

In The Day's News

By FRANK JENKINS

National economies:

Senator William Proxmire of Wisconsin asks the U.S. senate this morning to investigate the effects of expanding American investments overseas. He says recent reports indicate heavy and substantially increasing purchases by American companies of foreign plants.

He says these foreign U.S. investments are costing us INDUSTRIAL JOBS and are cutting a ferocious swath in America's export market.

What he means is that American business concerns are finding they can PRODUCE CHEAPER ABROAD than they can produce at home. So they are buying foreign plants. In these foreign plants, their costs are enough lower to enable them to UNDERSELL goods produced in American plants. So, as Senator Proxmire says, they are cutting into America's foreign trade.

That isn't all. They can produce enough more cheaply in these foreign plants to enable them to INVADE THE AMERICAN MARKET with goods PRODUCED ABROAD. Foreign-built automobiles provide a well-known example of what is happening.

What the Wisconsin senator is saying is the United States is approaching a danger point. Because of steadily rising American prices, we are nearing the point at which we could price ourselves out of some very desirable markets.

We can't afford to price ourselves out of markets. But if American prices keep on going up in relation to foreign prices, that is exactly what is going to happen. If it does happen, a lot of Americans are going to be deprived of jobs.

At this point, let's quote another senator—Oregon's Senator Neuberger. He says that in February of this year insured unemployment for the nation as a whole was 3.7 per cent while in Oregon nine per cent of covered workers were out of work. In March, he says, the national figure was 4.8 per cent while in Oregon it was 6.3 per cent—and only six other states had a higher rate.

As a remedy, he proposes a federal commission on unemployment problems. He adds: "Because I believe that Oregon has borne more heavily than many other states the weight of the recession and the job losses which it entailed, I hope that the commission, when established, will hold hearings in my state in its efforts to discover, chronicle and solve problems of unemployment."

I have great respect for Senator Neuberger's sincerity. But I doubt if an investigation by a federal commission would go very far toward the solution of Oregon's problems.

What Oregon needs is more industrial development. We must have more industrial plants to provide more jobs. If we are to get more industrial plants—to provide more jobs—we must provide an industrial climate that will be favorable to the expansion of industry in Oregon so that industrialists will be attracted to Oregon as a profitable location in which to operate.

Federal investigating commissions merely talk. We've had plenty of talk in Oregon. We need ACTION.

6 Lives Saved By Coffee Break

NACOGDOCHES, Tex. (AP)—A towering old courthouse collapsed Monday onto the modern structure replacing it, but a coffee break kept six persons out of the path of tons of rubble. Damage was estimated at \$150,000.

A wall of the old Nacogdoches County Courthouse, being razed, toppled onto the roof of the new courthouse. Tons of debris buried the office of the tax assessor-collector, C. D. Thomas, shortly after he and five employees left for coffee.

Panama Arrests British Ballerina

PANAMA (AP)—The Panamanian government held British ballerina Margot Fonteyn under arrest today in connection with charges that her husband was plotting to overthrow President Ernesto de la Guardia Jr.

The 39-year-old ballet dancer, one of the world's greatest, was reported being held in the private office of the commandant of Panama City's main jail.

National Guard headquarters claimed that Miss Fonteyn's Panamanian husband, Roberto Arias, had landed Sunday night on Panama's Pacific Coast with about 10 armed men.

The National Guard, which is Panama's army and police, said Arias and his band were fleeing. Other reports said he had transferred from the motor launch in which he and his wife had been cruising and had landed near his family's large cattle ranch 75 miles west of the capital.

There was no immediate official reaction from the British Embassy, which had been busy until late Monday with the visit of Prince Philip. Miss Fonteyn for more than a decade has been the top star of Britain's Royal Ballet and is a Dame of the British Empire, the female equivalent of knighthood.

In London, the Foreign Office said it had not received a report from the British ambassador in Panama. The British government is expected to intervene on Miss Fonteyn's behalf, however, for her British citizenship was not affected by her marriage to a Panamanian.

Dame Margot had been in Panama for several months with her husband, Panama's former ambassador to Britain. The couple had been cruising aboard the fishing launch Nola in the gulf of Panama since last Tuesday.

Over the weekend De la Guardia's government had ordered the arrest of her husband.

