

In The Day's News

By FRANK JENKINS

Financial page news:
Business in the U.S. moved steadily ahead this week, with indications growing stronger that 1960 will be a GOOD but not a BOOM year. The president of Union Carbide, one of the nation's very large corporations, puts it like this in an interview with a financial reporter:
"There is every evidence that the economy is in a leveling out stage. I certainly think I can say 1960 will not be a boom year."

Another business leader, Henry C. Alexander, chairman of the board of Morgan Guaranty Trust Company of New York, the nation's fifth largest commercial bank, has this to say:
"I expect business to stay good for some time to come. We are NOT about to enter into any sharp recession. On the other hand, we are not about to LAUNCH A BOOM on top of the expansion we've had since the summer of 1958."

Is that bad news?
It might be for the speculators, who flourish and wax fat in boom periods, but for the general run of us it's pretty good news.

Booms follow recessions.
RECESSIONS FOLLOW BOOMS.

So—
If we're not facing a boom now, we don't need to worry too much over an impending recession.

Question:
Why, in our modern economy, do recessions tend to follow booms at intervals of about every other year or such a matter?

This may be one reason:
Our capacity to produce seems to exceed our ability to CONSUME AT EXISTING PRICES. (There is of course no limit to our capacity to consume if we could find the wherewithal to pay for all the things we want.)

So—
Since our capacity to produce seems to exceed our ability to buy all the things we'd like to have, inventories tend to build up in boom periods. When the inventories get too big, we have to slow down on production until the warehouses are emptied again.

Then we go into another boom that lasts until we get the warehouses filled up.

Anyway—
If 1960 turns out to be a good steady year, with no boom but with consumption just about equaling production, it will turn out to be better for the average run of us than a continuing boom that would be apt to wind up in another recession.

In conclusion, let's take a look at the economy of the Klamath Basin.

It is well balanced.
For example:
In 1959, our agricultural income amounted to around 39 million dollars. According to the records of the Klamath County Chamber of Commerce, our manufacturing and processing payroll amounted to about 44 million dollars. That adds up to a total of 83 million dollars.

That is to say:
Here in the Klamath Basin of Oregon and California, our basic income is about 47 per cent agricultural and 53 per cent industrial.

That is a SOUND economy.

Warning Issued Reds By De Gaulle

WASHINGTON (AP) — French President Charles de Gaulle warned the Soviet Union Saturday that any sudden "brutal threat" against Berlin would wreck prospects that the summit conference can improve East-West relations.

In the midst of talks with President Eisenhower, De Gaulle said bluntly that a solution of the Berlin problem is impossible at the long-awaited summit parley three weeks hence.

The 69-year-old French leader expressed confidence however that the Big Four chiefs can find what he called a "practical start" toward world disarmament.

Ignoring American objections to the idea, he urged Western and Communist countries to join in a program of economic aid to the two billion people in underdeveloped lands.

De Gaulle, who talked confidentially with Premier Nikita Khrushchev a month ago, strongly hinted he really doesn't expect the Soviet leader to set off a new crisis over Berlin.

"It seems to me that had the Soviet Union wanted to keep on the pressure and the threat looming over the West because of Berlin, it would have done so," he said. "And the Soviet Union did not."

But, apparently with Khrushchev's unpredictable nature in mind, De Gaulle added this note of caution: "If the relations between East and West are to be improved there should not dawn on the conference the brutal threat of any question, and in particular of Berlin."

De Gaulle took a calm, unruffled view of the problems dividing the world as he moved through the second day of his four-day state visit. Friendly crowds applauded him whenever he appeared in public.

With President Eisenhower at his side, he took time out to lay a red, white and blue wreath at the statue of the Marquis de Lafayette, the French general who helped Americans win freedom from Britain in the Revolutionary War.

