

THE WEATHER

CLOUDY WITH rain tonight, Wednesday morning; becoming partly cloudy with showers Wednesday afternoon and evening. Low tonight, 43; high Wednesday, 52.

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2 SECTIONS

16 Pages

Oregon Senate Backs Higher Teachers' Pay

House Passes Measure Calling for Governmental Reorganization Starting in Two Years

By PAUL W. HARVEY JR. Associated Press Writer Moves to reorganize Oregon's state government and to increase minimum salaries of public school teachers won approval in the Legislature Tuesday.

At the same time, the Democratic leadership disclosed plans to hold the state appropriations to 265 million dollars, which would mean little or no tax increase. It means that the Joint Ways and Means Committee will get out its act and reduce drastically the requests of state departments for money.

Would Revise Rates It also means, if the budget is held to that figure, that the Legislature will repeal the 45 per cent surtax, boost personal exemptions under the income tax from \$500 to \$600, and revise the rates to make up the loss resulting from surtax repeal and boosting the exemptions.

The reorganization measure, passed 36 to 17 by the House and sent to the Senate, calls for appointment of a nine-member interim committee to submit to the 1959 Legislature a plan to eliminate or consolidate state boards and commissions.

The Democrats favored the resolution 33 to 3, but the Republicans opposed it 14 to 3. Rep. Guy Jonas (D), Salem, told the House that Oregon has 112 boards and commissions, more than any other state. He said Oregon's government needs "economy and a lessening of bureaucracy."

Ahrens Objects But Rep. Eddie Ahrens (R), Turner, objected that the measure would "lead to too much power for the governor."

Then Rep. Shirley Field (R), Portland, pointing out the reduction of boards and commissions was a campaign pledge of Democratic Gov. Holmes, said the purpose of the resolution is "to get the governor off the hook by delaying this for two years."

Connelly and Caudle Draw 2-Year Terms

ST. LOUIS (AP) — Matthew J. Connelly and T. Lamar Caudle, who held high positions in the Truman administration, Tuesday were sentenced to two years in prison and fined \$2,500 each for conspiring to defraud the government.

Federal District Judge Gunnar H. Nordbye, before imposing sentence, denied a motion for a new trial. Connelly and Caudle could have been sentenced to five years in prison and fined \$10,000 each.

Connelly was White House communications secretary during the Truman administration. Caudle was head of the Justice Department's Tax Division until Truman fired him for having outside interests that conflicted with his official duties.

A jury of four women and eight men found June 14 that they conspired to try and avert the prosecution of Irving Sachs, a St. Louis shoe-jobber and income tax evader, who paid a \$40,000 fine but didn't go to prison.

Yanks Miffed Over Snub to VP in Accra

ACCRA, Gold Coast (AP) — Members of the U.S. delegation attending the Gold Coast's independence celebrations were reported miffed Tuesday because a Chinese Communist delegate was seated at the head table at a state dinner and Vice President Nixon was not.

Nixon was described as not upset himself, but others on the delegation made plain they felt he was slighted, although perhaps unintentionally. The Vice President was placed at the head of one of a dozen tables adjoining the head table, where sat bemuddled Chinese Red Marshal Nieh Jung-chen, Britain's Duchess of Kent and R.A. Butler, British Lord Privy Seal.

Bill Henry, Nixon's press officer, told reporters the vice president adopted a philosophical attitude and said where he was asked to rather than make a fuss. Gold Coast officials who arranged the seats, said Henry explained the delegates were seated in alphabetical order and China came up before the United States in the listing.

Water Bond Bids Opened at Meeting



Discussing bids for the biggest project in Salem's history, the multimillion dollar water line from Stayton to Salem, was this big group of bidders' representatives and city officials Tuesday morning. The group was led by City Manager Kent Mathewson (center right), who told bidders (left) he was pleased with the number and rates of bids. Winning bidder will be announced tonight by city council. (Capital Journal photo)

SAFE LANDING, NONE HURT

DC7 Roof Gouged As Prop Flies Off

MEMPHIS, Tenn. (AP) — A propeller of an American Air Lines plane came off in flight Tuesday and knifed through the roof of the giant airliner, but the plane landed safely here at the municipal airport.