Arias, son of former President Harmodio Arias, was charged with trying to organize an attack on the National Guard garrison in Chorrera, about 20 miles outside the capital.

His wife sailed into Balboa undetected before dawn Monday aboard the Nola. Newsmen were unable to locate her, but it was known she spent some time at her father-in-law's home.

National Guard officials refused to say when or where she was arrested.

Big Welcome Given Lama By Followers

By PATRICK KILLEN
MUSSOORIE, India (UPI)—The Dalai Lama arrived today at this hilltop city and was given another thunderous welcome by Buddhist followers and a group of American school children from a nearby mission school.

He moved into a two-story house surrounded by barbed wire barricades, and Indian army command tents were installed to protect him against any Communist attempt. Bayonet carrying riflemen lurked in the mountain underbrush nearby. A second ring of barbed wire was set up on the rim of the estate.

Mussoorie, 140 miles north of New Delhi, is 6,500 feet up in the foothills of the Himalayas. From his bedroom window the young god-king could see the snow-capped peaks of his native Tibet on the horizon.

He chose this place of exile because its climate is suited to one accustomed to the chilly heights of Tibet. It was built many years ago by the British as one of the hill stations where they sought relief from the heat of New Delhi.

On Thursday the Dalai Lama will meet Indian Prime Minister Jawaharlal Nehru for the first time since Nehru granted him asylum after he fled the Chinese Communists and made a month-long trip to safety.

Informed sources said 1,000 Indian security guards were on duty near the house and in the mountains nearby to protect the Dalai Lama from any possible Communist assault.

Herter Given Senate Nod
WASHINGTON (AP)—Christian A. Herter won quick and unanimous approval of the Senate Foreign Relations Committee today to succeed John Foster Dulles as secretary of state.

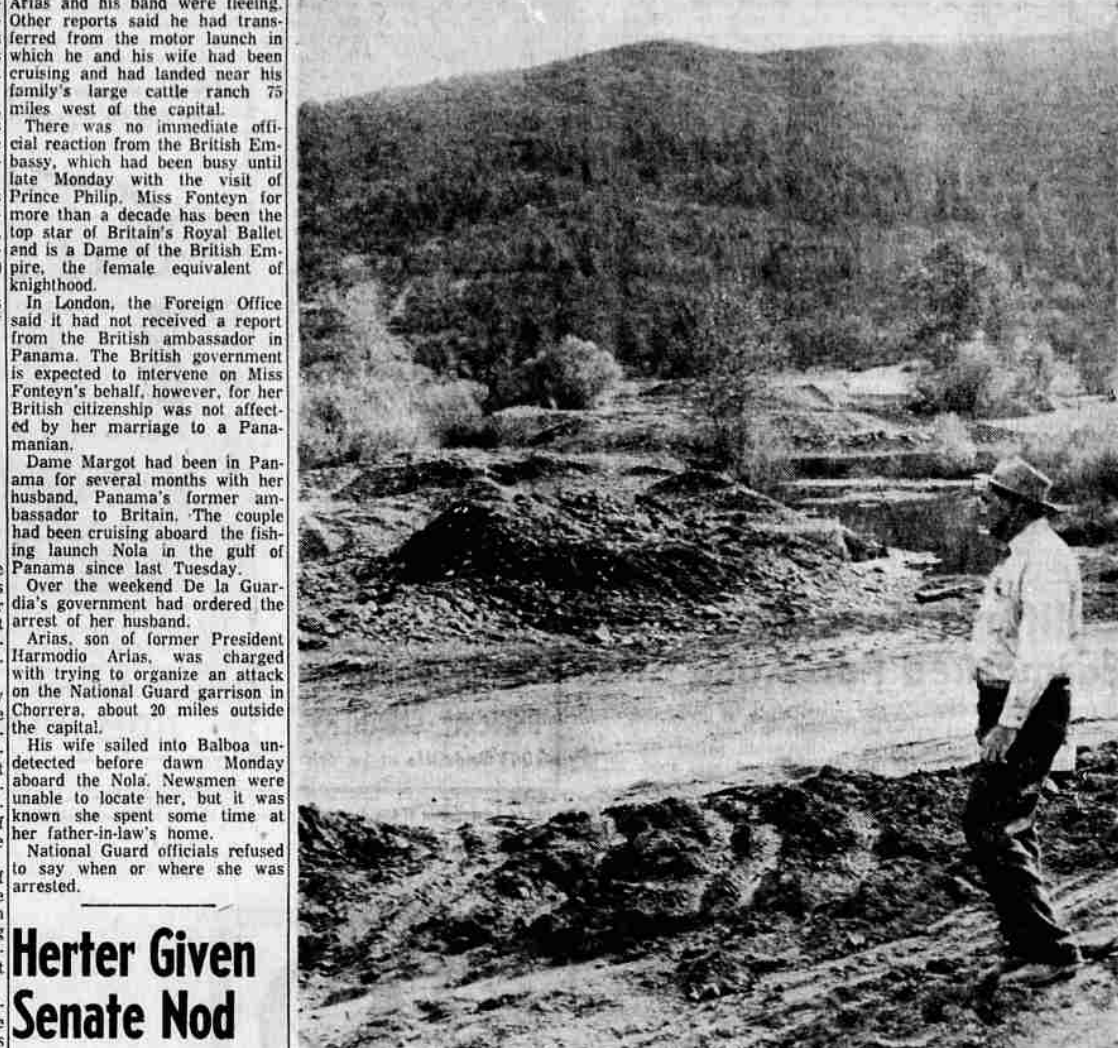
The committee acted after hearing the 64-year-old Herter, who has been chief aide to the cancer-stricken Dulles, say the U.S. air route to Berlin will be defended but not necessarily at the risk of nuclear war.