In an unusual gesture, Eisenhower walked across Pennsylvania Avenue with him for the ceremony in sun-dappled Lafayette Park. It marked the first time Eisenhower has left the White House grounds on foot since he became President nearly 7½ years ago.

Woman Dies In Accident

A one car accident on snow-swept Mt. Hebron about 8 p.m. Friday took the life of Mrs. Marie Mathilda Hicks, 56, Walnut Creek, California.

Investigating officers of the California Highway Patrol reported Mrs. Hicks was alone in the car, northbound about one and two-tenth miles north of Mt. Hebron summit when the vehicle slid on snow and hit a bank. The woman was thrown from the car.

Peace Ambulance was called to the scene, but found the woman dead on arrival, and the body was moved by O'Hair's Memorial Chapel to Klamath Falls.

The coroner's office said the woman died as the result of head injuries suffered in the accident. She is survived by a son, Howard Rowe, Concord, California; and a brother, Francis P. Parvey, Seattle.

Funeral arrangements are pending. She is to be buried in Brush Prairie Cemetery in Washington.

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Pair Adopts Limbless Lad

PORTLAND, Ore. (AP) — The adoption of a boy of 8 named Teddy Friday fulfilled a dream for Mr. and Mrs. Forrest Bruce Krewson of the small Western Oregon community of Myrtle Point.

It is sure, too, that this dream was with the little boy. He has lived one year with the Krewsons as their foster child.

The Krewsons had intended to adopt a girl when they first came to the Waverly Baby Home here. But Mrs. Krewson saw Teddy and fell in love with the child.

Teddy, unlike most children his age up for adoption, has no arms and legs. He was born without them.

However, Teddy has been supplied with artificial limbs by the Shriners Hospital for Crippled Children here. He was taught to walk by physical therapists at the Waverly Baby Home.

When the adoption was made final here yesterday in state circuit court the Krewsons were joined in signing the adoption papers by their other sons, Johnny and Danny.

Deputy DA Quits Post

Deputy District Attorney Ernest Gordon resigned Friday to join a private law firm, Ganong and Ganong of Klamath Falls.

He will be replaced by Robert M. Redding, presently with the law firm of Ramirez and Redding here.

The change, announced by the office of District Attorney Arthur Beddoe, is to be effective Monday.

Gordon, 29, joined the district attorney's office last December 1. He formerly was employed with Wilson Title and Abstract Company here.

Redding, 28, entered private practice here last May. He formerly worked for the attorney general of Alaska and for the Alaska Highway Department.

Both attorneys are graduates of Willamette University law school. Gordon was graduated in 1958 and Redding in 1957. Both also took undergraduate work at Willamette. Gordon was graduated in 1952 and Redding in 1953.

Redding is one of three candidates for the Democratic nomination for state representative. It was understood, informally, that he could request a leave of absence from the district attorney's office during legislative sessions, in event of his election.

Gordon is married and lives at 2036 Leroy Street. Redding is married and has one child. The family lives at 2337 California Avenue.

Weather

FORECAST — Klamath Falls and vicinity: Clearing today. Low tonight 18-26; high today 48-53.

High yesterday 50
Low last night 27

Northern California — Partly cloudy today, with a few scattered showers on the coast and in the valleys, plus snow flurries in the mountains. Warmer today.



BALLOTS by the ton, almost, are stacked in County Clerk Charley DeLap's office for distribution before the May 20 primary election. They're a lengthy lot, too. DeLap holds a Democratic ballot — all 41 inches of it. Last-minute registrants crowded the office, too. An estimated 500 persons filed in Tuesday to register or re-register on deadline day.

Bomb Scare Turns Back KF Plane

By VIRGINIA FULLER and TOM STIMMEL

A commercial airliner with 40 persons aboard returned to Klamath Falls airport minutes after takeoff Friday night after a warning that it might be carrying a bomb.

West Coast Airlines Flight 746 had been aloft less than 10 minutes when a radio message from Seattle ordered the pilot to land as soon as possible.

