

THE WEATHER

Variable high cloudiness tonight and Wednesday. Continued warm. Low tonight, 32. High Wednesday, 88.

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2 SECTIONS

(16 Pages)

Price 5c

Study of State Salary Plan Under Way

New York Consultants Employed to Conduct Comprehensive Study

By JAMES D. OLSON

Comprehensive study of the state of Oregon's salary plan, under which 15,500 employees are paid, was initiated Tuesday by a New York firm under the direction of the Legislative Committee on Retirement and Compensation.

The study will be made by Barrington Associates, Inc., engaged by the committee at a cost of \$15,000 and is expected to furnish the data for salary and budgetary planning in the fiscal year of 1955-57.

Study Team Here

A field study team headed by Donald Spanier, executive consultant for the firm, who will be assisted by Rodman McKay, also of the Barrington staff, opened field headquarters in Room 402, State Capitol.

"The study is being conducted to objectively examine the level of salaries paid by the State of Oregon as compared with salaries (Continued on Page 5, Column 6)

Governors Ask Showdown on Highways Bill

Conference With Ike On \$50 Billion Program Asked

By JAMES D. OLSON

BOLTON LANDING, N.Y. (AP)—Gov. John S. Fine of Pennsylvania proposed and Gov. Goodwin J. Knight of California endorsed Tuesday a plan for a showdown conference of governors with President Eisenhower on a projected \$50-billion highway program.

In a point-by-point criticism of an Eisenhower proposal laid before the 46 annual governors conference here by Vice President Nixon, Fine told his colleagues.

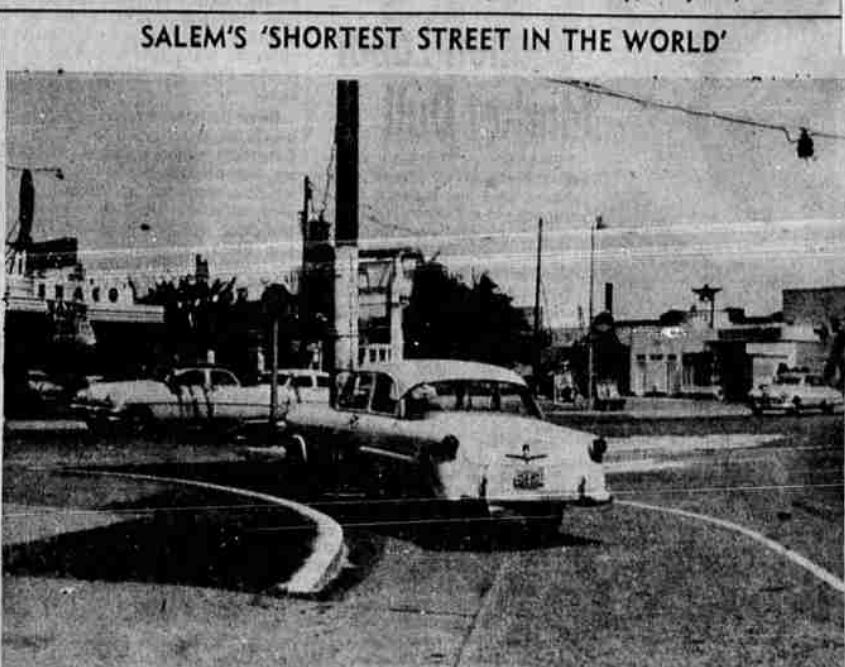
"We want the federal government to get out of the gasoline and fuel oil tax field once and for all and now is the time to do it before we embark on any large scale highway program such as the President has suggested."

Ike's Proposal

Eisenhower proposed that the federal government and states cooperate to build a system of roads aimed at providing transportation for an expected 200 million population by 1970.

The President's proposal was interpreted by Fine, a Republican supporter of the administration, as placing a "cloud" on the states' control of road building activities and as involving continued federal aid which a majority of the governors have opposed.

(Continued on Page 5, Column 2)



SALEM'S 'SHORTEST STREET IN THE WORLD'

Kerr Winner In Oklahoma

By JAMES D. OLSON

OKLAHOMA CITY (AP)—Former Gov. Roy J. Turner withdrew from Oklahoma's runoff primary election last night, automatically giving the Democratic nomination for U.S. Senate to Sen. Robert S. Kerr.

Turner, though personally wealthy with cattle and oil millions, said lack of finances prevented his making the campaign for the runoff, which had been scheduled July 27.

