

THE WEATHER HERE

CONTINUED FAIR and warm tonight and Wednesday, except for low cloudiness and fog along coast in early morning. Lowest temperature expected tonight, 52; highest Wednesday, 88.

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Group Named To Study Pay of City Employees

Council Approves Budget Calling for Total of \$2,284,855

A special committee of three members of the city council, with City Manager J. L. Franzen as ex-officio member, will make a study of salaries paid by the city, for the purpose of revision if found inequitable.

This came out of argument Monday night about the 1949-1950 city budget, which was given final approval in the total of \$2,284,855.16. Mayor Robert L. Elfstrom has not yet appointed the committee.

Alderman Tom Armstrong made the motion for a special committee. It was opposed by Alderman David O'Hara, who said it was a "grave deception to publish the budget for information of the taxpayers and then change the figures."

Police and Firemen's Pay One of the schedules for study will be the salaries of policemen and firemen, which remain in the new budget with policemen to be paid a margin of \$20 on their monthly paychecks above the firemen, on account of the difference in the amount the city appropriates under the firemen's retirement pay plan and under the state plan used by the police.

An analysis of the two systems made for the mayor by S. W. Starr of the state accounting department showed that, for prior and current service, the amount appropriated by the city for each member of the fire department exceeds by \$25.74 the amount that would be paid if the same number of firemen were under the state plan.

Band Concerts Restored The council restored to the budget \$1800 for band concerts, and restored a \$210 item to pay a substitute judge while the city judge is on vacation. It refused to restore \$500 auto expense for the city manager.

The total of the city budget approved Monday night is \$2,284,855.16.

It is estimated that the probable receipts of the city from all sources, including unexpended cash balances on hand June 30, 1950, will be \$1,712,535.

\$326,094 by Taxation The amount of money necessary to be raised by taxation for the general expense of the city government is \$326,094.16, which constitutes the general fund.

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Bus Fares in Salem Raised

The state public utilities commissioner Monday signed an order permitting City Transit Lines to increase fares in Salem and suburbs.

The single zone fare is increased from 10 cents, or three tokens for 25 cents, to a straight 10 cents. The two-zone fare is increased from 15 cents to 20 cents, or two tokens for 35 cents; and inter-zone 20-ride individual student books for \$1.20 to 50-ride individual student books for \$5. Also a three-zone fare of one token plus 10 cents is established.

The order says the company's operations show heavy losses in Salem and vicinity. "Operations at Salem," it says, "show losses for the months of January, \$2214; February, \$4001; March, \$3040; April, \$3739; and May, \$4371."

"The loss for the first five months of 1949, and the continual loss anticipated," says the order, "make it imperative that petitioner have relief."

R. J. Davidson, Salem manager for City Transit Lines, said provision had been made for customers to use up the tokens they now have on hand. In the city one of the old tokens plus 2 cents will buy a fare, and in the suburban zones two tokens plus one cent. Or the tokens may be redeemed at the company's office at three for 25 cents in multiples of three.



Their First Swimming Lesson—Youngsters in the pool at Olinger field received their first swimming lesson from John Fairbairn, swimming instructor for Aberdeen, Wash., schools, engaged by the Red Cross and the city playground administration to teach Salem youth in the learn to swim campaign being conducted here. The campaign will be of 10 days' duration and boys and girls six years and older are invited to receive lessons in Olinger or Leslie pools.

Billy Haynes Captured In New Mexico Wilds

Santa Fe, N. M., July 12 (AP)—William (Billy) Haynes, sought for four days in a search over mountains of central New Mexico, was captured last night 150 miles south of here.

Hubert Beasley, state police chief, said Haynes, alias Bill Brady, was cornered in a stolen gray sedan at a road block near Bingham, N. M., on US highway No. 380.

State policemen, sheriff's deputies and border patrolmen took part in the capture. Al Hathaway, state policeman, said Haynes admitted his identity. Haynes was carrying a revolver at the time of capture.

The tip on his whereabouts came from a man by the name of Wells, who saw Haynes in a store. Then later a motorist reported seeing Haynes. Roadblocks were set up. Haynes was wanted by federal, state and county officers. He had been charged with aiding in a jail break last month at Corvallis, Ore., auto theft and was wanted for questioning about a Utah post office robbery.

Marshall E. Huff, whom Haynes reportedly helped escape from the Benton county, Ore., jail June 4, is in jail at Albuquerque.

Haynes was tracked through the mountains three days. He slipped past the dead-tired officers yesterday, and stole the sedan in which he later was trapped, Beasley said.

