

Holmes Asks Federal Loan of \$14 Million

1200 Rescued in Ship Fire at Sea

53rd Year

Price 10 Cents

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SQUARE DANCERS—More than 500 square dancers from Oregon northern California participated in the first annual Southern Oregon Square Up at Hedrick Junior High school gymnasium Saturday night and Sunday afternoon. About 64 squares, some of them shown above, almost filled the floor Saturday night. The two-day jamboree was sponsored by the Rogue Valley Square Dance Callers association.

and included guest callers from Oregon and northern California. Following the Saturday night dance, most of the dancers attended an "after party" in the Jackson hotel. Activities also included a no-host breakfast Sunday morning in the Pioneer room for square dancers. Several spectators attended both sessions.

Meter Fine Boxes Said Satisfactory

The use of meter fine collection boxes is working out satisfactorily, according to Derrell Huson, city treasurer.

He said there has been little trouble in switching from mailing parking meter fine citations to depositing them in the boxes. Meter tickets still can be mailed, but must have a three-cent stamp on them, he added.

There are 20 boxes installed. They are so arranged in the downtown area that no car is more than a half-block from a fine box, he said. He said the city is considering adding to the present number of boxes.

Collection of tickets from the boxes is made by the regular meter collector. Huson noted the boxes would soon be paid for through savings from the postage due envelopes formerly used.

Fines remain the same. Fifty cents is assessed if the meter ticket is paid within 24 hours, the charge is \$1 if paid within seven days, and the violator is charged the cost of a warrant plus \$1 if the fine is not paid within the seven-day period, he added.

DOW-JONES AVERAGES
New York — Dow-Jones final stock averages: 30 industrials 445.47, off 1.29; 20 railroads 103.26, off 0.62; 15 utilities 74.16, up 0.16 and 65 stocks 151.80, off 0.37. Sales today were about 2,070,000 shares compared with 2,050,000 shares Monday.

Highway Engineer Buried In Slide North of L.A.

Los Angeles — The body of a California Division of Highways superintendent was recovered today from under a giant landslide that roared down on the Pacific Coast Highway from the rain-soaked, crumbly cliffs of the Pacific Palisades.

Vaughn O. Sheff, 58, was buried beneath more than 100 feet of earth late Monday when an estimated 600,000 tons of rock and dirt cascaded down on the route north of Santa Monica, burying the highway for a quarter of a mile.

Tombstones Fixed By Three Juveniles

Much of the repair work in the Jacksonville Pioneer cemetery was done last Saturday by the three juveniles responsible for the damage, according to Robert Swan, superintendent of the county juvenile detention home.

Swan said the three boys, all 16 years of age and from Central Point, were able to replace the smaller gravestone monuments disturbed earlier this month. Other stones which had not been broken were swung into place by an "A" frame and block and tackle operated by Roger Westerfield of the Oregon Granite company, Medford.

"Of course the boys couldn't do the work requiring a stonemason to piece the broken bits of grave-stones together," Swan said.

Swan said the trio seemed "very remorseful" after the full day's work Saturday. The work party had been ordered by Circuit Judge Edward C. Kelly, Swan said. It was supervised by Larry Tweedy, juvenile counselor, and Swan.

Hearings on the vandalism in the graveyard have yet to be scheduled before Circuit Judge Kelly, Swan said. Swan is scheduled to meet with a committee for the graveyard Thursday to consider the damage further. This group is composed of men from the five graveyard sections, which are Jewish, Redman's lodge, city, Masonic and Catholic.

Swan said a large work party of men from the Jacksonville Masonic lodge and the Catholic church which maintains sections in the graveyard was also at work Saturday.

Counties Will Be Billed for Tests

Salem — County courts will be billed \$200 from now on for each person they send to the State hospital for psychiatric examination.

The Board of Control decided on the move today in line with a 1953 law requiring the payment.

Gov. Robert D. Holmes and Secretary of State Mark Hatfield said it appeared past boards had been negligent in enforcing the payment.

State Treasurer Sig Unander favored billing the counties for all cases since 1953. Board members were informed that the number of cases handled by the State hospital here had been snowballing.

War-time Desertion Law Unconstitutional

Washington — A sharply split Supreme Court Monday struck down as unconstitutional a law revoking the U. S. citizenship of American servicemen convicted of desertion in wartime.

It was the first time since 1946 that the Supreme Court had held that any section of the federal law was unconstitutional.