17 Die as RAF Plane Crashes Into 2 Houses

DRAYTON, England (AP) — A British Royal Air Force transport plane crashed into two farm houses near its base Tuesday and the Air Ministry announced 17 persons were killed.

Fifteen were airmen and two were occupants of the wrecked dwellings. Six police dogs aboard the plane also perished.

The 70-ton, four-engine Beverley transport had taken off from the Abingdon RAF base for Malta with 18 men, but developed engine trouble and turned back.

It was making an approach about two miles from the base, 75 miles northwest of London, when it smashed into the farm houses and burned. Three of the airmen were thrown clear and escaped with injuries.

John Dawson, a witness, said one wing had struck a tree. The farm buildings were demolished.

The tail of the plane landed on top of another farm house across a country lane. A woman was trapped in the kitchen of that house by the wreckage. She was rescued.

A large section of the plane came to a stop near a group of trailers.

CLEARY FEARS 'GANGSTERISM'

DA Indicates Milk War Probe If Dairyman Files Threat Charges

A Pratum Road dairyman's charge Monday that threats of a "milk war" had forced him to raise milk prices might come under investigation by the Marion county grand jury, District Attorney Hattie Brazel said Tuesday.

Cleary said he doesn't know who is behind the alleged threats. There are at least nine milk distributors serving the Salem area.

A leading Salem distributor, Hans Hofstetter, who owns Curly's Dairy, said Tuesday that he had heard of the possibility of a "milk war" starting in Salem unless Cleary raised his prices.

Prices Raised Last Week Most Portland and Salem dairies raised their milk prices last week. Hofstetter said he understood last week that a large distributor from out of town was preparing to sell milk in Salem at less than the price Cleary sold his milk unless Cleary upped his prices.

Cleary had sold milk in Salem for several cents per gallon less than the larger distributors. He sells in gallon lots.

"I've heard nothing of alleged threats of violence, but I did see Cleary in my office last week and told him that a price war might put him out of business," Hofstetter said. "None of the distributors in the Salem area wants a price war, for we'd all lose in the end," he said.

Hofstetter said his dairy would have to lower prices to meet competition if an out-of-town distributor started a price war here. Cleary told the Capital Journal he'd be happy to do battle with any distributor on milk prices, "if I can get a guaranteed source of supply that will stay with me."

He said that in the past he has sometimes had to scour the state for milk supplies when supplies have suddenly quit. He said that a great deal of pressure is put on his farmer-suppliers from time to time by "other distributors."

"They've been telling the farmers for years that I'll soon be out of business so they won't sell milk to me," he said.

Dulles Warns Egypt Not To Delay Suez Opening; Israelis Begin Pullout

Ben-Gurion to Keep Helm in Hot Crisis

JERUSALEM (AP) — Israeli troops probably will start withdrawing Wednesday from the Gaza Strip and the Aqaba Gulf coast, informed sources said Tuesday night.

The word came out as several thousand rightist demonstrators staged a rally in the Israeli sector of this holy city to protest the withdrawals and demand the resignation of Premier David Ben-Gurion.

Weathers Revolt The white-haired, 70-year-old premier was apparently weathering the political revolt against his personal decision to order the troops out of the last of the territories they wrested from Egypt last fall. He worked long on a report to Parliament.

The entire police force of the Israeli sector of Jerusalem, officers from surrounding communities and contingents of frontier police were ordered out to handle the anti-government demonstrations, organized by the nationalist Herut Party.

Four hundred helmeted riot police guarded Zio Square and other strategic spots. Barbed wire barricades were set up at the main thoroughfares in front of the Parliament building to bar the marchers.

Municipal authorities put up special first aid stations. Consulates Guarded Extra guards were stationed at foreign consulates.

Though the informed sources might provoke a riot among the Arabs of the Gaza Strip.

U.N. Emergency Forces based in the Sinai Peninsula are to move into the Gaza Strip and Sharm el Sheikh, at the Aqaba Gulf's mouth simultaneously with the Israeli withdrawals.