The plane, carrying 37 passengers and a crew of three, returned to Kingsley Field where an Air Force demolition squad was waiting for it. The craft was searched from nose to tail. Baggage and mail were examined piece by piece. No bomb was found.

The flight returned about 8:10 p.m. and took off again about 10:30.

Shirley Rogers, 22-year-old stewardess, said Capt. Jack Peacock called her to the crew compartment to tell her of the bomb scare. She said she decided against using the public address system to tell her passengers because she was uncertain how her voice might sound. She returned to the cabin and calmly told them, in small groups, that the plane was turning back.

West Coast personnel said an anonymous telephone call to its San Francisco office warned that a bomb was on one of its F-27s, propjet planes the airline put into service last year. The alarm was radioed to the plane from West Coast's headquarters in Seattle; a few seconds later it was received here on the station-to-station teletype network.

"We were told there was a bomb on a West Coast plane, and that the call came from San Francisco," Captain Peacock said. "Since we were the last plane out of San Francisco, it behooved us to get out of the air."

The plane was met by fire trucks and the demolition squad when it landed at the far south end of a runway. Miss Rogers said passengers cleared the plane in less than two minutes.

"They told us to go as far away from the plane as we could," a woman passenger said, "and the first thing I knew I was out in the sagebrush."

Most passengers grumbled good-naturedly about the inconvenience. They commented: "Think of the money this cost."

"Now I'm gonna be late."

"I was supposed to be in Medford an hour ago."

K. I. Bold of Bonanza, on a combined business and pleasure trip to Medford, said he didn't pay any attention to the alarm because there had been so many false bomb reports. "As far as I was concerned," he said, "they could have gone right on."

Marion Jackson of Eugene, who flies almost every weekend, said she thought something was wrong when air pressure in the cabin changed. She said she felt flushed and knew something was "different about the air."

John Joffe, returning to Portland after a business trip to Sacramento, praised the plane's crew. He said the emergency was "very excellently handled."

"I know one thing," Miss Rogers said, "I had the best group of passengers a stewardess ever had. They laughed and joked all the time and nobody panicked."

Baggage and mail had been loaded into a pickup truck and driven to a warmup ramp at the south end of the field. There state and city police officers examined 41 pieces of luggage, and Ted Paillette, a postal clerk, inspected 15 sacks of mail.

Bob Moore, West Coast manager here, complimented police and Air Force personnel for their handling of the emergency. His own staff reacted courteously and efficiently. While the F-27 was being searched, a West Coast DC-3 en route to Boise landed and departed without incident. The bomb scare affected only F-27s; the propjet flight south to Klamath Falls was searched about the same time at North Bend.

Captain Peacock, a veteran of flying since 1951, has been with West Coast since it started. He was a test pilot for Boeing during World War II, but he had not experienced a bomb scare before.

"When we heard the report," he said, "the thing to do was get back as quickly as we could."

Despite the delay, Peacock agreed that a bomb search should be made. "I'm all in favor of it," he remarked. "We were sitting right in front of the baggage."

"There was nothing between us and the baggage but two radios," said Herb Matzdorf, first officer, who has been flying since 1944. Being in the air during a bomb scare, he said, "is about the most helpless feeling you can have."

Collegians 'Rob' Bank; Six Jailed

SANTA ROSA, Calif. (AP) — Six college students, dressed as gangsters and their moll, brought a newspaper photographer along with them Friday when they walked into a bank with toy guns and asked for change for a dollar bill.

A teller who had once been a holdup victim screamed and went into hysterics.

It was just a prank, said the five young men and the coed, students at Santa Rosa Junior College. The FBI wasn't laughing. All six were formally charged with bank robbery and locked up in the Sonoma County Jail here.