Conservatives Win in Canada

Montreal — Prime Minister John Diefenbaker's Progressive Conservative government won 209 of the 265 seats in the House of Commons, wiping out one party completely and decimating two others, in Monday's elections.

The successful Diefenbaker campaign was based on a billion-dollar public works program to ease recession, create jobs and develop Canada's natural resources.

The conservatives entered the election with 113 seats, not enough to form a majority government. They came out with 209.

The Liberal party came out of the fray with 47 seats, a loss of 59.

The Socialist party, or Co-operative Commonwealth Federation, which was formed in western Canada during the 30s and always drew good support from the farmers and working class, had its representation cut by two-thirds to eight. Included in the casualties was party leader M. J. Coldwell.

The Social Credit, another party which gained its strength in western Canada, lost all 19 members.

Cuban Congress Rules Emergency

Havana — Congress has proclaimed a national emergency, giving President Fulgencio Batista "extraordinary powers" for the next 45 days to meet a rebel threat of "total war."

At a special session Monday night, the Senate — ignoring opposition charges that it was setting up a "complete dictatorship" — granted the government's request for emergency powers by a vote of 33 to 7. The vote in the House was 93 to 1.

During the period of the emergency, Batista may rule by decree — subject to the advice of a special, 24-member joint congressional committee and eventual ratification by the entire legislature.

Salem — The Board of Control has authorized the State Tuberculosis hospital to work with the Portland City Health Department to divert Portland patients to the TB facility at The Dalles.

U.S. CONTINUES NUCLEAR TESTS

Washington — Secretary of State John Foster Dulles disclosed today that the United States recently decided against halting nuclear tests so it could perfect development of small "clean" nuclear weapons.

He said the decision was made at a meeting of President Eisenhower and his top advisors 10 days ago.

Dulles, at his weekly news conference, also denounced as pure propaganda Russia's announcement that it is halting nuclear testing on its own without an international agreement providing for inspection.

Dulles said the U. S. foresaw that Russia would make such announcement immediately after concluding its most recent intensive series of nuclear tests. He said Russia naturally would have had to halt her testing temporarily anyway before she could embark on a new series.

Dulles said the President and his principle advisors surveyed the situation. He said the question was whether the U. S. should try to steal the march from the Russians by announcing that the U. S. was temporarily suspending tests on her own.

He said the President and his advisors weighed all the facts and decided it would be basically unsound not to go ahead with American testing. Dulles said the group decided the administration could not live up to its responsibilities to the American people and perhaps humanity itself and halt a program, which it believed to be sound, merely to wage propaganda.

Dulles said the U. S. always has been willing to halt testing as part of a program which would lead to elimination of nuclear weapons from the arsenals of all nations. But no cheat-proof agreement on this has been reached. So the U. S. decided to go ahead and develop "clean" small weapons that could be used for tactical purposes without the mass destruction of huge "dirty" H-bombs.

He stressed that the U. S. prefers the elimination of nuclear weapons through an international agreement.

In London, Prime Minister

Harold Macmillan called on Russia to discuss at a new summit conference its offer to halt nuclear tests. He noted that the West has long sought a disarmament agreement, including suspension of nuclear tests with proper safeguards.

Urge UN Meeting To Talk Alleged Israeli Seizure

By UNITED PRESS
The United Arab Republic today requested an urgent meeting of the United Nations Security Council to take up what it called Israeli attempts to "seize" Syrian territory.

The U.A.R. acted after two days of fighting along the Israeli-Syrian border including a tank battle Monday, the first such battle since 1951. Artillery also was used.

The dispute centers around a land reclamation project on the shores of Lake Huleh near the Sea of Galilee. Israeli laborers and technicians have been working on an irrigation project there despite Syrian claims to the land.

In Cairo the press urged U.A.R. forces to crush any Israeli aggression with the "full might" of the Republic's forces. They said Israeli "aggressions" were designed to show the world that Israel was not afraid of the Syrian-Egyptian merger.

A Jerusalem dispatch reported 2,000 infantrymen marching from Jerusalem to Beersheba on the first stage of a four-day route march maneuvers.

Dwelling Destroyed By Fire Early Today

A small, vacant dwelling at Flower way and Waverly ave., owned by Mrs. Pearl Adams, burned early this morning, city firemen said.

They reported that the dwelling was completely involved in flames before they arrived and the structure and its contents were a complete loss. Firemen were unable to determine the cause. They said that Mrs. Adams is in San Francisco.

Two alarms were turned in by neighbors about 2:50 a.m. and two trucks were dispatched to the blaze.

