

THE WEATHER

MOSTLY CLOUDY with occasional snow showers tonight and Wednesday. Cooler. Low tonight, 28; high Wednesday, 32.

England's Finances Wobbling U.S. Asked to Skip Interest; Pound Value Shaky

LONDON (AP) — A sharp slump in gold and dollar reserves jeopardizing the value of the pound was disclosed Tuesday in a British appeal to the United States and Canada to waive interest on post-war dollar loans due this month.

Chancellor of the Exchequer Harold Macmillan told the House of Commons the reserves—shared by all sterling area countries—fell 278 million dollars last month.

The slump brought reserves to \$1,955,000,000—well below the two billion dollar mark which most economists consider the essential minimum for the safety of the pound.

Emergency Action Macmillan announced a series of emergency actions designed to "maintain the rate for the pound sterling at its present parity" of \$2.80.

Capping the measures was a formal request to the United States to waive the interest now due on its postwar loan to Britain.

Parliament was told President Eisenhower is putting the British request for waiver of payment before Congress.

A Canadian decision to grant a parallel waiver will follow automatically if the United States agrees, Macmillan said.

The two waivers, if granted, would mean a saving to Britain of 104 million dollars.

However, payments will be made on redemption on the loans, 56 million dollars to the United States, and 13 1/2 million dollars to Canada.

Interest is due in the amounts of \$31,800,000 to the United States and \$22,200,000 to Canada.

81 Million Due U.S. The November dive was the greatest single monthly loss for more than a year in the 30.

(Continued on Page 5, Column 3)

Snow Falls in Hilly Sections Around Salem

Snow showers came for the hilly sections around Salem Tuesday morning and forecast was for some of the white stuff to fall on the "flats" tonight and Wednesday.

And cooler temperatures are in the offing with winter moving in a notch closer.

Both the Eola Hills area and the hills in the Prospect school region and along Skyline drive south of Salem reported snow coming down this morning.

At the airport weather bureau, 20 of an inch of rain was measured in the 24-hour period ending at 10:30 a. m. Tuesday. The minimum temperature this morning was 34, two above freezing, the highest minimum here since November 17.

A two-week period of below freezing temperature began November 18 in Salem.

Below freezing temperatures here again are forecast for tonight.

Some cool air is moving into northwest Oregon and the weather bureau in Portland has predicted from two to five inches to fall in the metropolitan area by Wednesday night.

Snow was falling in Valsetz this morning and Falls City also reported its first fall of the season.

Five inches of new snow were measured at Crater Lake National park and other high mountain regions also listed new snow. The highway department is warning travelers to be equipped with chains if going any of the high pass routes.

Prison Assn. Favors Youth Custody Unit

The Oregon Prison Assn. proposed to the Board of Control Tuesday that a youth authority be created to decide on the custody of juvenile offenders.

Explosion Obliterates Boston Building



BOSTON—Flames fed by illuminating gas burns in ruins of tavern destroyed by an explosion here early this morning and seriously damaging adjoining four story building. Several injured were removed to hospital. (AP Wirephoto)

Ships Mass at Port Said for Troop Pullout

LONDON (UP) — Britain and France began mustering an evacuation fleet in Port Said today, but warned that no troops will leave until full details of the withdrawal have been worked out with U.N. leaders.

Troopships and landing craft from Malta and Cyprus converged on the Allied beachhead in Egypt to carry out the Anglo-French promise to withdraw from the Suez Canal Zone.

All preliminary moves are being made in anticipation of orders yet to be received," said a spokesman for the Allied high command.

The spokesman emphasized, however, that the actual start of the withdrawal will depend on an agreement between British Lt. Gen. Sir Hugh Stockwell and U.N. Maj. Gen. E. L. M. Burns on the timing of the movement.

Preparations for an Anglo-French withdrawal aroused alarm among foreign residents of Port Said, who are not certain that U.N. forces will be able to protect them against violent Egyptian reprisals.

More than 1,500 Britons, Frenchmen, Italians and Greeks asked to be evacuated from the city, and the U.S. Consulate was reported ready to advise American residents to leave.

Boy's Shot at Brother Eyed

An Aumsville youth accused of taking a shot at his older brother is being held by Marion county juvenile authorities today pending questioning and further investigation into the incident.

State police said a 17-year-old youth complained to them Monday that his 15-year-old brother had taken a shot at him with a .22 caliber rifle after an argument over cleaning out a barn at their home on Route 1, Aumsville. The younger youth ran away after the incident, police said.