Under Oklahoma law no candidate may personally spend more than \$3,000 in the Senate race. Turner said "pressure" on friends—through whom big campaigns are generally financed—"prevented them from cooperating as originally intended."

He accused Kerr of buying the first primary election.

"Deluges of money altered the results last Tuesday," he declared in a statement released at midnight.

Raft With 5 Still Drifting

By JAMES D. OLSON

SAN FRANCISCO (AP)—Another search party sails out after the raft Lehi today—confident after air sightings and radio contacts she is still floating southward in the Pacific.

The Lehi, only about 20 miles off central California, refused a Coast Guard tow to shore yesterday.

Four of her five crew members still hoped she would change course and drift the 2,200 miles southwest to Hawaii.

The fifth, radio operator Don Smith, of Santa Rosa, Calif., reportedly radioed from the 32-foot, boxlike craft.

"Get me off this damned thing," he complained. He was coming down with the flu and threatened to call the Coast Guard for help.

The motorless raft was towed out of the Golden Gate Friday with no provisions.

The amateur adventurers planned to live off the sea. They have caught one salmon and one small shark and made "a little water" in their solar still.

Threaten Strike Against Armour

By JAMES D. OLSON

CHICAGO (AP)—A spokesman for the CIO Packinghouse Workers said that as many as 5,000 employees might strike against the Armour & Company plant today.

About 1,000 workers walked out yesterday over what they termed a "speedup" in work due to a 10 million dollar expansion and modernization program.

Armour officials said the reductions were due to the "lowest hog marketings in many years."

Shortest Street in World Salem's Boast

By STEPHEN A. STONE

Further distinction has come to Salem. This city not only has the smallest park in the world, but, starting this week, is able to boast the shortest street in the world.

It hasn't yet been officially named, but out in Hollywood district where the street is located it is known as The Turnaround.

And it's going to be one of the busiest traffic spots in the world too, Friday and Saturday of this week, when the Hollywood Business Association sponsors the Hollywood Treasure Hunt.

This small street, 16 feet wide and not much longer, fits into the multiple intersection where North Capitol, Fairgrounds Road and Tule Road intersect. It enables motorists to make a left turn from Capitol into Fairgrounds Road without violating a traffic ordinance.

When the one-way street system went into use left turns were not permitted off Capitol Street. The result was that cars northbound on Capitol, whose drivers wanted to turn into or stop on busy Fairgrounds Road, had to wend about on streets east or west of Capitol, or drive north on Portland Road beyond the Underpass to turn around. Now, with the newly-paved and properly (Continued on Page 5, Column 1)

Mississippi to Abolish Schools

By JAMES D. OLSON

JACKSON, Miss. (AP)—A state constitutional amendment opening the door for abolishing public schools was recommended by Mississippi's committee seeking ways to dodge the U.S. Supreme Court decision outlawing racial segregation in public education.

Gov. Hugh White said yesterday he would call the Legislature into special session early in September to consider the proposed amendment to Mississippi's 64-year-old Constitution.

It would authorize the Legislature by a two-thirds vote to abolish public schools, statewide or on a local option basis, if necessary to maintain segregation.

Members of Mississippi's Legal Education Advisory Committee declared it would be used only as a last resort.

Guatemala Drives on Reds

By JAMES D. OLSON

GUATEMALA CITY (AP)—Provisional President Carlos Castillo Armas has warned the people of Guatemala that the fight against Communism is not yet finished.

The revolutionary leader told an anti-Communist rally yesterday that the nation now faces the second stage of its drive against the Reds and must "exterminate the Communists from the places where they went into hiding."

Castillo pledged himself to fight unceasingly "until Communism is definitely suppressed in the land."

Castillo said there "are no words in the language to describe the crimes of the Communist regime that has just collapsed." Those who were responsible for atrocities during the deposed regime would be sentenced to death as "an example for future generations," he said.

Stolen Funds Subject to Tax

By JAMES D. OLSON

ST. LOUIS (AP)—Embezzled funds are subject to income tax under terms of a ruling by the U.S. Court of Appeals.

The court made the ruling yesterday in upholding the conviction of Arthur B. Marienfeld of St. Louis, former president of the Mar Meat Co. He was sentenced to 15 months in prison and fined \$5,000 after being convicted for evading \$23,968 in income taxes for 1946.

In his appeal, Marienfeld contended the money which the government claimed was income and was used by him, actually belonged to the firm.

Appeals Court Judge Harvey M. Johnson wrote:

"One who acquires funds by criminal means and uses them for his own purposes has no less measure of economic gain, value and enjoyment from them than the law-abiding citizen."