Porter Says Arms To Cuba Halted

Washington — The State Department informed Reps. Charles O. Porter (D-Ore.) Monday that it has halted a shipment of rifles to Cuba "to allow us the opportunity of consulting further with the appropriate Cuban officials."

Porter has repeatedly called for a halt in the shipment of U.S. arms to Cuba while the revolution there is in progress. He read to the House the communication from the Department, which he hailed as a sign of a "new and better Latin American foreign policy."

Norwegian Liner Ravaged by Blaze In Indian Ocean

Passengers Crowd Into Lifeboats

Aden — A dramatic double transfer at sea today saved the lives of almost 1,200 passengers and crewmen of an immigrant liner which burned in the Indian Ocean late Monday night.

An unconfirmed radio report listed only one death in the swift rescue. Other reports said there were no casualties at all.

The Italian passenger ship Roma was steaming slowly toward Aden today, carrying all 1076 passengers and about 100 crewmen from the fire-ravaged Norwegian transport ship Skaubryn. She was expected to arrive Thursday.

The Skaubryn, carrying European migrants to Australia, was engulfed in flames which started in the engine room and spread to the oil tankers when she was about 300 miles southeast of Socotra Island, off the African coast.

Her passengers and crewmen took to lifeboats and pulled away from the leaping flames on the ship which lit the warm sea for hundreds of yards around.

Freighter To Rescue
One of the vessels answering distress calls broadcast before the Skaubryn was abandoned was the British freighter City of Sydney.

She was first on the scene of the near-disaster and began pulling the Skaubryn's loaded lifeboats alongside, and then hauling the survivors aboard.

The City of Sydney, heavily loaded and without passenger accommodations, left the still-flaming Skaubryn adrift and steamed for the nearest port — Aden.

The Roma, a passenger ship, was also racing to answer the Skaubryn's distress calls. The two ships met in the night and their captains agreed to transfer the survivors to the Roma, which was far better equipped with food and accommodations.

Once again, a transfer of the 1,200 persons involved was accomplished without accident, this time in the half-light of early dawn.

The Roma then set off for Aden followed by the City of Sydney, now relieved of her human cargo.

The Intergovernmental Committee for European Migration, the Geneva-headquartered organization which sponsored most of the migrants aboard the Skaubryn, cabled \$50,000 here today to provide emergency aid.

The 9,786-ton Skaubryn was on a migrant voyage from Bremerhaven, Germany, to Australia. Her next port of call was to have been Colombo, Ceylon.

Fiscal Deficit of \$2 Billion Likely

Washington — A federal deficit of between \$2 billion and \$3 billion this fiscal year was seen today by government experts as a distinct possibility.

Officials also said the Administration undoubtedly will have to ask this session of Congress for another increase in the federal debt limit to accommodate an expected rising deficit in fiscal 1959 which begins next July 1.

In his budget message last January President Eisenhower estimated the deficit for fiscal 1958, ending June 30, at \$400 million with a pre-fiscal surplus of \$500 for fiscal 1959.

Because of heavily increased federal spending and an expected decrease in federal receipts due to the recession, the January estimates now are out the window.

WEATHER
FORECAST: Clearing and cooler tonight, becoming cloudy before sunrise. Rain Wednesday. Low tonight 35. High Wednesday 55.
Temp.
Highest Yesterday 56
Lowest this Morning 38
Prec. to 10 a.m. Today .08

Our Skies Tonight
Sunrise 5:55 a.m.
Sunset 6:31 p.m.
Moonset Wednesday 4:47 a.m.
Full Moon April 3
Highlight of the phenomena in the skies above in April will be the increasing prominence and brilliance of Jupiter. This planet is surrounded by 12 moons, 4 of which can easily be seen in a good telescope.



CLYDE PANGBORN
Known in Rogue Valley

Famed Flyer Used Medford Airport In Early Years

Mr. and Mrs. T. E. Knackstedt and Mr. and Mrs. Jerry Smith, Medford, were close friends of the famed early-day daredevil pilot, Clyde Pangborn, who died Saturday in a New York hospital, it was learned today.

Pangborn flew out of the old Medford airfield on many of his barnstorming trips in the early days and may have been the first "Mercy Flights" pilot ever to fly out of this area when he took a patient from Yreka to San Francisco for medical treatment right after World War I.

Smith and Knackstedt became acquainted with him after he had purchased a surplus World War I Army Jenny to begin his colorful aviation career. At that time he and Knackstedt roomed together and flew together out of a small field at Yreka, Calif.