Ike's Drought Message Asks Cost-Sharing

WASHINGTON (Special) — President Eisenhower proposed Tuesday that state and local governments pay more of the cost of programs for relief of drought and other farm disasters.

Present federal aid would be continued and expanded. In a special message to Congress on agricultural disasters, Eisenhower urged prompt congressional consideration of proposals for cost-sharing and for some expansion and other changes in present programs.

Details were suggested by Secretary of Agriculture Benson in an accompanying letter. Benson said the administration will offer a bill which would require affected states to pay at least 25 per cent of the cost of such programs in their states.

A spokesman said states have been contributing less than one per cent. Neither the President nor other officials gave an estimate of the total cost of disaster programs for the coming year.

Eisenhower said the federal government should insure effective measures in helping to alleviate emergency conditions, but added he had drawn two general conclusions from his study of the problem.

"The first is that administration of emergency disaster programs must be kept close to the local people.

"The second is that state and local governments should assume a greater part in alleviating human distress and hardship and other local needs in times of disaster, calling on the federal government only to supplement their own resources."

Nursing Home Ceremony Set At Mt. Angel

MT. ANGEL (Special) — Ground breaking ceremonies for the new \$300,000 Benedictine Sisters Nursing Home for the sick and the aged will be conducted at the building site from 2:30 to 3:30 p.m. Wednesday.

The building site is north of Convent Queen of the Angels and Mt. Angel Women's College and faces Main street.

The ceremonies will start with a procession when the students of the Mt. Angel Women's College and the Academy will march with the Benedictine sisters from the convent to the building site.

Rev. Cyril Lebond, O.S.B., will bless the ground. The grateful of earth will be turned by Judy Wachter, Miss Mt. Angel Academy, and the second will be turned by Carol Lambert, who was runner-up in a recent contest.

Speakers will be Father Cyril, Mayor Jacob Berchold, Father Hildebrand Melchior, Louis Schermer, Salem architect, and Elmer Meyer, Silverton contractor.

Weather Details

Maximum yesterday, 52; minimum today, 45. Total 24-hour precipitation, .48. For March, 4.1; normal, 3.2. Season precipitation, 19.47; normal, 36.11. River height, 4.5 feet. (Report by U. S. Weather Bureau.)

OLCC OFFICIAL REHIRED

Racketeer Claims Patterson 'Did as Crosby Told Him'

WASHINGTON (AP) — Racketeer James B. Elkins testified Tuesday that Teamster Union officials ran a test in 1954 or 1955 to determine whether they had "bought a pig in a poke" in supporting the late Gov. Paul Patterson of Oregon.

Elkins told the Senate racketeering committee that the test consisted of a successful effort to obtain reinstatement of a State Liquor Control Commission official, Elkins said the official had been fired "for accepting gratuities, I believe it was."

Names Sheridan He named the official as Tom Sheridan, then assistant administrator of enforcement, and said Sheridan was put back to work.

"He lost a month's pay, that's all," Elkins said in laconic tones.

Elkins, a self-styled racketeer, had testified last week that Teamster officials from Seattle tried to take over gambling, prostitution and other rackets in Portland.

He testified Tuesday that after Sheridan's dismissal he took Sheridan to see Clyde C. Crosby, an organizer for the union in Oregon. He said they discussed "influence" and that Sheridan "didn't feel they had enough" influence because the order for his dismissal "came out of the Capitol."

Elkins said John Sweeney, secretary-treasurer of the Western Conference of Teamsters, who since has died, said he "would find out if we bought a pig in a poke."

"... whether he'll perform for us."

Referred to 'Highest' Elkins said the reference was to "the highest." He finally said Sweeney meant Patterson. He said he had been reluctant to mention the name because Patterson is dead.

Elkins said the Teamsters Union had "backed Patterson" for election.

Elkins said it finally was arranged to see the governor. He quoted Crosby as saying "he had got the job done" but that Sheridan would have to "go through civil service" to get back on the commission's payroll.