Committee Chairman J. William Fulbright (D - Ark.) announced that the nomination of Herter would go before the full Senate later today if possible. Quick confirmation would allow Herter to take office before leaving this weekend for the Western foreign ministers meeting in Paris.

Herter had told the committee he did not believe atomic and hydrogen bombs would be justified in the early stages if war developed over Berlin.

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SITE OF THE GREENHORN DAM proposed by the city of Yreka is shown here. Viewing it is C. M. "Pete" Potter of the water company. The Yreka City Council adopted a resolution at its last meeting for the issuance of \$550,000 in Yreka Water Works bonds. It is expected that bids will be received April 30, and contracts awarded on May 14, with construction slated to start as soon as possible.

Council Backs New Addition

Development of a platted area in Mountain View Addition to Klamath Falls received a big boost from the city council Monday night.

City Manager G. S. Vergeer Sr., reported that property owners in a six block area had put up \$4,039 in water deposits to assure Oregon Water Corporation installation of water in the proposed area.

He pointed out that only one local property owner objected to the move. He also asked the city to appropriate \$280 for the eight lots which it owns in the area, and the council approved the move, swelling the money available to \$4,319.

A month ago, Oregon Water Corporation manager Glenn Bowen indicated that it would take approximately \$5,000 in cash advances before his company would go ahead with installing water service to the area.

Vergeer indicated that while the amount was a bit short, a discussion was underway with the water company in an effort to get the project started.

City Attorney Henry Perkins then suggested that the council authorize the start of sewer district proceedings since they take at least 90 days to complete. He pointed out that if they started sewer proceedings now, those who desired to build in the area would have sewer this year.

The council authorized the move, and instructed the city manager to proceed on the sewer plan for the six block area.

Weather

FORECAST—Klamath Falls and vicinity: Fair through Wednesday with variable high clouds Wednesday. Highs 70-75; lows tonight 32-40.

High yesterday 67
Low last night 37
Precip. last 24 hours 0
Since Oct. 1 4.36
Same period last year 14.44

Northern California — Fair through Tuesday night; partly cloudy Wednesday with showers likely from Ukiah northward. Coastal winds variable 8-18 miles an hour.

Snark Starts Test Flight

CAPE CANAVERAL, Fla. (AP)—A blazing Snark intercontinental guided missile streaked over the horizon today on the start of a round trip test flight.

The missile is the first truly intercontinental weapon that will be in the hands of U. S. troops.

The launching, conducted by veteran Air Force crewmen from the 55th Guided Missile Squadron, was aimed at a trip 900 miles down the Atlantic range.

The weapon used on today's flight logged a similar round trip without a hitch several months ago.