Ultimatum to France

By JAMES D. OLSON

LONDON (AP)—The United States and Britain have told France they must give limited sovereignty by fall, a high diplomatic source said Tuesday.

Big 3 Open Indochina Peace Talks at Paris Conference

Reds Shelling French Bases Around Hanoi

By JAMES D. OLSON

HANOI, Indochina (AP)—Vietminh mortars shelled French army headquarters at Son Tay, 25 miles northwest of Hanoi, last night and sniper warfare raged through the streets of the defense outpost town of 6,000.

A French army spokesman said civilians were moving out of Son Tay as rebel pressure built up in that sector and across the northern Red River delta defense area.

Forty-one rebels were reported killed and 17 captured in various actions during the night. There was no announcement of French losses.

Between Son Tay and Hanoi Vietminh guerrillas attacked a French highway guard patrol but were driven off by a tank squadron that rumbled out of Son Tay to the rescue.

Twenty Vietminh were killed and seven captured in the roadside fight.

Other Fights Reported

One rebel sniper was killed on a Son Tay street corner but others apparently escaped.

Other fights were reported just north of Hung Yen, 25 miles southeast of Hanoi, and through the Sept. Pagodes-Luc Nam-Puh Lang Thung tract, 35 miles northeast of Hanoi.

North of Hung Yen, rebel guerrilla and French-Vietnamese patrols clashed in small night battles for possession of the supply road from Hanoi.

(Continued on Page 5, Column 6)

Division of Viet Nam Said Agreed Upon

By JAMES D. OLSON

LONDON (AP)—An authoritative British informant spread word among newsmen Tuesday that the United States and Britain are "pretty well agreed" on division of Viet Nam somewhere between the 16th and 18th parallels, as a basis of an Indochina settlement.

The foreign office and the American embassy would not comment.

The informant, who gave this information with the understanding his name would not be used, said the partition line would be as far north as possible, "short and demonstrably defensible—and one that the Communists will understand is defensible."

He outlined two other points: Washington and London want a settlement.

1. The French Union forces should hold some position in the Communist-controlled north after Viet Nam is divided. He named the port of Haiphong in this context because it is defensible. The view appears to be that the inland city of Hanoi cannot be held as things stand now.

2. An exchange of populations should be provided for between the two parts of Viet Nam. President Eisenhower has said he would not be party to any settlement that enslaved people. A provision of this sort presumably would make it easier for him to accept the final settlement.

At that time, he said, he felt such an organization would help France. "I still feel the same way," he added.

He went on to explain: "The United States is not itself a belligerent and therefore not a proper party to many aspects of the problem which are the principal concern of the Geneva conference. However, we do have a great and continuing interest in collective action by France, Great Britain, United States and other free countries to promote the peace and freedom of the area."

Six Nation Army

"This, as well as pressing European problems, will, I hope, be among the subjects of our conversations here, which are bound to re-emphasize to the Communists the futility of their efforts to divide Asia."

(Continued on Page 5, Column 6)

Flood Moving Up on Vienna

By JAMES D. OLSON

VIENNA (AP)—Thousands of emergency workers heaved sandbags along the banks of the rampaging Danube River today as the flood crest roared toward Vienna leaving death and destruction in its wake.

The floods, worst in Central Europe in years, already have taken a toll of at least 26 lives in Germany and Austria. Tens of thousands of persons were homeless and the property damage neared the 100 million dollar mark.

At noon, the water level in the city stood at 28.5 feet and was rising steadily. The crest, choked with tons of debris and drowned livestock, was expected to reach a peak of 27.5 feet late today.

Thorne's Body To Be Exhumed

By JAMES D. OLSON

CHICAGO (AP)—Mrs. Marion Thorne, wealthy Chicago socialite, has agreed that her son's body should be removed from its grave for final efforts of medical scientists to fix the cause of his mysterious death.

"I want to get at the truth," her attorney, Bartlett Marimon, quoted her as saying.

The inquest in the case resumes today.

Coroner Walter E. McCarron said he will appear before Chief Justice Charles S. Duganery in Criminal Court today to get legal authorization to exhume the body of Montgomery Ward Thorne, 26-year-old heir to a mail order fortune.

The request came from a panel of prominent pathologists who were unable to determine the cause of death after reviewing the findings of Dr. Harry Leon, coroner's physician who believes young Thorne met with foul play.

55,000 Flee East Germany

By JAMES D. OLSON

BERLIN (AP)—A total of 55,000 East Germans, more than half of them children or teenagers, slipped across the Iron Curtain into West Berlin during the first six months of 1954, West Berlin refugee officials announced today.