Bowman Kills Elephant, and Wins \$10,000

NAIROBI, Kenya (AP) — Eric Rundgren, a hunter of 20 years experience in the East African jungles, confirmed today that Texas oilman William Negley had won his \$10,000 bet by killing an elephant with a bow and arrow.

A report from Negley's safari reaching here said Negley killed the elephant with one shot from his bow while Rundgren watched him stalk the beast to within 10 yards. Rundgren stood by with a rifle while Negley shot a steel-tipped arrow.

Hundgren said the arrow went into the elephant so far that only the feather tips showed. Negley then followed the elephant into the bush for 100 yards and watched it collapse. He fired another arrow into its head to end its suffering.

But the first arrow, which penetrated the elephant's lungs, was enough to kill it. Negley died ill.

The charges filed by Dist. Atty. Walter Foster arose from the kidnapping of the Henry Dalpez family and robbery of the Safeway store Nov. 20.

Eden Fully Recovered

AUCKLAND, New Zealand (AP) — Sir Anthony Eden has recovered completely from the abdominal inflammation that caused his recent attacks of fever, his doctor said Tuesday.

FOR OBSCENITY Gleason Bounced From Stork Club

NEW YORK (AP) — Celebrated comedian Jackie Gleason has now joined the ranks of those who've gotten the celebrated bouncer at the celebrated Stork Club.

The TV star staged an impromptu off-camera performance which was a bit too much off-color for club proprietor Sherman Billingsley.

Witnesses described Gleason's act as closely resembling that of the character, "The Loudmouth," he often portrays on his shows.

Billingsley said, however, that Gleason overdid the part when he played it at the club late Monday night—not only was he loud, he was downright obscene.

After a bit of a tussle, it was decided the comedian was escorted right off the premises. Moreover, Billingsley decreed as he has in the case of other impolite patrons in the past, that the late-straying will not be out hereafter for Gleason.

Nasser Must Stop 'Foot Dragging'

WASHINGTON (AP) — Secretary of State Dulles said Tuesday that Egypt has tended to drag its feet on arrangements to open the Suez Canal before all Israel troops are out of the country.

In the light of Israel's weekend withdrawal decision, Dulles said he hopes Egypt will now end its foot-dragging very quickly. He estimated the canal could be opened in 10 days.

U.S. Ships to Go to Gulf

Answering questions at a news conference, Dulles also said a ship flying the United States flag should be going into the Gulf of Aqaba some time soon, although he called that a matter for the shipping companies to decide.

In his efforts to get Israel to pull its troops out of the Gaza and Aqaba Gulf areas, Dulles has said previously the United States would exercise what he called the right of Israel and all other nations to free passage through the Strait of Tiran.

Egypt claims the strait, at the mouth of the Gulf of Aqaba, as territorial waters.

Israel Praised

Dulles also issued a statement praising Israel for its withdrawal decision, adding:

"Once again it has been demonstrated that free world nations have a decent respect for the opinions of mankind, as reflected in the General Assembly of the United Nations."

Dulles made these other main points at his news conference:

1. United States aid to Egypt, Jordan, Syria and Israel, which was suspended on the outbreak of fighting last October, may be resumed quickly, but on a country-by-country basis. Dulles strongly indicated that restoration of aid to Egypt would depend both on Egypt's reaction to Israel's withdrawal and on Egypt's handling of the reopening of the Suez Canal.

To Leave for Australia Dulles will leave Wednesday for a meeting of the Southeast Asia Treaty Organization at Canberra, Australia.

3. Dulles talks with West German Foreign Minister Heinrich von Brentano have so far produced a complete unity of view on all points discussed. Dulles did not say what points had come up specifically.

4. The United States government is satisfied that there is no danger to the Hawaiian Islands or their inhabitants from the British nuclear tests at Christmas Island. The character of the tests and the type of explosion are such, Dulles said, that there can be no danger.

5. The United States has no plan to take legal action against three newsmen who went to Red China last year in the face of a State Department ban on travel there by American citizens. Dulles said he and President Eisenhower have given thought to various possibilities of modifying the ban on news coverage by Americans of Red China but that they have not found any way to solve what he called a very complicated problem.

News in Brief

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