250 Acres Timber Burned Near Bend

Bend, July 12 (AP)—A caretaker's cottage at the municipal dump here and 250 acres of cut-over timberland were burned last night before flames were brought under control.

Lumber mill employees of the Shevlin-Hixon and Brooks-Scanlon companies joined firefighters, city firemen and volunteers in combatting the blaze that spread from the dump. Firemen said a favorable wind prevented the flames from spreading into the city after jumping the highway.

Old High School Building For County Health Office

County Judge Grant Murphy reported to the county court Tuesday that inspections made by him and Dr. W. J. Stone, county health officer, of possible quarters in the old Salem senior high school building for the county health department had resulted in Dr. Stone making his selection and if suitable arrangements can be made this will mean an early removal of the county health department from its present location in the Masonic temple.

The rooms desired by Dr. Stone are on the second floor of the old high school directly over those now occupied by the welfare department on the Church street end of the building.

The hitch now is that in allocating rooms in the building for use of county offices when the move is made there to make way for new courthouse construction, the rooms now sought for the health department had been assigned to the sheriff and district attorney. County Commissioner Roy Rice will interview those officials to see if a reallocation can be made satisfactory to them so the health department can use the quarters. If so it is expected the switch over by the health department will be made this summer long before other county offices move to the building.

The court considers it very desirable that the health department make the change if arrangements are feasible. It is considered preferable as a location to be reached by clients of the office, will alleviate the parking situation both at the courthouse and for health department attaches and also furnish room for necessary expansion which will be required under the Kellogg foundation grant for nurses' training.

500 Enroll in 'Learn to Swim'

A total of 509 persons were enrolled in the "learn to swim" campaign of the American Red Cross by Tuesday noon.

At Leslie pool the total had been boosted to 186 when classes opened Tuesday morning. At Olinger pool, 303 registered Monday afternoon and that total also was expected to be higher when classes continued there Tuesday afternoon. Twenty persons registered for the life-saving course at Leslie last evening.

Children may still enroll for the morning and afternoon classes at Leslie and Olinger, Wednesday, John Fairbairn, who is conducting the course, pointing out the primary purpose is to learn to swim, therefore, all children who possibly can should enroll in the classes.

No Pay Raises In British Crisis

Scarborough, Eng., July 12 (AP)—The head of Britain's biggest labor union told its members today they cannot expect higher wages while the nation is going through its present economic crisis.

Arthur Deakin, general secretary of the 1,300,000-strong transport and general workers union, said at its biennial conference:

"It is no use fooling you at this time and saying you can promote or succeed with extravagant or even modest wage claims in some of the better paid industries with which we are dealing."

"I am going to be brutally frank. I doubt whether at this time we can get wage increases at all. "I am going to be no party to leading members of this organization into the belief that we can do those things in the face of the circumstances now confronting this country."

After hearing his speech the 760 delegates passed a resolution urging tax relief, price reductions and a cut in profits to hold down the cost of living.

Widow Dies After Rosary

Woodburn, July 12 — Mrs. Irene Lemery Meier, 69, died suddenly Monday night after returning from recitation of the Rosary held for her husband, Otto Meier, who died last Saturday.

The funeral service for Meier, which was set for Tuesday of this week, has been postponed, and a double funeral for the husband and wife will be held Thursday, July 14, at 9 a. m. at St. Luke's church, with interment at St. Luke's cemetery.

Recitation of the Rosary for Mrs. Meier will be held at the Ringo chapel Wednesday evening at 8 o'clock.

Mrs. Meier was born on the old home place near St. Louis March 19, 1880, and had lived all of her life in this vicinity. She was the daughter of the late Louis and Helen Gagnon Lemery, early pioneers, who were the parents of 15 children. Mrs. Meier was the last of the family and the only survivors are nephews and nieces.

56 Killed, 30 Injured In 2 Airplane Crashes

Control Board Orders Study of State Taxation

A complete study of Oregon's system of taxation by the state tax commission together with three other state officials was ordered by the board of control Tuesday.

A resolution outlining the specific instructions for the tax study was introduced by State Treasurer Walter J. Pearson and was adopted with the unanimous vote of the board.

Designated to work with the members of the tax commission in the study are Harry Dorman, state budget director, representing the governor; S. W. Starr, chief of audits, representing the secretary of state and Fred H. Paulus, chief deputy treasurer, representing the state treasurer.

Called Hodge Podge Pearson, in presenting his resolution, stated that the tax commission has a staff of experts to put on the work and in addition have information that has been gathered in the past that may be utilized.

"The state of Oregon now has a hodge podge state tax set-up," he said, "and we should have the results of this study on which to base recommendations to the next legislature for a revision of our tax system, including income, inheritance and gift taxes."