He was picked up about 7 a. m. Tuesday in Salem by city officers after a complaint from a resident that a youth had been at the door asking for food. He had slept in a box car during the night, he told officers.

He had not been questioned and made no statement about the shooting incident, officers said. They released him to juvenile authorities later in the day. Dr. James Ashbaugh, county juvenile officer, said no definite charges would be filed pending further investigation.

Santa Story Starts Today

A delightful, warmly told Christmas story, "Santa and the Secret Room," starts today in the Capital Journal.

You'll find the first installment on page 6 in section 2. The story will run daily until two days before Christmas. It's a heart-warming story that no child will want to miss.

"Santa and the Secret Room" is a story both young and old will enjoy reading. Don't miss it.

Weather Details

Maximum yesterday 32; minimum today 24. Total 24-hour precipitation: 28; month: 28; normal: 54. Sea-level precipitation: 4.8. Normal: 12. River height: -1.3 feet. Report by U. S. Weather Bureau.

State OKs New Road Leading to Fairview

The Marion county court has long endeavored to get this road built to end a bottleneck in the area.

Though construction of the extension travel will be possible directly from Strong road to Mission street, where motorists can either get onto the Salem by-pass or proceed to the downtown section of the city.

It will also give motorists a more direct route to the Salem airport.

County Judge Rex Hartley, City Manager Kent Mathewson and City Engineer Harold Davis, all spoke in favor of the proposal at the board meeting.

Dr. Irvin Hill, superintendent of Fairview home, said that the new road would be of great benefit to the institution, and that the right-of-way sought, was not in use. The county agreed to provide turn-outs so the institution machinery could be moved across the new road.

City Manager Mathewson and Vern Gilmore of the Salem school district, requested the board to allow the city to build a softball field on state hospital property in the vicinity of 25th and Walker streets.

Mathewson said both children and adults of this district lacked recreation facilities, and no other location to establish such facilities had been found.

Park Superintendent Walter Worth pointed out that the softball field could be readily removed should the state need the property in future years.

Members of the state board, a year ago, denied a similar request. Gov. Elmo Smith asked the delegation to prepare a plan outlining the request after which the board will consult State Hospital superintendent Dean Brooks regarding the proposal.

Smith Designates Pearl Harbor Day

Governor Elmo Smith designated Friday as Pearl Harbor Day. Observance of the day, he said, would call attention to the "ever present need for national preparedness and in fostering the values of courage and will to victory uncovered by Pearl Harbor in 1941."

THOUSANDS DEFY BULLETS Soviet Troops Open Fire on Women at Budapest Shrine

The horde of women ignored Russian soldiers who tried to push them back and placed red, white and green bouquets on the large white stone honoring the Hungarian dead of World War I.

It was clear to all who watched that the women were honoring, not the dead of 1914-1918, but the thousands who fell before the Russians in the rebellion of October and November, particularly on the black Sunday of Nov. 4.

The demonstration, announced only by leaflets handed out on Budapest streets Monday, started at 11 a. m.

Singly, in groups, and finally in hundreds, the women converged on the square with their bouquets. At least two dozen Russian armored cars and scores of Russian soldiers with submachineguns were at the square. Their guns pointed at the women.

The women, pushing past a roadblock of armored cars and troops, gathered at the corners of the square. They pressed up to within a few feet of the muzzles of Russian guns and began to sing Hungary's national anthem.

Their high voices carried over the square and the old song was picked up by women on the opposite side, nearly 1,000 feet away.

Later, a group began reciting a Hungarian poem by Sandor Petofci, written at the time of the 1948 revolution. It ends with the solemn oath: "We shall no longer be slaves."

N.Y. Fears Dock Fire A-Fueled

Seeks Army Probe For Fissionable Material

(Also See Story on Page 2, Sec. 1)

NEW YORK (AP) — Fire Commissioner Edward F. Cavanaugh Jr. Tuesday asked the Army to check whether there may have been any atomic materials on the Brooklyn pier which caught fire and exploded Monday, killing 10 and injuring 247.

The death toll increased to 10 when Charles Tierney, an 8-year-old boy who had been watching the firefighting efforts as the blast occurred, succumbed to injuries at a hospital.

As firemen continued efforts to quench the smoking ruins, Cavanaugh told newsmen he had asked the Army to send experts with Geiger counters, which could detect any atomic materials in the debris.

It was understood that considerable material was on the pier at the time for shipment to the West Coast, but its nature was not immediately learned.

