

In The Day's News

By FRANK JENKINS
Financial note:
Government experts believe the lowering of reserve requirements for banks by the Federal Reserve Board yesterday will spur the nation's "faltering" economy.
The move will allow banks to loan as much as three billion dollars.

Two questions:
1. Will it help?
2. If so, how much?

Personally, I think it all depends on who wants to borrow the money and how much and WHAT FOR.

For example:
If this new expansion of credit enables you to borrow five hundred dollars to go to Las Vegas for a week-end binge and you spend your week-end in the gambling places along The Strip and lose your \$500, it won't have done much to check the recession.

But—
If you have CONFIDENCE in the future—
And if your confidence is justified—

And if this new expansion of credit enables you to borrow the new capital with which to expand your business and hire more people and add to the growth and development of your community and in the end MAKE SOME HONEST MONEY FOR YOURSELF—

Well—

In that event—
The lowering of reserve requirements by the Federal Reserve Board, thus making more loanable money available to people who know how to use additional capital profitably will be a real stimulus to our nation's economy.

But NOT otherwise.
If sound business people lack the CONFIDENCE to borrow the money and use it wisely and constructively and profitably this new credit that has been made available won't help much.

Let's get closer home.
The Klamath country is now generally regarded as the brightest spot in the economy of the state of Oregon. It is one of the bright and hopeful spots in the economy of the Pacific Coast.

Let's look at this year.
Some six or seven million dollars are to be spent in housing construction at Kingsley Field, in addition to other capital expenditures. When Kingsley Field is activated an annual PAYROLL of six and a half million dollars will be added to the economy of the Klamath country.

Early this spring, the new John-Manville plant will go into operation, adding some 250 new jobs to the area's economy.

Now a look at the future.
After a dozen years or more of hard and constructive work the water resources of the Klamath Basin have been made safe for the future. We now have more stored water than any other area between the Columbia river and Hoover Dam. Water is a PRIME industrial resource.

After half a century of waiting, the power resources of the Klamath river, the No. 2 power stream of the American Pacific Coast, are now being developed. Nearly one Bonneville of power is under construction. Another Bonneville of power remains in the river.

After believing for 40 years that when the timber was cut the lumber industry would pull up and move on and the country would be given back to the jackrabbits and the coyotes, we have awakened suddenly to the startling fact that we now have available for use far more merchantable timber than we had half a century ago. Because of GROWTH, it is a PERMANENT resource.

And so on.
This point in closing:
If we have CONFIDENCE in the future of the Klamath country, the sky is the limit to our future development.

If we LACK confidence, our development will STOP about where it is.

'Thrill Killer' Wins Parole

SPRINGFIELD, Ill. (AP)—Nathan Leopold, surviving member of the Loeb-Leopold thrill murder team of 1924, was granted a parole Thursday.

The Illinois Parole and Pardon Board's announcement said Leopold has been granted "a definite sentence parole."

It added that "the location and occupation of subject is to be investigated by parole supervision immediately."
That meant Leopold can get out of prison after investigation of his arrangements for a job and a home. The division of parole supervision handles the investigation and there was no indication how long that would take.

Leopold, 53 now, has served almost 3 1/2 years in prison for his part in the slaying of 14-year-old Bobby Franks in May, 1924.

Roger Touhy, onetime Chicago gang leader who is doing a long stretch for kidnaping and prison break-out, was also granted a parole. His parole on the kidnaping charge makes it possible for him to be freed in August, 1953.

Leopold has told the parole board he wants to work in a rural hospital operated by the Church of the Brethren at Castaner, Puerto Rico.
His partner in the wanton killing of young Franks—Richard Loeb—was slashed to death by a fellow convict in prison in 1936.

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Beck Draws Prison Rap; Son Fined

SEATTLE (AP)—Dave Beck Sr., retired and wealthy president of the Teamsters Union, was sentenced to up to 15 years in prison Thursday for stealing \$1,900 from his union.

His son, Dave Beck Jr., a short while earlier had been fined \$2,000 and his sentence deferred three years for taking \$4,650 from the Teamsters.