Governor Douglas McKay declared that he saw no objection to the resolution and felt that the board of control should develop all the information possible on the state's tax situation.

(Continued on Page 5, Column 5)

Fight Depression By Wage Hikes

Washington, July 12 (AP)—Controversy grew up fast today over a CIO-sponsored economic report which called upon the nation to fight off a possible depression by means of wage raises, tax reductions and public works.

The CIO hired Robert R. Nathan, a consulting economist, to analyze the national situation. His findings were issued here yesterday at a big gathering of reporters, cabinet members, senators and others. Nathan has written a second report on the steel industry alone, for release today in Pittsburgh.

Yesterday's report advocated wage raises—of different sizes to fit the industry—in all except "severely depressed" industries and companies. It said many industries can afford to raise wages and cut prices at the same time.

That pleased labor unions but ran in the teeth of the contentions of those industrialists who say higher wages would force prices up and be bad for the economy in this period of decline.

Nathan argued that higher wages—greater purchasing power—is exactly what business and the country need in order to reverse the trend of decreasing employment and production.

President Truman in an economic report to congress yesterday, had urged against wage-cutting, but had made no specific call for big wage raises.

Many businessmen liked the president's report better.

28 Months Girl Ravished and Hanged

Ottawa, Ont., July 12 (AP)—A 28-month-old girl was ravished, beaten and suspended nude from a rafter in a shed behind her home here yesterday.

The victim, Giselle LaChance, daughter of Mr. and Mrs. Telesphore LaChance, was reported recovering in a hospital today.

Apparently she was seized while at play near her home, removed to a loft above the shed and later trussed with fishing lines. A man's necktie was tied about her throat and body. She was suspended to a rafter but her weight was carried partially by the cords about her body. This saved her from suffocation.

Truman Trying To Avert Strike In Big Steel

Washington, July 12 (AP)—President Truman may step personally into the steel labor dispute today in an effort to head off a strike of 500,000 CIO steelworkers.

Charles G. Ross, White House press secretary, said the president has the situation "under consideration" and "there may be a statement later in the day."

Asked if Mr. Truman might create an emergency board to look into the dispute, Ross said: "I can't say what he may do."

Deadlock Hopeless Cyrus S. Ching, federal conciliation director, conferred with management and union representatives for two and one-half hours yesterday.

There were indications after this meeting that the conciliation service's efforts had collapsed.

CIO President Philip Murray called the negotiations "hopelessly deadlocked" and hinted that only presidential intervention could avert a walkout.

Murray said he would recommend that the steel workers strike this week-end.

May Invoke T-H Law Ching said he reported to the White House but made no recommendations. His report was to John R. Steelman, presidential assistant.

A possible course open to Mr. Truman is to invoke the national emergency provisions of the Taft-Hartley labor law.

Under that law, the president could declare that the dispute threatens a national emergency and appoint a fact-finding board to investigate.

After the board reported, the government could seek a court order barring a strike for as long as 80 days.

Eggs Advance Cent In Salem Area

Eggs advanced another cent here, Tuesday, the second boost in two days.

Buying quotations listed Tuesday, the second boost in two days.

Buying quotations listed Tuesday included: Extra large AA, 60 cents; large AA, 59 cents; large A, 57-59 cents; medium AA, 54 cents; medium A, 52-55 cents; pullets, 32-40 cents.

Wholesale prices generally run 5 to 7 cents higher above the buying listings. Continued slackening off in production, normal at this season of the year, and good demand are reasons given for the advances at this time.

All other produce prices remained unchanged here Tuesday.

May Start Work on New Court House Next Year

In calling for a meeting of the courthouse commission for Thursday afternoon of this week at 1:30 p. m. daylight savings time, County Judge Grant Murphy said Tuesday if the architect is able to give an estimate of the cost of the proposed new building which doesn't go over the \$1,200,000 mark it may be possible at that meeting to definitely determine that work on the new structure will start next year.

The judge said that with what is available and the funds coming in under a special courthouse fund set aside each year it is possible to see where \$1,200,000 would be available to go ahead with the work. If the proposed cost is over that figure, he said that the court may have to stop and draw its breath to see how the balance will be financed and make the necessary arrangements.

The meeting is called primarily for the purpose of going over what may be the last list of changes or alterations in interior plans of the new structure, most of them of a minor nature such as adding doors or moving them, adding closets, possibly switching an office or two back and forth and lobby changes or similar revamping of the present interior plans.