The shoot was part of the close-out phase of development for the Snark which is expected to be deployed at its first operational site in Presque Isle, Maine, in the next few months. About 20 bases are planned for the Snark.

Weather Bids Planned For Dam Site

YREKA—Yreka city councilmen took the first steps to procure the funds for the Greenhorn Dam construction by adopting a resolution for the provision for the issuance of \$550,000 Yreka Water Works bonds.

According to City Clerk, Alton Taylor, bids will be received April 30 and contracts will be awarded on May 14. Construction will start immediately at that time.

After about two hours discussion, the council also adopted the new zoning ordinance and land use map for the city of Yreka, the zoning plan designed for future growth of the town.

Mayor James Cummings also appointed Leo Purinton as a member to the Yreka Recreation Commission for a two-year term, replacing Mrs. Pearl Lecam. Purinton owns and operates the Siskiyou Airways at the Montague Municipal Airport, but resides in Yreka.

Duties Assumed By Alaska Chief

JUNEAU, Alaska (AP)—William A. Egan, rushed to a hospital hours after being sworn in as Alaska's first elected governor, Jan. 3, took over the full duties of his office Monday.

The 44-year-old Democrat, far below his normal weight but optimistic, returned to Juneau a week ago. He had been given only a 50-50 chance for survival after being flown to Seattle for an emergency abdominal operation.

Council Reverses Zone Law Changes

An irate group of home-owners descended on the Monday night city council session for the second successive week, voicing vigorous protests to a proposed change of zone for their areas, one on Owens Street and the other along the south side of Shasta Way between Sixth Street and Washburn Way.

After hearing the discussion and cataloging the objections by percentage, the council moved to amend its established policy and outlined a new procedure for making zone changes in the future.

At the request of individuals, the planning commission had recommended both changes. However, the council declined both proposals at the end of two hours discussion.

The move to change a portion of Owens Street from residential to industrial was opposed by an additional petition presented Monday night. When added to the previous petition, it was determined that out of 61 property owners within 200 feet of the zone, 35 objected to it.

It has been the council's policy in the past that unless 50 per cent of those residing within 200 feet of the zone change object to it, it becomes effective.

However, during the course of the discussion on the Owens Street proposal, Norman Hansen, who said he represented 1225 Owens, argued that the burden was on the wrong people. He questioned why property owners must rise to the defense of their own property every time a person wants to change the zone.

He wanted to know why the person requesting the zone change should not be required instead to get 51 per cent of the persons involved to favor the move before it would be approved.

The council discussed this viewpoint, and concurred in it. "I think it's a reasonable approach," Mayor Lawrence Slater said. "Previous councils have gone under the old procedure, but it does seem to me that the burden of proof is on the wrong people. When you want to change something, the person wanting the change should show proof that the majority want the change."

The council set future policy of the zone changes on the pattern of 51 per cent in favor. They then denied the zone change request when Councilman James Barnes moved to do so.

Discussion then turned on a request to rezone the area along Shasta Way from residential to commercial. Chet Hamaker, who had requested the zone change, pointed out that the council was now changing their rules of procedure.

"Last week, unless 50 per cent objected to the move," he pointed out, "the zone change would have been approved, but now you've changed it around to make it 51 per cent must be in favor before it's granted."

The council agreed that it had changed its policy from the previous week, but agreed that the final authority rested with the council, and in view of the discussion, felt the move was proper.

Hamaker was given an opportunity to attempt to obtain the 51 per cent in favor, but declined it, pointing out that he had been on the project ever since he purchased the property in January.

Mayor Slater questioned him at length and brought out that the property was residential and that Hamaker had known this when he purchased it. Hamaker stated he had received an indication from the planning commission that the area would probably be rezoned.

The council then moved to deny the rezoning.

The moves ended two weeks of heated discussion which had consumed more than four hours of council deliberation.

Another near-stalemate developed in the council over the question of a liquor license for the Pastime on Klamath Avenue. The license application had been held over from the previous week.

Mayor Slater stated that the policy of the Liquor Commission has been to make an applicant wait six months once a request was

denied. "Only a little over five months have elapsed," he said. "There were three applicants before, perhaps we'd better wait and see if the two others appear again this time."

When it appeared that the council was about evenly divided on the license request, the Mayor entertained a motion that it be deferred for another week, and the council concurred.