The much stiffer sentence handed the father following lengthy arguments by defense attorneys pleading for leniency and the prosecution's demand for a harsher treatment.

The up to 15 year sentence is mandatory under Washington law. The minimum term will be set by the State Board of Prison Terms and Paroles.

Superior Judge George H. Revelle and Prosecutor Charles O. Carroll both said they would recommend that Beck Sr. serve three years.

Beck received the sentence without any show of emotion. Staring out the sunlit courtroom window for a moment after the judge had finished speaking, he coughed softly and turned away.

In sentencing the son an hour before, Judge Revelle had ordered Beck Jr. to pay court costs and to sever all connections with labor organizations, either as an employee or an officer.

He said the restitution of the \$4,650 should come from the 37-year-old labor leader's son's own funds.

The judge told Beck Jr.: "The factor with the greatest weight in the history of your life is that you as an adult did not understand that justice does not permit blind obedience to parents."

"That does make you case different than others that have come before me."

The younger Beck had testified during his trial that he had turned the \$4,650, derived from the sale of two union-owned Cadillacs, over to his father in the belief the money would be returned to the union.

Ike May Trek To Phoenix

THOMASVILLE, Ga. (AP)—President Eisenhower may visit Phoenix, Ariz., briefly Sunday if his wife decides to vacation in that area for a few days.

Announcing this Thursday White House press secretary James C. Hagerty spoke of such a trip as still only a possibility.

The President and Mrs. Eisenhower have been guests of former Secretary of the Treasury George M. Humphrey at his plantation estate here for the last week.

The press secretary said that Mrs. Eisenhower has been wanting for some time to visit friends in Phoenix. If she decides to go, Hagerty added, the President may fly the First Lady out there Sunday aboard his private plane, Col. umbine II.

Asked whether the First Lady is considering such a trip for health reasons, Hagerty replied: "No, not at all. It has nothing to do with health at all."

Ruling out more than a few hours stay in Phoenix for the President, Hagerty said Eisenhower has business engagements scheduled in Washington Monday morning. He has a major speech on foreign aid scheduled in the Capital Tuesday evening.

Hagerty indicated that speech-seeking public support for the \$3,942,100,000 foreign aid program he sent to Congress Wednesday—may be carried nationwide on radio and by the four principal networks.

Reds Pushing For Summit Conference On Own Terms

WASHINGTON (AP)—The Soviet Union and Red China apparently are working on a concerted plan to put maximum pressure on the Western powers to hold a summit conference on Communist terms.

U.S. officials found evidence of this today in the timing of two widely separated but remarkably similar actions within the past two days:

1. Communist China's announced decision to withdraw troops from North Korea this year.

2. An announcement by the Soviet commander in East Germany of plans to reduce the Soviet forces there by 41,000 men.

In the United States view the Soviets and Red China can take these actions at little cost to themselves—indeed they may be necessary for reasons unrelated to a summit conference—yet make a show of relaxing tensions.

Much the same thing happened before the 1953 summit conference, when the Soviet Union suddenly agreed to unification of Austria after years of stalling.

By such means, as well as by the letters which Soviet Premier



THE COUNCIL-MANAGER plan of government came in for pros and cons at this panel discussion in the Klamath County Library Wednesday afternoon, February 19. The League of Women Voters sponsored the discussion program. Shown here, left to right, are Councilman Walter Fleet, Sam Ritchey and Murdo Morrison, members of the Council-Manager committee and Councilman Floyd Wynne, all of whom spoke in support of the plan; moderator Floyd Johnson, Mrs. Marguerite Kahl, Mrs. Pat Ormiston, and Mrs. Dorothy Alward, league members who took the opposing view.

Manager Plan Aired By LWV

The Council-Manager form of government, which will be on the ballot for city voters on May 19, was the subject of a panel forum held yesterday in the Klamath County Library under the sponsorship of the League of Women Voters.

Floyd Johnson of the league moderated the discussion which was opened by Councilman Floyd Wynne who outlined the manager plan and pointed out the manager would be directly under the council's control.