45, including 14 Americans Perish Near Bombay, India, 11 Die, 30 Injured in California

(By the Associated Press) Fifty-six plane passengers were killed today and 30 others injured in two airline crashes on opposite sides of the globe.

Los Angeles police said 11 persons were killed and 30 injured in the flaming crash of a Standard Airlines plane near the summit of Santa Susanna pass. There were 48 persons aboard the unscheduled C-46 flight.

A few hours earlier 45 persons, including 14 Americans—13 of them newspaper, magazine and radio reporters—were killed in the crash of a Dutch airliner near Bombay, India.

Los Angeles, July 12 (AP)—Twenty-six bodies have been recovered from the smoldering wreckage of a commercial airliner that crashed in Susanna Pass with 45 aboard today after a fist fight among some of the passengers.

Ambulances came from every little community in this sparsely populated section of the San Fernando valley. They raced at breakneck speed, up the tortuous dirt road to the scene, quickly loaded aboard the injured who had walked or been carried the 300 yards from the burning airliner, and headed back down the one-way road.

Two hours after the accident, ambulances still were coming back, making return trips, but this time to carry out the dead, which searchers said included two infants.

Bizarre Touch Given Bodies were sprawled grotesquely into clumps of sagebrush, and over rocks. One survivor was carried out with a broken back.

A bizarre touch was given to the rescue operations by the presence of 30 bearded, robed followers of religious leader Krishna Vanta, who calls himself "The Voice." They live in a stone house not far away. In their bare feet, they padded up and down the rocky slopes bearing stretchers. One of them identifying himself only as Brother Paul, said he heard the plane circling low over the hills, a few minutes before the crash. The engine seemed to be performing perfectly, he said.

Fire destroyed the pilot's cabin and the crash left only one wing and the tail.

Cut Rate Plane The plane belonged to Trans-National Airlines and was represented locally by Standard Air Lines. It was one of the cut rate transcontinental flights, which carry passengers for \$113 instead of the customary \$181.

Pilot Roy White informed the traffic control bureau at Burbank that a fight among passengers had broken out near Riverside, Calif. He said he wanted permission to set down at Burbank instead of the customary destination, Long Beach. One passenger was badly beaten, said White, who did not give the cause of the battle.

(Concluded on Page 5, Column 3)

Bombay, India, July 12 (AP)—Thirteen American correspondents and 32 other persons died today in the crash of a KLM Constellation groping through monsoon rainstorms toward a Bombay island airfield.

The American reporters were returning home from a tour of Indonesia sponsored by the Dutch government. It was the second tragedy to befall planes of KLM (the Royal Dutch Airline) within three weeks. The Constellation that carried the reporters to Indonesia crashed on its return trip to Europe, killing 33 persons off Bari, Italy, June 23.

The correspondents killed included Charles Gratke, foreign editor of the Christian Science Monitor, and two Pulitzer prize winners—H. R. Knickerbocker and S. Burton Heath.

33 Bodies Recovered A 14th American killed was Lynn Mahan, representative of a New York public relations company. The others killed were 11 Dutch crewmen, including the general operations manager of KLM at Karachi, Pakistan; 17 other Dutchmen; two Chinese and one Briton.

Thirty-three bodies had been recovered by nightfall, approximately 14 hours after the crash. The plane struck a rocky hilltop while approaching the Santa Cruz airfield, 15 miles north of Bombay. It hit a hill near Ghatkopar, on the opposite side of the 30-mile-long island from Santa Cruz.

Monsoon rains beating down on the scene of the crash hampered search parties. The first to reach the area said wreckage was strewn over a two-mile area along a slope 800 feet high.

Plane Catches Fire The plane caught fire and charred trees on the rain-drenched hilltop. One eye-witness said the bodies were so badly burned that identification was difficult.

The accident was said to be the worst in India's aviation history. The Indian government began an investigation and granted special authorization to KLM to send an aircraft and Dutch technicians to the scene.

The American newsmen aboard were returning from a tour of Indonesia sponsored by the Netherlands government. (Continued on Page 5, Column 4)

Airlift Plane Crashes, Berlin

Berlin, July 12 (AP)—A Berlin-bound American C-54 airlift plane crashed in the Soviet zone of Germany early today.

There was no immediate word as to the fate of the crew, believed to total three. A ground search party left Potsdam for the scene of the crash, two miles east of Klaitz and 53 miles west of Berlin, just outside the Hamburg-Berlin airlift corridor.

The plane radioed it was having engine trouble just before the crash. There have been 15 fatal crashes in the little more than a year that the airlift has been operating, killing 52 persons. Nine of the crashes involved American planes, and 29 American fliers have been killed.