President proposed the tax changes, as they affect airlines, be made effective Jan. 1.

His recommendation for extending the period transportation companies and other public utilities could carry forward losses to charge them against profitable years is new legislation. But Ways and Means Committee sources said such a provision could be attached to the Korean tax extension bill if necessary.

Ike Addresses GOP Luncheon

PALM DESERT, Calif. (AP)—Gen. Dwight D. Eisenhower came off the golf course at Eldorado Country Club Thursday to attend a luncheon of 250 Republicans in one of his rare public appearances.

Eisenhower was accorded a standing ovation as he said:

"If we are for sound finance rather than skyrocketing debt, we must make certain that good Republicans are returned to the halls of Congress."

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Reception Planned WASHINGTON (AP)—Atty. Gen. and Mrs. Robert F. Kennedy will give a reception at the Justice Department Monday for singer Harry Belafonte and his wife.

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