The six, held in lieu of \$5,000 bail each, are Patricia Rose Marucci, 19, Healdsburg; Frank M. Palmieri, Jr., 20, Santa Rosa; Alan Gene Sutter, 18, San Francisco; Robert Harry Lindsten, 18, Oakland; John Roger Cabel, 19, Redwood City; and Frank Louis Priorie, 21, Los Gatos—all Californians.

Newspaper photographer Joe Price said he saw the six students approaching the downtown branch of the Bank of America and they told him: "Come along. We're going to rob a bank."

He walked into the bank with them, then took pictures of the next 14 minutes of proceedings.

While 35 customers watched, they displayed a toy submachine gun and presented a note to a teller. Accompanied by a dollar bill, the note demanded change. They got two 50-cent pieces back.

The activity reminded another teller, Joan Zueliani, of her harrowing experience in a bank hold-up last year. She screamed.

This triggered a bank official's call for police. The six were greeted by Police Lt. William Clark at the rear entrance and placed under arrest.

Paper Company Request Okayed

SALEM (AP) — State Engineer Lewis A. Stanley Friday approved the application of International Paper Co. of Mobile, Ala., to take 60 cubic feet of water per second from each of three rivers for operation of three proposed pulp and paper mills.

They are the Williamson River, three miles below Chiloquin; the North Umpqua River, 2½ miles upstream from Winchester; and the Umpqua River, three miles downstream from Scottsburg.

Each permit requires that construction begin by April 11, 1961. They also require that effluent disposal plans be approved by the state Sanitary Authority.

The proposed plants would be built near Chiloquin, three miles south of Sutherlin, and near Gardiner.

Kidnap Reported

BAD NEUSTADT, Germany (AP)—East German Communist police kidnaped a young West German near the Soviet zone frontier Friday, authorities reported.

Red officers forced the man, who was on West German territory, across the border at gunpoint, where he was searched and handcuffed. A companion escaped and told Western police.

New Elections Sought By Rhee's Opposition

SEOUL (AP)—Adamant opposition leaders insisted Sunday on new elections before even considering President Syngman Rhee's plan to yield some of his powers to a new premier.

Despite efforts of Rhee and his backers to find a way out of the crisis, opposition Democrats showed no signs of budging from their demands.

Rhee continued rounds of conferences with men in and out of the government before issuing a statement expected to divorce himself from all party politics.

Rhee also was reported ready to make other concessions to ease the crisis precipitated by last Tuesday's bloody uprisings in Korea's major cities in which at least 125 persons were killed and 777 wounded.

"He will sever his present relations with the Liberal party," said Y. C. Pyun, ex-premier who talked with Rhee Saturday for the second time in two days. "He wants to dissociate himself from the Liberal party."

Thus Rhee would serve as a nonpolitical chief of state with a premier as chief of the government. But skeptical political opponents wondered how much power Rhee would be willing to relinquish.

They wondered whether he would insist on the right of picking the premier and Cabinet or leave that to the National Assembly as in a true cabinet-responsibility system.

Home Minister Hong Chin-ki, who sat in on some of the Rhee conferences, said the government would submit constitutional amendments to the National Assembly soon proposing the cabinet-responsibility setup, discarded in 1954.

Regardless of what the plan finally contains, there was the problem of getting it approved in the chamber where Rhee's Liberals alone are four votes short of the two-thirds margin needed to approve constitutional changes. The chamber has 152 Liberals, 72 opposition Democrats, 7 independents and 2 vacancies.

In resigning as vice president of

South Korea, a Democratic leader John M. Chang served notice his party will resist the proposed changes without new Assembly elections first.

Pyun told newsmen the President also probably would promise to remove police and civil servants from party politics, thus replying to long-standing criticism that Rhee's Liberals have used police to further all ends.

A key visitor seeing Rhee was Lee Ki-poong, vice president-elect, who has said he plans to resign the office he won as Rhee's running mate in the disputed March 15 election.

Lee, Rhee's top underling in the Liberal party, had been under popular pressure to step down because antigovernment demonstrators blamed him for what they labeled as rigged voting.