Meanwhile police, Fire Department officials and the Brooklyn district attorney's office launched probes of the disastrous blast, which shook the city for miles around and caused damages estimated at 10 million dollars.

By THE ASSOCIATED PRESS

A tavern explosion in Boston and a factory fire in Pennsylvania early Tuesday frame only hours after a big fire and blast on a Brooklyn pier killed 10 and injured 247.

The Boston explosion demolished a tavern adjoining the naval shipyard. At least six persons were injured. They were asleep in homes near the wrecked tavern.

The six-two women, three infants and a young girl—suffered cuts, bruises or shock.

In the tiny community of New Albany, Pa., a roaring fire destroyed a Christmas wreath plant and the 100-year-old Town Hall.

Hundreds of wreaths went up in smoke. The fire temporarily paralyzed the industrial life of most of New Albany's 500 citizens.

The ruins of a pier on the Brooklyn waterfront still smoldered Tuesday. The fire broke out in a pile of foam rubber on the pier Monday afternoon. A short while later flames reached a mountain of highly inflammable cargo on the pier and touched off a tremendous blast.

18 Hungarian Seamen Reach Oregon Haven

PORTLAND (UP) — Eighteen Hungarian merchant seamen who jumped ship at Beirut, Lebanon, after fighting in their homeland broke out, arrived here today to begin new lives.

The seamen, who left relatives in Hungary, were welcomed by acting mayor Stanley Earl and Paul Ousley, a manufacturer's representative who heads the Oregon Committee for Hungarian Refugees. They will be housed in the YMCA, here until their sponsors arrange jobs and places to live.

"They are too many," said Gabriel Varady, one of the refugees who was asked why they didn't return to Hungary. He was referring to the Russians.

"Hungary cannot fight the Russians. We are only 10 million . . . he said.

"We could go back," he said, "but we would not stay. We would just keep on going, as he pointed a finger toward the east.

The seamen arrived here after an overnight flight from New York. They appeared happy despite weariness from four days of constant travel.

Police Crack Teen Forgery Ring in Salem

Forgery charges filed against a brother and sister Tuesday broke up a check-passing ring of teen-agers and young adults who have passed an estimated \$600 worth of bad checks in the Salem area recently, Salem police and the Marion county sheriff's office reported.

Charged with forgery is Nancy Tennis, 18. Charged with knowingly uttering and publishing a forged check is George Tennis, 23, both of Salem.

One in Custody A 17-year-old youth is already in custody on a bad check charge after his arrest in California last week on a Marion county warrant. He has been returned here and is being held in the county juvenile ward.

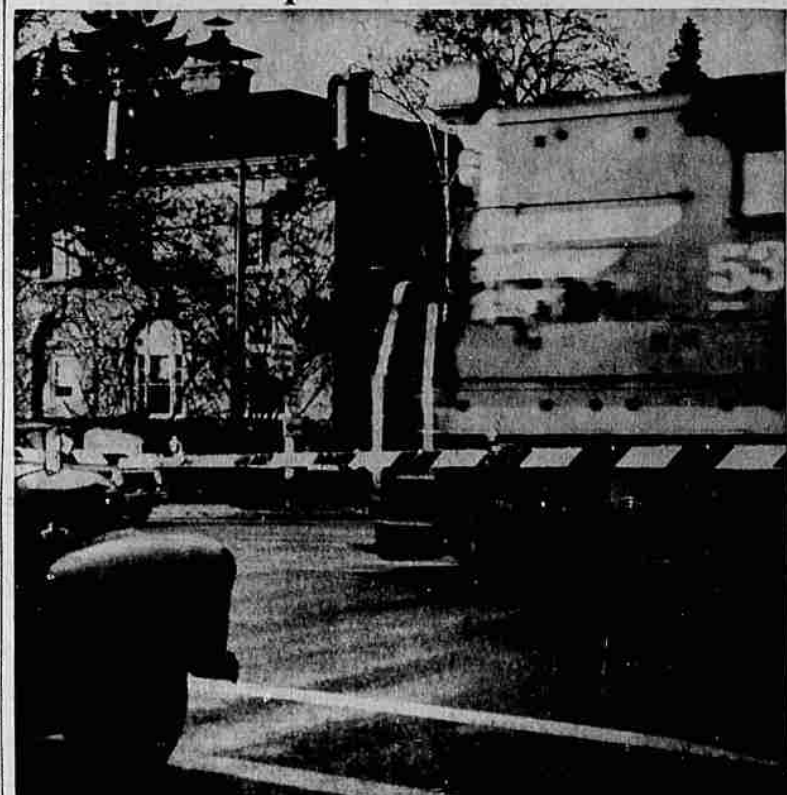
Three other youths, two 19 and one 17, have fled the state and gone to California, apparently after learning of the arrest of the 17-year-old when his name was published in a Salem paper, officers said.