Flying Instructor
Pangborn, who was a flying instructor at a Texas air base during World War I, became known nationally as one of America's most skilled pilots and made a name for himself when he became the first person to fly non-stop across the Pacific from Tokyo to Wenatchee, Wash., in 1931.

Smith, who now lives at 1033 Reddy st., Medford, was Pangborn's chief mechanic at that time and helped him to make preparations for the famous flight. Smith also flew with Pangborn in the Ivan R. Gates flying circus in the east during the late 1920s and was his parachutist for the aerial spectacles that were the rage then.

The pilot was known in the flying world as "Upside Down" Pangborn, according to Knackstedt, and was famed for his beautiful execution of "falling leaf" as well as other intricate aerial maneuvers.

Suffers Attack
Pangborn suffered a heart attack in December and was found to be suffering from a lung infection and pleurisy before he was admitted to the hospital. The actual cause of his death was not announced by hospital officials.

His last visit with the Smiths and the Knackstedts here was in April last year, after he had returned from a flight to Tahiti. He became ill during the flight and he told Mr. and Mrs. Knackstedt that he thought the strain of getting his heavily-loaded craft aloft on takeoff was responsible for the pains he suffered in his back and chest. He said that was the only flight he thought he would never complete.

Pangborn did a great deal to promote flying in the early days and was one of America's aviation "greats."

One in Five Families Subscribe to Flights

One out of every five families in Jackson county is a Mercy Flights, Inc., subscriber, according to George Milligan, chairman of the board for Mercy Flights. He spoke at the Jackson County Chamber of Commerce roundtable luncheon Monday.

He said the major problem of the non-profit group is contacting people to subscribe. Very few refuse to sign up for the plan when contacted, but do not pay much attention to mailed reminders when their subscription is up, he added.

Milligan said the major share of the air-ambulance subscribers come from news stories about the service. He named the recent national-wide article by a United Press writer as an example of good publicity for the project. The story was carried by the Mail Tribune on March 26.

Money Would Give Reprieve On Jobless Tax

Two-Thirds of State Payrolls Represented

Salem — Gov. Robert D. Holmes today asked the federal government for a \$14 million loan to give 12,000 Oregon firms a reprieve from unemployment tax increases.

The firms, representing some two-thirds of the state's payrolls, were set to start paying the maximum 2.7 per cent unemployment rates today because the state's reserve fund for jobless pay has fallen too low during the past several months.

The governor said he was hopeful the move would actually increase jobs because of savings to the companies.

He indicated that the 1959 Legislature would have to take a serious look at the unemployment tax rate structure and revise it to prevent the fund from falling below its \$31,500,000 "floor" in the future.

The \$14 million comes from the Reed bill loan account administered by the secretary of labor. Only the Territory of Alaska has borrowed from the fund so far, but Unemployment Commissioner Cecilia P. Galey said several states were considering borrowing now.

Became Eligible Monday
Oregon became eligible for the non-interest loan from the \$260 million federal account Monday when jobless pay totals for the past 12 months exceeded the total amount remaining in the UCC's trust funds. The balance was just over \$26 million and the amount paid out in benefits since April 1, 1957 totaled \$37,900,000.

More than \$18 million of the amount was paid out during the past three months, Mrs. Galey said.

The governor said he was confident the loan would be processed "without problems."

The governor added: "Receipt of this loan does not mean that employers may not have to make up the difference in the future, but it does keep an estimated \$6 million in their hands at a time when we need to expend every effort to battle recession."

The \$6 million is the estimated amount the 12,000 firms would have paid into the state fund in unemployment taxes over the next six-month period had the maximum rates been in force.

14,000 Firms Unaffected
The federal loan will not aid 14,000 other employer firms which are already paying the highest 2.7 per cent rate, the governor explained. Some 6,000 of them are at the high level because of poor employment records, and the remaining 8,000 are there because they have never become eligible under the law for any lesser rate.

Receipt of the loan, however, will block increases ranging from 3 of a per cent to 2.1 per cent for those firms with good employment records.

The 12,000 firms affected are mostly medium-sized businesses with a few large and small businesses also.

The state is eligible for a total loan of \$18,270,000, but the governor and Mrs. Galey said the total amount was not needed now.

Chairman Galey said a study was being made of the fund at the present time, the first since 1952, in order that an accurate picture of it would be available for future planning.

—Or To Take Trouble Against a Sea of Arms—

