

By FRANK JENKINS From Sacramento:

A mild outbreak of gold fever may be imminent in California's mother lode because of the nation's decreasing gold supply.

Question: How big is California's gold mining industry?

It isn't very big. The Sacramento to dispatch adds:

"At the moment, California's gold industry consists of five dredges working in the Marysville-Sacramento area and two medium-size mines in Sierra county. The Division of Mines reports that there are also claims scattered over Northern California."

These claims are normally worked by one or two men when the weather permits. When the weather is unfavorable, the work stops.

Why so little mining?

It isn't that there is no gold left in California. There is a lot of it in the ground—in California and in Southern Oregon. But, at present day wages and cost of living that makes the high wage scale unavoidable, the established price of \$35 an ounce doesn't leave much profit in the great majority of cases.

What to do?

A lot of people (especially those interested in mining) say RAISE THE PRICE OF GOLD. The figure most discussed seems to be \$105 an ounce. At that price, it is asserted, gold mining would again become profitable and a lot of gold would be taken out of the ground to be added to the nation's dwindling reserves.

It sounds interesting. But, as is so often the case, there's a catch to it. Tripling the established price of gold would amount simply to inflation—that is to say, MORE money, worth LESS. So, as the price of gold went up, the cost of getting it out of the ground would go up correspondingly, and in the long run nobody would be any better off. It would be just another case of the cat chasing its tail.

Speaking of money, California's state director of finance, John E. Carr, says this morning: "Californians are saving MORE money, spending LESS money and refusing to BORROW money."

Is that bad?

At the first blush, it sounds that way. But let's get on with the financial news.

Frank Mackin, California superintendent of savings and loan companies, reports: "These companies are paying 4 1/2 per cent on deposits, which are picking up so fast that after the summer of 1961 there might be a drop in the interest rate."

William J. Murphy, California state superintendent of banks, says banks are expanding into more and more branch offices. He adds that five NEW banks will probably be approved in the next two weeks.

That's the way it works. When interest rates are high, people tend to spend less and SAVE more. When interest rates are low, people tend to save less and SPEND more. The simple fact is that money is a commodity, whose prices are governed by the law of supply and demand.

What this saving up means is that in the course of time there will be plenty of money saved up again to lend to people who are in a position to make constructive use of it. That will be GOOD.

U.S. Seeks Partial Aid On Reserves

WASHINGTON (UPI)—The Eisenhower administration will continue to seek "partial" help from Allied governments to reduce the outflow of dollars.

But President Eisenhower has completely abandoned the request to West Germany for \$600 million toward support of U.S. troops there as a dollar-saving measure.

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Weather Klamath Falls and vicinity - Mostly cloudy through Wednesday with scattered rain and snow Wednesday. Low tonight, 25-35. High tomorrow 25-30. High yesterday 30. Low last night 10. Precip. last 24 hours None. For the year 3.38. Last year 0.62.

The Herald and News

U. OF ORE. LIBRARY NEWSPAPER SECTION GEN. REF. AND DOCUMENTS DIV. EUGENE, OREG. COMP. KLAMATH FALLS, OREGON, TUESDAY, NOVEMBER 29, 1960 Telephone TU 4-8111 No. 6345

FBI Agents Grab Startled Hood For Kidnaping; Money Is Found

LOS ANGELES (AP)—FBI agents converged on a startled Frank Marrone at a Los Angeles intersection early today and arrested him in the kidnaping a week ago of wealthy sportsman Anthony Alessio.

The FBI said Marrone, 31, a convicted murderer with a long police record, was unarmed and offered no resistance. His first comment, agents related, was: "I knew the FBI was smart, but I've never seen so many in one place."

The agents said Marrone—driving his own 1953 automobile—carried currency identified as part of the \$200,000 ransom paid by the Alessio family to secure his release.

Alessio, 41, abducted from in front of his fashionable San Diego home last Tuesday, was found unharmed later in a San Diego motel. He is executive director of the Caliente race track in Baja California. The track is believed to be owned by the Alessio family.

A widespread search for Marrone commenced after the FBI arrested his wife, Selma, 25, and another couple in Hollywood last Friday. Agents recovered \$77,000 of the ransom money at that time.

Don Keller, San Diego County district attorney, said he planned to file formal kidnap charges against the three. The other two are James R. Gorman, 29, identified as an escaped convict also wanted for a \$13,000 Huntington Park, Calif., market robbery; and Gorman's wife, Ruby, 30.

The FBI, adhering to customary procedure, declined to say how agents happened to catch up with Marrone. Agents said he was carrying part of the ransom loot in \$10, \$20, \$50 and \$100 bills.

84 Boxcars Break Away

PHILADELPHIA (AP)—A string of 84 boxcars loaded with grain ran wild for five miles through Philadelphia Monday night, but quick thinking by two Pennsylvania Railroad workers prevented serious injury or damage.