Fictitious Names Used The warrants against the two arrested Tuesday charge Nancy Tennis with passing a \$25 check and George Tennis with passing a \$24 check. Fictitious names were used in both cases, police said.

About \$600 in checks, mostly ranging in amounts from \$13 to \$26, have been tossed in the Salem area by the six persons involved, police estimated.

Board Asks Ike Move To Halt SP&S Strike

Railroad Drop Arms Hold Back Traffic



I-Way Traffic Extended Into Capitol Area

Eleven blocks in the Capitol area began carrying traffic only one way Tuesday morning as the one-way grid extension, made possible by the 12th street project, went into effect.

New traffic lights and drop arms at crossings of the Southern Pacific track on 12th have gone into operation.

A hookup with circuits of the Southern Pacific railroad automatically activates the signals and drop arms.

New light installations at 12th street intersections operate as other traffic lights until a train approaches when cross traffic lights turn to red with north and south traffic getting the green light while the trains are passing. The drop arms also fall to block movement across the track.

The new grid extension goes into effect this morning is: One way east of Court from Capitol to 13th streets; one way west on Cheneketa from 13th to Capitol; one way east on Center from Capitol to 13th; one way west on Marion from 13th to Capitol; one way north on 12th from Center to Marion and one way north on Capitol from Court to Center.

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INDONESIA SHIP SINKS SINGAPORE The 500-ton ship Lahajaja, owned by the Indonesian government, Tuesday was reported to have sunk in a storm 250 miles northeast of here with a cargo of Malayan rubber

Hunt Wins So. Salem Election as Write-in

Water Bond Issue OK'd by Four Corners

By MIKE FORBES Capital Journal Valley Editor

A. O. Hunt, a write-in candidate, Monday was elected to a five-year term on the Salem Heights Water District committee with 182 votes against 124 for Elbert E. Dickson, Victor H. Sword polled 18 votes.

Hunt had the support of the South Salem Citizens committee, a group formed recently to oppose incorporation of the Salem Heights district as a city.

The election faced a crisis over the week end when it was discovered no space had been provided on the ballots for the names of write-in candidates. New ballots were printed early Monday, however, with proper space provided and the election proceeded on schedule.

Diets Elected George Dietz, incumbent, was elected to a two-year term on the board with 332 votes.

Annexation of a 336x148-foot lot south of Browning Ave. carried by a vote of 177 to 166.

At the same time the Liberty-Salem Heights Water District elected Ted Thompson as a director with 182 votes. Only a handful of opposition votes was cast for write-in candidates.

Bond Issue Approved At Four Corners a \$326,000 water bond issue was approved by the East Salem Water district by a vote of 237 to 85. The money will be used to develop a new water system.

At the same election, Raymond Russell was elected water commissioner by a vote of 217 against 73 for William Zenger. Five scattered write-in votes also were cast.

In the Four Corners Fire District voters re-elected Wilbur Flood to a five-year term as a director. (Continued on Page 5, Column 4)

Meeting Series Set on Forming Sewer District

By FRED ZIMMERMAN Capital Journal Writer

A series of meetings calculated to provide additional information concerning the possibility of advisability of setting up a South Salem sanitary district appears to be the next move in the issue.

Members of the county court who sat in on Monday's hearing said that while they are anxious to provide any information and assistance that will be helpful, there was no desire on their part to force the issue.

The informative meetings would be arranged by property owners of the area involved and it is probable Judge Rex Hartley and County Engineer John Anderson would be asked to talk.

There was some talk in unofficial circles that it might be wise for the South Salem area to seek annexation to Salem. However, there was no indication Monday that the thinking of a majority of the property owners was along this line.

Real estate brokers and those engaged in sub-dividing have been endeavoring to work out sewer plans of their own, it was learned Tuesday.

Pastor Hurt in Riot; Clinton School Shut

CLINTON, Tenn. (UP)—The Anderson County School Board ordered Clinton High School closed today after new outbreaks of racial violence injured a Baptist minister and menaced the safety of Negro students.

"We are going to close the school today, close it tomorrow, and close it until it's safe for children to attend," said Principal D. J. Brittain Jr. Brittain acted on instructions from the school board.

Classes were dismissed and school bus drivers were ordered to take the school's 700 students to their homes.