Councilman Walter Fleet listed some of the manager's duties, and how he would give the people more efficient government for less cost. Murdo Morrison, chairman of the citizens committee which drafted the Council-Manager plan for the city, and Sam Ritchey, a member of the committee outlined the committee's findings during two years' study of the project.

Three league members, Mrs. Marguerite Kahl, Mrs. Pat Ormiston, and Mrs. Dorothy Alward, presented objections to the plan. Their objections centered about the possible cost of the city manager's salary, how much of a staff he would require, whether it might be dictatorial or not, whether it might be moving the government away from the people, and whether or not such a manager was needed.

The discussion period was highlighted by questions from the audience, and following the program a sample ballot taken indicated that all but one of the audience present were in favor of the Council-Manager plan.

Street Project Hearing Stated

Members of the Klamath County Court have set March 14 as the public hearing date for a petition requesting the paving of Cleveland Avenue from Granite Street westward, and the paving of Granite Street from Cleveland Avenue north to Balsam Drive.

The 12 petitioners agreed to the payment of \$3 per front foot on each side of the named streets. The hearing will begin at 10:30 a.m. in the county court chambers.

FRENCH PAPERS BANNED

TUNIS (UP)—Tunisian authorities have clamped a nationwide ban on the sale of four conservative Paris newspapers. The government order issued Wednesday applied to France Soir, Paris Presse, Aurore, and Parisien Libre. Also banned was the weekly publication, Jour de France.

Reds Pushing For Summit Conference On Own Terms

Bulgarian has been writing to President Eisenhower, the Reds can hope to build up worldwide pressure for summit talks.

They apparently hope that once the talks are started the demands for East-West agreement will be so great that the Western powers will be forced to make concessions to Soviet interests.

Among other things, Bulgarian has indicated the Soviet Union would like to neutralize Germany. The Soviets have also made clear they want to break down Western restraints on trade which would benefit their own industrial build-up, and to get some kind of non-aggression pact which might have the long-range effect of weakening the Western resolve to maintain costly defense systems.

U.S. officials are extremely skeptical about the chances of getting any real changes in Soviet or Red Chinese policy on issues proposed by President Eisenhower. These include initial steps to limit armaments, control outer space for peaceful purposes and build up the authority of the United Nations.

Weather

FORECAST—Klamath Falls and vicinity: Patchy fog in morning. Cloudy and colder Friday with occasional snow. Low Thursday night 32-37; high Friday 35-40.

High yesterday 43
Low last night 31
Precip. last 24 hours 0.16
Since Oct. 1 12.53
Same period last year 7.32
Normal for period 7.88

CRATER LAKE

High yesterday 39
Low last night 28
8 a.m. today 30
No new snow
Snow depth 148
Last year 60

Skies were cloudy at the park this morning but the weather appeared to be clearing. The rangers reported, Highway 62 is open through the park and to park headquarters. The roads are icy but no chains are required. The road from park headquarters to the rim was reopened today and chains are advised. Precipitation in the 24-hour period ending at 8 a.m. today was .25 inch.

TOMAHAWK

The regular Friday ski classes will be held at Tomahawk on February 21 with Joe Ward of Bend available for instruction. Snow depth averages about three feet and skiing should be good. It was reported. All facilities will be in operation.

Police Patrol School Area

City police have intensified their surveillance of the area surrounding the Klamath Union High School campus in an effort to preclude further outbreaks of violence in the area.

Shortly after 2:30 Wednesday afternoon the city police dispersed eight non-students who were reported loitering around the Alameda bridge near the high school. The youths, ranging in age between 17 and 20, told investigating officers that they had no particular reason for being there . . . they were just there.

They were instructed to leave the vicinity and informed that further wanton loitering in the school area could result in vagrancy arrests. The youths were admonished but none was arrested.

It was in the Alameda bridge area where a KUHS freshman was attacked Tuesday afternoon by three non-students reportedly from the Chiloquin area. The freshman was badly pounded, a large number of students boiled out of the school to take part in the fracas, and the leader of the three youths who jumped on the freshman was taken into custody by county juvenile officials.