Indications were however that rather than yield to popular demands to quit public life, Lee hoped to play a major role in helping Rhee revamp the government.

West Coast Eyes Change

West Coast Airlines is making some changes in its schedule beginning Sunday to conform with Daylight Saving Time in some other states. Another change will take place June 1 when other sections of the country switch to daylight time.

Flight 60, a DC-3 from Boise, Burns and Lakeview, will arrive in Klamath Falls at 9:12 a.m. and leave at 9:30 a.m. for Bend-Redmond, Salem and Portland, where it will arrive at 12:05 p.m. Direct connections will be available there with other West Coast flights to eastern Washington, eastern Oregon and Idaho.

Flight 749, a Fairchild Propjet, will leave Oakland at 7:45 a.m., Pacific Daylight Time, with stops at San Francisco and Sacramento. It will arrive here at 9:20 a.m., leave at 9:40 a.m., stand-by time, and touch Medford, Eugene, Portland and Seattle on its way north.

Flight 746, a propjet, will leave Oakland at 5:30 p.m., PDT, San Francisco at 6 p.m., and Sacramento at 6:45 p.m., arriving in Klamath Falls at 7:05 p.m., PST. It will leave at 7:20 p.m. for Medford, North Bend, Portland and Seattle. May 1, this flight will make direct connections in Portland with United Airlines DC-8 set service to Chicago and New York.

Another propjet, Flight 743, will leave Seattle at 7:20 a.m., Portland at 8:35 a.m., with stops at North Bend and Medford, arriving in Klamath Falls at 10:47 a.m. It will leave at 11:05 a.m., stop at Sacramento and arrive in San Francisco at 2:05 p.m., PDT. There it will make direct connection with Trans World Airlines and American Airlines jet service to the East.

Flight 67, a DC-3, will leave Portland at 5:35 p.m., stop at Salem and Bend-Redmond and arrive in Klamath Falls at 8:10 p.m. It will leave at 8:40 p.m. for Boise with stops at Lakeview and Burns.

A turboprop, Flight 747, will leave Seattle at 5 p.m., Portland at 6:15 p.m., stop at Eugene and Medford and arrive here at 8:29 p.m. It will leave at 8:35 p.m., stop in Sacramento and arrive in San Francisco at 11:35 p.m., PDT.

Aid Asked In Search

A joint request for aid in assisting in the search for Barry Lynn Bell, 6-year-old local lad who drowned in Klamath River Thursday was issued yesterday by Oregon State Police and the county sheriff's office.

Officials requested that volunteers and anyone with diving equipment report to the Keno School at 10 this morning.

An intense search of the shallow waters near the edge of the river is scheduled while divers probe the deeper spots of the Klamath.

Meanwhile, California - Oregon Power Company has announced that it will close off its dam above Keno and lower the water level of the river.

Early yesterday morning skin divers from Kingsley Field searched in vain for the boy's body.

The youngster had been fishing with his father, Clarence, 2254 Darrow, when he slipped off a rock and into the river.

Restrictions Lifted

BALTIMORE, Md. (AP) — All major hotels here have lifted their racial restrictions.

The Southern Hotel, last one to do so, announced Friday it was following "the example of our competitors."



MEMBERS OF 4-H CLUBS from all over the country crowded into the fairgrounds exhibition building Thursday through Saturday to display their wares and their talents before parents and public. Approximately 300 youths participated in the fair. These scenes taken by Herald and News Photographer Wes Guderian show, from left, (1) Kathy Angel of Dairy who demonstrates the technique of creating a meat loaf, (2) Susan Tubach of Poe Valley makes homemade bread, (3) Scotty Skinner of Henley, an electricity club member, displays his "low volt" exhibit, and (4) Myrene Cunningham holds a dress she created as a Teen-Wise Clothing member. The fair closed last night with a combined talent show and style revue.