In a survey, the officials estimated that at least 1,675,000 Soviet zone residents had fled their homes for freedom in the West since 1947. The flood of refugees reached its highest peak in the first half of 1953 when 224,700 men, women and children poured across the East-West frontier.

World Court Upholds Reds

By JAMES D. OLSON

THE HAGUE, Netherlands (AP)—The World Court ruled Tuesday the U.N. General Assembly has no right to review compensation awards made to 11 Americans dismissed from U.N. jobs after U.S. inquiries into alleged subversive activities.

The ruling, a 9 to 3 decision, rejected a U.S. claim that the Assembly had the power to reconsider and possibly reject compensation awards made by the U.N. administrative tribunal.

The 11 Americans, dismissed by the U.N. secretary general after refusing to answer questions before U.S. investigative agencies, had been awarded more than \$170,000 in compensation by the tribunal.

FATAL LANDSLIDES

By JAMES D. OLSON

MEDELLIN, Colombia (AP)—At least five persons were killed and 60 injured by landslides here yesterday. A search for more victims continued during the night.

The first landslide attracted many rescuers and onlookers. A second slide buried many in the crowd.

Dulles Seeks Terms Just and Honorable

By JAMES D. OLSON

PARIS (AP)—Secretary of State Dulles arrived here Tuesday and said he considers that a collective defense organization for Southeast Asia could help France get "just and honorable peace terms" in Indochina.

Dulles flew into Paris aboard a U.S. military air transport. Contention for a top-level British-French attempt to convince him an "honorable" peace can still be won in Indochina—and that his presence in Geneva would help win it.

He was scheduled to open talks with French Premier Pierre-Mendes-France and British Foreign Secretary Anthony Eden during the day. Eden and Mendes-France left Geneva earlier Tuesday to be on hand for the conference.

Asia Defense Pact

In a statement, Dulles recalled he had come to Paris last April 13, before the Geneva conference started, to talk about forming a Southeast Asian defense pact.

At that time, he said, he felt such an organization would help France. "I still feel the same way," he added.

He went on to explain: "The United States is not itself a belligerent and therefore not a proper party to many aspects of the problem which are the principal concern of the Geneva conference. However, we do have a great and continuing interest in collective action by France, Great Britain, United States and other free countries to promote the peace and freedom of the area."

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(Continued on Page 5, Column 6)

Jap Fish Pact Gets Approval

By JAMES D. OLSON

WASHINGTON (AP)—The House Merchant Marine and Fisheries Committee approved Tuesday a bill to effectuate a fisheries conservation compact among the United States, Canada and Japan in north Pacific waters.

Representatives of the Interior Department and fishery interests endorsed the measure, as they did at a Senate Commerce committee hearing Monday.

The three-nation agreement was signed at Tokyo May 9, 1952. The pending legislation would perfect the mechanism for this country's participation in joint studies and regulations.

Milton Brodberg of San Francisco, one of the American commissioners of the compact, who also operates the California Packing Corp., pointed out that the international commission meets in Victoria, British Columbia, next fall and that American members needed the same status as those from Canada and Japan.

Foreign Aid Bill Restored

By JAMES D. OLSON

WASHINGTON (AP)—The Senate Foreign Relations Committee, yielding to State Department appeals, reversed itself late yesterday and struck out of its \$3,100,000,000 foreign aid bill a proposed notice to France and Italy to join a proposed European army or foreign U.S. help after Dec. 31.

With two top Republican leaders voting against the move, the committee substituted less stringent language already approved by the House in a move to prod the two nations to approve the projected European Defense Community.

New the bill goes to the Armed Services Committee, perhaps for further changes. That group considers it because much of the overseas program is arms aid.

Voting on the losing side in the Foreign Relations Committee for the virtual ultimatum to France and Italy were Sen. Knowland of California, the Senate Republican leader, and Sen. Ferguson of Michigan, chairman of the Senate GOP Policy Committee.

JAPAN ISSUES WHITE PAPER

By JAMES D. OLSON

TOKYO (AP)—Japan said Tuesday in an economic white paper that the teeming island nation consumed 9 per cent more imported and domestic goods last year than in the peak prewar year. The result is a sharp decline in its cash reserve.

Record Heat Wave in East

By THE ASSOCIATED PRESS

The biggest heat wave so far this summer baked central sections of the nation today with little real relief in sight.

At least eight deaths were attributed to the heat.