The incident reportedly resulted in the scheduling of a pitched battle at Moore Park Tuesday evening. The planned melee was broken up by city and state officers who took over at the park, arrested one 17-year-old for having a blackjack in his possession, and told more than 200 students in 100 automobiles to leave the park and head for their homes.

Blast Razes Ship; 53 Die

MANAMA, Bahrain (AP)—A British freighter that put into this Persian Gulf oil port with a fire and 150 tons of explosives aboard exploded at her anchorage Wednesday night, burned and partially sank.

The ship's agent said 53 persons were killed and 19 were injured.

The fire and explosion caused no damage to oil tankers nearby and did not endanger harbor installations.

The 7,440-ton Seistan, one of the most modern ships in the British merchant fleet, was burning when she entered the Persian Gulf three days ago, en route from Liverpool with the explosives and other supplies for the Iraqi oil fields.

Border Issue Goes To U.N.

KHARTOUM, Sudan (AP)—Egypt's dispute with Sudan over two border areas was headed for the U.N. Security Council today after top-level talks in Cairo broke down.

Foreign Minister Mohamed Mahgoub reported from Cairo that negotiations with Egyptian President Nasser had been fruitless. The Sudanese Cabinet decided to appeal to the council.

Egypt claims all territory north of the 22nd Parallel and would yield a small area south of the line.

One portion of the disputed territory sought by Nasser is a 6,000-square-mile desert triangle along the Red Sea. It has been run by Sudan to unify administration over the 10,000 wandering tribesmen in the area who move back and forth across the parallel.

The other is a finger extending north from the parallel along the Nile Valley for about 25 miles.

The Egyptians claim that the people in the disputed areas have a right to vote in tomorrow's plebiscite to approve the new United Arab Republic of Egypt and Syria and to elect Nasser as its president.

Sudan holds parliamentary elections a week later. For either nation to permit the territories to vote in the other's election might affect its claim to them.

The dispute broke into the open Monday when troops were reported moving into the areas from both sides. Sudan and Egypt denied the troop movements, although Egypt admitted sending in policemen to protect polling places.

An Egyptian source said the plebiscite would be held tomorrow in the two areas as planned. He discounted the possibility of violence.

Solons Okay Debt Increase

WASHINGTON (AP)—The Senate Finance Committee approved Thursday the full five billion dollar boost in the debt ceiling asked by President Eisenhower effective until June 30, 1953.

It did so after rejecting, by a vote of 10-5, a proposal by Chairman Byrd (D-Va) to limit the increase to three billion.

The committee acted on a bill passed by the House a month ago, 328-71, to raise the amount of the debt the government can have outstanding.

The increase is from 275 to 280 billion dollars.

Byrd said he would not push on the Senate floor his move to hold the increase to three billion dollars.

"I made my fight in the committee," he said.

The senator said he expected the bill to come up on the floor early next week. The Treasury has been pressing for quick action because the current period is one in which its cash position is tight.

Byrd said "I am confident the Senate Finance Committee approved the increase in the debt limit only because of its belief that the administration had over-estimated the income for the next year and under-estimated the spending."

BLACK MARKET JAZZ

MOSCOW (UP)—One of Russia's top composers, Vano Muradeli, said today that black marketeers in Russia are doing a rush business in homemade phonograph records of foreign jazz and "indecent" songs. In an article in the newspaper "Evening Moscow," Muradeli criticized the Soviet record industry for the shortage in good classical and dance records, and said the lack is being exploited by the black marketeers. Muradeli did not mention where the jazz was recorded, but presumably it came from shortwave broadcasts.

Atlas ICBM Explodes After Firing

CAPE CANAVERAL, Fla. (AP)—An Atlas Intercontinental Ballistic Missile exploded in the air Thursday 2 minutes, 20 seconds after blasting off its launching pad at the test center here.

The Air Force said the mighty missile blew up seconds after it ended the powered phase of its flight and went into its ballistic coasting trajectory. It blasted off the missile pad at 12:48 p.m. EST.

No reason was given for the failure.

The "Big A" roared straight upward for about 30 seconds, then arched slowly over toward the east, leaving a vapor trail across the sky.