A request to purchase a 20 foot strip behind their present residences on North Fifth Street was approved for Jack Madden and two others at an appraised cost of \$2 per foot, \$400 in all.

Hey, Tallulah, Precious Pals To Shun Bill

By TOM NELSON
WASHINGTON (UPI)—Tallulah, dahling, there's simply dreadful news from your precious friends in Congress.

They're not going to do a bloody thing about that bill you did so want them to pass.

It isn't that the House Ways & Means Committee pays no attention to the views of an actress the stature of Tallulah Bankhead. You'll recall that your testimony on unemployment compensation last week got an attentive audience from the committeemen, the dolls.

Nor does the committee feel you sabotaged your own case, although you must admit that at times you didn't help much.

For example, it did the cause of liberalizing unemployment compensation little good to talk about actors who drive up in their Rolls-Royces to collect their weekly jobless pay checks.

And to remark that "everything's gone sky-high" when you were told that benefits range up to \$45 in New York—Well, dahling.

The problem is that what you want to do—provide for reciprocity of eligibility between states, to help unemployed actors—gets into the area of states' rights.

The feeling on the committee is that this business of reciprocity is a field that Congress should leave to the states.

When you began testifying last Tuesday, you complained you had not heard the previous remarks of the committee members "so I don't know whether you are for us or agin us."

It's sad, dahling, but they're agin you.

U.S. Incomes Show Boost

WASHINGTON (UPI)—Half of the nation's families had incomes above \$5,050 in 1958—a \$20 increase from 1957's median family income, the Commerce Department reported today.

But the increase was more than canceled out by rising prices in the early part of 1958 so that purchasing power of the families declined slightly.

Averaging developments for the years 1947-57, the department said that real, after-tax income per family has risen about 1 1/2 per cent a year.

One reason for the steady improvement was the growing proportion of wives who work.

The report also showed there was no change in 1958 in income distribution. Fourteen per cent of all families and single persons had incomes under \$2,000 and five per cent fell into the \$10,000 or more category.

The bulk of the income units fell in the middle categories—22 per cent in the \$2,000-\$3,999 group, 25 per cent between \$4,000 and \$5,999 and 17 per cent earning \$6,000-\$7,999.



SOUP'S ON in this model tin can cookery display exhibited by Glenn Burnes, left, and Dave West of Boy Scout Troop 7 of Malin at the District Scout Exposition Saturday at the Klamath County Fairgrounds. District Scouts produced more than 50 exhibits to show people what Scouting is all about. The exposition is held annually.

Two San Quentin Convicts Holding Pair As Hostages

SAN QUENTIN, Calif. (UPI)—Two San Quentin prison trustees fled to a nearby fishing pier today and seized a man and woman hostage at knife-point in a desperate bid to obtain a speedboat and escape across San Francisco Bay.

The man was released to act as a messenger between the convicts and the dozens of prison guards and police who waited in a tense impasse 100 feet away.

"Don't come any closer or we'll slit her throat," one of the convicts yelled at the guards.

Associate Warden W. D. Achuff of San Quentin said it was first reported that only the woman was grabbed by the fleeing convicts. About two hours later Achuff said a man also had been seized and he was acting as an intermediary, shuttling back and forth between the two sides.

The drama was taking place on the Marin County Rod and Gun Club pier about a mile north of the prison.

San Quentin is about 12 miles north of San Francisco on the west side of the San Francisco Bay.

The two convicts were identified as Billy Joe Wright, 26, Trinity County, and William D. Werner, 24, Fresno County, both burglars.

They had been working as trustees in a rock quarry outside the prison walls. Off-duty Guard W. Gastoni spotted them fleeing on foot toward the rod and gun club a mile and a half away at about 9:15 a.m. p.s.t.

A gun club member said the convicts pulled a knife on the woman as she was fishing off the pier.

The woman hostage was believed to be Mrs. Theresa Lopes, San Rafael.



THIS TRIO OF COIN collectors was among throngs of visitors to the second annual display of the Klamath Stamp and Coin Club Saturday. The display of rare coins and stamps, one of the largest ever seen in Klamath Falls, was in observance of National Coin Week. Visitors received wooden nickles as mementos. In deep study are brother and sisters David, Barbara and Penny Walrath.