The mercury zoomed to an unofficial 121 degrees in Pittsburg, Kans., yesterday and plus-100-degree readings were common from the Rockies eastward to the Great Lakes.

Local water shortages developed in some communities from the heat and lack of rainfall, but no widespread crop damage has developed yet.

In Kansas City, where the temperature reached 109, so many people turned on their air conditioners that power lines became overloaded. The Kansas City Power and Light Co. said power use hit an all-time high last night.

Midwest City, an Oklahoma City suburb of 20,000, ran out of water as 107-degree heat led to record consumption. Officials said shortages will occur daily as long as the heat continues.

These all-time high heat records were set yesterday:

Columbia, Mo., 113; Springfield, Mo., 108; Rapid City, S.D., 109; Dallas, Tex., 110.3; Oklahoma City, 107; and Casper, Wyo., 104.

Marion County Gets \$136,897

By JAMES D. OLSON

An allocation of \$136,897.65 to Marion county as its 19 per cent share in receipts from motor vehicle and operators registrations, motor vehicle fuel taxes, motor carrier fees and fines for violations of motor vehicle laws, credited to the State Highway fund April 1 to June 30, 1954, was announced Tuesday by Earl T. Newberry, secretary of state.

The allocation was based on 47,738 motor vehicles registered in Marion county.

An allocation of 11,997.43 to Marion county was also announced, this representing the county's share in revenues derived from taxes imposed upon manufacturers and importing distributors of alcoholic beverages. This allocation is based on population as determined by the 1950 Federal Census.

5 Days' Outlook for Oregon Weather

By THE ASSOCIATED PRESS

Western Area: Considerable cloudiness with showers Thursday, and again about Saturday and Sunday. Otherwise fair weather. Precipitation as scattered thunderstorms over Oregon and mostly over the mountains. Amounts ranging from .10 to .30 over Western Washington and .05 to .20 in thunderstorm areas Western Oregon. Temperatures normal to slightly below normal in Western Washington and near normal in Western Oregon. High 65-75 along coast, 75 interior Western Washington, 90 interior Southwestern Oregon. Low 48-58.

Weather Details

Maximum yesterday, 78; minimum 48.

Maximum today, 88; minimum 48.

Maximum tomorrow, 88; minimum 48.

Maximum the day after, 88; minimum 48.

Maximum the day after, 88; minimum 48.

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Heat Causes Nurses Trouble

By JAMES D. OLSON

GRANITE CITY, Ill. (AP)—St. Elizabeth Hospital nurses had trouble keeping their clinical thermometers down below 105 degrees because of the heat here yesterday.

The temperature in the hospital rooms was 105 degrees and it was sweltering 109.3 in nearby St. Louis.

A hospital official said the thermometers maintain the temperature of the environment until they are shaken down. She explained an accurate reading could be taken by keeping the thermometer in cool water or alcohol and then putting it quickly into the patient's mouth.

One nurse took her thermometer into an air-conditioned room, ran cool water over it and cooled it to 98 degrees but by the time she got back to her patient the thermometer read 105 again.

Derbyists Go On Air With Gov. Patterson

By VIC FRYER

Four Salem Derbyists who will appear on Wednesday evening's KSLM radio show "Operation Soapbox," will be heard with some well-known names—city, state and nationally speaking.

Probably the best known locally of the distinguished guests will be Governor Paul Patterson who will appear via recorded interview to voice his support of the mid-Wilamette valley boys in Salem's biggest boy's event, scheduled for this weekend in Bush Pasture park.

A distinguished voice from the world of business will be that of W. J. King of the Chevrolet division of General Motors, General Manager of the All-American Soap Box Derby. A special telephone transcription from Detroit will be made by the National Derby chief just prior to the 8 p. m. broadcast time.

Other distinguished guests scheduled for the program will include W. C. Page, general manager of Douglas McKay Chevrolet company, and Bernard Mainwaring, editor and publisher of the Capital Journal, heads of the two sponsoring organizations of the Salem Derby; along with Marion County Sheriff Denver Young; and Salem Chief of Police Clyde Warren.

Salem Derby boys Lynn Seipp, 598 N. 20th street; Dennis Neilson, 2580 Rosemary lane; Bill Crandall, 320 W. Superior; and Bob Crowe, 738 South street, will be on hand to tell their Derby plans and to hear the distinguished guests and words of advice and information from Derby Director W. L. (Barney) Barnett and other Derby workers.

(Continued on Page 5, Column 5)

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(Continued on Page 5, Column 5)