Two minutes after the start of the flight, observers saw a huge ball of fire and the Atlas could no longer be seen.

The Atlas was the same one the Air Force attempted to launch last Saturday. It belched fire and steam on that occasion but its engines were cut off by the test conductor a split second before it would have roared skyward.

That one was the sixth Atlas, the Free World's only experimental ICBM, to be test flown. The first two were destroyed when they wavered off course soon after leaving the ground.

The next two, the Air Force said, performed successfully over 600-mile ranges. The fifth one destroyed itself four minutes after the blastoff, when it was 30 miles high over the Atlantic Ocean. No reason ever was given by the Air Force.

The Atlas is designed to carry a nuclear warhead 5,000 miles at an average speed of 10,000 miles but it probably will be late this year before an effort is made to fly one the full distance. It also is being considered for possible use in the U.S. program to put bigger earth satellites into orbit.

A second ICBM, the "Titan," is under construction but has not yet been tested in flight.

Heavy Rains Flood LA Area

LOS ANGELES (AP)—A hit-and-run storm dumped 2.32 inches of rain in 12 hours, swamped cars, flooded homes and streets, closed more than 100 schools and caused widespread damage here.

Drying out and mopping up under partly cloudy skies Thursday, soggy Angelenos beheld up to 24 inches of new snow visible at 3,500 feet on nearby mountains.

The storm abated shortly after noon Wednesday, leaving:

Damage estimated at perhaps a million dollars to a partly built, \$5-million dollar steam generating plant of the Los Angeles Department of Power.

At least eight automobiles and two trucks completely submerged in 10 feet of water on the Santa Ana Freeway at Atlantic Blvd.

A bridge under construction at suburban Torrance washed out.

Nine Inglewood factories closed by flood waters.

At least 20 families temporarily evacuated from flooded homes in the South Bay area—Manhattan Beach, Hermosa Beach, Torrance—in many cases by skills piled over streets turned into deep lakes.

The Los Angeles River, normally dry or nearly so, filled with water.

Office workers wading street rivers with skirts held above knees were a common sight. More than 100 employees had to leave an oil company building through back windows when eight feet of water filled the basement.

Demos, Republicans Revise Forecasts On U.S. Economy

WASHINGTON (AP)—Democrats and Republicans appeared to be retreating in opposite directions today on the politically potent issue of when a business upturn will occur.

An administration spokesman described as a "mistaken impression" the general interpretation that President Eisenhower, in a statement last week, predicted a business upturn in March.

Meanwhile, congressional Democrats got some private estimates that "real" unemployment may be considerably less than the government's 4 1/2 million figure per year, and that the remainder merely changing jobs or otherwise temporarily out of work. The advice was based on reports from Leon Keyserling, former Truman economic adviser.

Some party leaders were cautioning colleagues not to get out on a political limb with too much talk about a slump that might be offset rather quickly by increased government spending.

Dr. Gabriel Hauge, special White House assistant for economic affairs, told a meeting of state

House Prober Critical Of 'Backstage' Action

WASHINGTON (AP)—A House investigating committee returned to the disputed Miami TV case Thursday with one member expressing concern over what he called the "backstage" manner that apparently applied to the FCC.

Rep. Wolverton (R-N.J.), senior Republican on the committee, said a person wouldn't have thought of appearing in a federal court in the "backstage surreptitious manner" that apparently applies to the FCC.

Wolverton said he thought something must be done so that a quasi-judicial commission would be free from the implication that it could be approached along political lines.

A. Frank Katsentzine, a loser in the Miami case, was in the witness chair for the second day in the committee's inquiry into alleged pressures in the case.

Katsentzine's first day of testimony had brought the names of Vice President Nixon and Sen. Kefauver (D-Tenn.) into the hearings in connection with maneuvers to win the Miami TV Channel 10.

Wolverton asked why there couldn't be the same attitude toward the regulatory commissions as there is toward the courts.

Wolverton commented that the Interstate Commerce Commission had adopted a code of ethics.

Wolverton read into the record a July 15, 1951 letter he said was written by Jerry W. Carter, national Democratic committeeman from Florida, to the FCC.