The decision to close the school, the first state supported public school in Tennessee to be integrated, came after a Baptist minister was beaten by a group of pro-segregationists and two white teenagers tried to invade the school building to attack a Negro student.

Beaten in Face The Rev. Paul Turner, 33, a white Baptist minister, was chased by segregationists "like a pack of hounds" and beaten in the face after he and two volunteer aides escorted six Negroes back to the school. Clinton high's nine Negro students had skipped classes for four days because of the growing racial tension.

Only Monday, the school board said it had done all it could to effect orderly integration and called on U.S. Atty. Gen. Herbert Brownell Jr. to enforce racial mixing at the school. The Justice Department declined to comment today on whether it will respond to the plea from Clinton school authorities.

Many in Other Lines Facing Jobs Loss

SWEET HOME (Special)—Orders were issued today to close the Sweet Home branch of the Santiam Lumber Company mill at the end of the day's shift, as a result of the SP&S strike.

According to Walter Lely, manager, the layoff will affect approximately 500 men. A skeleton crew will be kept on duty to care for equipment.

Lack of storage space for finished lumber may cause seven other mills between Sweet Home and Lebanon to close, it was indicated.

WASHINGTON (AP) — The National Railway Mediation Board Tuesday asked President Eisenhower to intervene in a three-day strike on the Spokane, Portland & Seattle Railroad.

The board proposed that Eisenhower name a special emergency board to look into the strike issues and recommend settlement terms, under Railway Labor Act procedures.

The strike, which started late Saturday night, climaxed months of negotiations between the railroad and the Brotherhood of Locomotive Engineers over premium pay demands for certain types of work.

60-Day Delay Provided Appointment by the White House of an emergency board usually serves to prevent strikes for 60 days. The Railway Labor Act says parties to a dispute are supposed to maintain the "status quo" when such a board is appointed.

However, since the union's 225 members already are on strike the Mediation Board was dubious that naming of an emergency board now would serve to stop the present dispute.

The strike has hampered service on the Northern Pacific, Great Northern and Union Pacific railroads out of Portland. The idled SP&S is a connecting line for all three trunk roads.

Many Face Jobs Loss PORTLAND (AP) — Grain and lumber industry spokesmen said Tuesday widespread unemployment is in sight unless the strike of engineers against the Spokane, Portland and Seattle Railroad is ended soon.

They pinned their hopes on presidential action, which was asked Tuesday by the National Railway Mediation Board. W. B. Richards, general manager of the North Pacific Grain Growers Assn., laid Monday had urged this.

The industry spokesman, Henry Collins, vice president of Archer Daniels Midland Co., said the strike would "put a real crimp" in wheat exports from Astoria and Vancouver, Wash.

A West Coast Lumbermen's Assn. spokesman said hundreds of sawmills and plywood plants are dependent on the SP&S for transportation and any delay in resumption of service would mean closures and men out of work.

2,000 Idle on SP&S A railroad official said 2,000 SP&S workers had been idled and another 1,000 would be idle shortly.

The Brotherhood of Locomotive Engineers struck Saturday night, asking additional pay under certain conditions, including operation of trains with radio telephone equipment.

J. C. Moore, SP&S vice president (Continued on Page 3, Col 2)

News in Brief

For Tuesday, Dec. 4, 1956

NATIONAL A-Material Angle in Pier Laszlo Probed Sec. 1, P. 1 Douglas MacArthur II Named Envoy to Japan Sec. 1, P. 1

LOCAL Five Trucks Move 1140 Yards of Rock Daily To New Cutoff Sec. 2, P. 10 Write-In Candidate Wins Water Election Sec. 1, P. 1

STATE Kleinmorge Bares Education Needs Sec. 2, P. 10 State Okays New Road On Fairview Property Sec. 1, P. 1

FOREIGN Russ Troops Fire on Hungarian Women Sec. 1, P. 1 Britain's Finances Revealed Wobbly Sec. 1, P. 1

SPORTS North, South Play Tonight Sec. 2, P. 1 7 Teams Have Players on AP All-PCC Football Team Sec. 2, P. 2

REGULAR FEATURES Amusements Sec. 1, P. 2 Editorials Sec. 1, P. 4 Local Sec. 1, P. 5 Society Sec. 1, P. 6 Comics Sec. 2, P. 4 Television Sec. 2, P. 5 Want Ads Sec. 2, P. 7, 8 Markets Sec. 2, P. 7 Personal Problems Sec. 2, P. 7 Crossword Puzzles Sec. 2, P. 7