He quoted the letter as saying it was "my pleasure" to recommend Katsentzine and that "Katsentzine has been a loyal Democrat all his life" and is "entitled to all the consideration a good citizen and good Democrat is entitled to."

Katsentzine, a stocky Miami Beach radio station owner, was a loser in the four-way contest for the Channel 10 license.

Chairman Harris (D-Ark) told newsmen his subcommittee hoped to finish with the TV contest before calling Federal Communications Commissioner Richard A. Mack.

Mack is a Miami Democrat appointed by President Eisenhower to the commission in July 1952.

Hatfield Hits Tax Program

SALEM (AP)—Secretary of State Mark Hatfield, Republican candidate for governor, said Thursday that Gov. Robert D. Holmes and his finance director can't agree on how much the state budget should be in the next biennium.

Answering the Democratic governor's statement that "Mark doesn't understand the budget," Hatfield said the governor has been talking in terms of a \$10 million dollar budget for the next biennium, while state Finance Director John F. Richardson calls it \$32 million.

Before the governor's comment, Hatfield had said that Holmes wants a tax increase to support a bigger budget. Hatfield said the state now is spending \$72 million in the current biennium.

"If the governor thinks his finance director is wrong and his budget can be held to \$10 million," Hatfield said, "then let him explain in what particulars they disagree. In the meantime, the public can understand that even a \$10 million dollar budget represents an increase in spending of 40 million in a single biennium, and that every dollar of that must come from the pockets of the taxpayers."

"The people of this state want and are entitled to relief from continuous increases in state taxes that go far beyond the normal growth needs of the state."

"At a time when winter unemployment is at a peak and the economy is sagging, the prospect of a general fund budget increase of 40 to 60 million dollars shakes confidence in our present Democratic administration."

JUST ASKED THE WAY
SAN LEANDRO, Calif. (UP)—Franklin E. Jarvis, a convicted murderer who escaped from a prison camp, told authorities who recaptured him the reason he got as far away as he did was that he obtained directions from a San Francisco police officer.

At that time, Eisenhower said: "Every indication is that March will commence to see the start of a pickup in job opportunities. That should mark the beginning of the end of the downturn in our economy."

Hauge said the President's language "hardly seems to say that an upturn in the economy will come in March." He added that if improved employment for March was reported in April that "should constitute a good sign that the downturn was running out of steam."

Adding that the economy is not likely to "turn around on a dime," Hauge said it was his personal opinion the downturn would "slow to a stop during the second quarter of this calendar year."

SINGABILITY QUESTIONED
ATLANTA (UP)—The Georgia Senate has passed a measure ordering revision of the state song to "make it more singable."

Mack voted with the majority when the FCC decided 4-2 last year to give Channel 10 to Public Service Television, Inc., a subsidiary of National Airlines. An FCC examiner had recommended that Katsentzine get it.

Mack has termed "distortions" charges that he accepted money in the case and that he was pledged in advance to vote for Public Service.

Katsentzine told of two visits to Mack in Washington before the final FCC decision. He said he never asked Mack to vote for him.

All he wanted, he said, was a vote on the merits of the application. He said he never tried to influence anybody to vote for him.

The names of Kefauver and Nixon were brought into the hearing through letters referred to in the testimony.

In one letter, Nixon was described as the "right man" to approach on behalf of Katsentzine. The letter, dated Oct. 15, 1952, was written by Downey Rice, a Washington attorney and friend of Katsentzine, to Daniel P. Sullivan, another Katsentzine friend in Miami.

214 Feared Killed In Mine

CALCUTTA, India (AP)—At least 214 miners were believed dead Thursday after an explosion in India's most modern coal mine which flooded two other mines.

Reports reaching here said only seven men emerged alive after the blast Wednesday night at Chankurli colliery, about 200 miles northwest of Calcutta. A fire drove back rescuers.

The blast caught 186 night shift miners below ground.

It touched off flooding of the neighboring Central Blowhard mine, where at least 20 miners were feared dead, and of the Mahabani mine farther west at Jharla, where 15 miners were drowned.