Frank W. Bartle, of Lansdale, Pa., a movement director, and Larry Vance, of Collingswood, N.J., a towerman in the West Philadelphia yards, combined to manipulate switches so that the runaway carriages missed any passenger trains or other properties.

Bartle and Vance also routed the runaway cars—by manipulating track control switches—so as to bring them into an upgraded area where they came to a halt. Several passenger trains were stopped a couple of miles away.

Emergency Funds Go To Counties

THE DALLES (AP)—The state is trying to meet a sharp upsurge in Oregon unemployment by giving 14 Oregon counties \$46,500 for emergency welfare needs.

The state Public Welfare Commission took the action Monday after getting reports on a sudden increase of jobless.

"Our load is about doubled. We have to request additional help. It's tough and go whether we will be able to keep up with it," said Gus Lange, Multnomah County welfare administrator.

Miss Jeanne Jewett, state welfare administrator, said general assistance payments for the state were up 7.2 per cent in October over the previous October. There were 2,283 applications, compared to 1,439 in October, 1959.

Private welfare agencies reported their means exhausted in trying to help out.

The commission granted Multnomah County \$15,000, Clatsop \$7,500, Columbia \$2,500, Curry \$200, Deschutes \$950, Douglas \$3,000, Josephine \$1,200, Klamath \$4,700, Lane \$3,000, Lincoln \$4,500, Malheur \$1,000, Morrow \$1,000, Tillamook \$1,150 and Umatilla \$2,400.



THE FIREMEN'S BALL presented annually by the Suburban Fire Department will feature modern dance music of the Cedarville Rhythmeers the evening of Dec. 31 at Klamath Auditorium. Volunteer firemen are selling tickets door-to-door in the south suburbs and to downtown businessmen. Proceeds will help buy equipment. Here fireman Don Phelps sells some ducats to Mrs. Leonard Scholer, 2343 Gettle Street.

Search Widens For Pretty Coed Feared Kidnaped By Boy's Murderer

PORTLAND (AP)—Police widened their search today for a coed feared kidnaped when her boyfriend was killed in a lover's lane Saturday night.

The girl is Beverly Allah, 19, Port Townsend, Wash., a pretty sophomore from Washington State University.

She disappeared Saturday night on a date with her boyfriend, Larry Ralph Peyton, 19, a Portland State College student. His body was found Sunday night in the front seat of his car on an isolated lover's lane in the hills northwest of Portland.

Police said there was evidence of a terrific struggle. Young Peyton had been stabbed 23 times with what police said was a 4-inch blade. He also had received a blow that caused a skull fracture. There was blood outside and inside the car.

Miss Allan's coat, purse, glasses and part of her necklace were in the car. The coat was stained with blood, apparently from Peyton's wounds. Her purse contained \$11. Peyton still had his wallet. Inside were his papers and \$3.

Police said a bullet had pierced the windshield of the car. The glass was blown outward and fired from inside the car. No gun was found at the scene. The car keys were found in nearby brush, apparently thrown there.

Miss Allan, after Thanksgiving dinner with her parents at Port Townsend, had come to Portland to visit the Peytons. Young Peyton's parents said they all had dinner together Saturday, then their son and Miss Allan left for the evening. The parents reported their missing Sunday, but it was not until that night that the car

was found in a routine police check of the lover's lane. Two bloodstains and scores of searchers fanned out from the car Monday in a search for the girl. Even more were called up for the search today.

FUNERAL SET Funeral service for Larry Ralph Peyton will be held at 11 a.m. Thursday, Dec. 1, in Finley's Mortuary, 422 S.W. Montgomery Street, Portland.

He was a nephew of Calvin P. Peyton, and Frank E. Peyton, Klamath Falls businessmen, and a grandson of Mrs. Kate Peyton, North Ninth Street, and the late Oscar Peyton. A third uncle, Leslie Peyton, lives in Portland. Other relatives live here.

The youth was in charge of the boat operation on Grater Lake last summer. He was the oldest of four children.

The tribesmen appeared out of dense brush and began firing on the Nigerians with bows and arrows and rifles.

Three Nigerians were wounded before the rest of the detachment opened fire with Sten guns.

The tribesmen repeatedly swept toward the Nigerian detachment in waves, apparently fearless from drugs. They ignored the withering fire.

Besides the 10 known dead, many tribesmen were wounded.

Union Chiefs Sentenced For Highway Corruption

INDIANAPOLIS, Ind. (AP)—Two top officials of the Carpenters Union were sentenced to prison in the Indiana highway scandals Monday over the sharp protest of their attorney.

Counsel for Carpenters President Maurice A. Hutcheson and Vice President O. William Blair filed a motion for a new trial just before special Judge M. Walter Bell sentenced them to 2 to 14 years in prison.

Judge Bell then released the defendants on \$5,000 bond each and set arguments for Jan. 4 on their motion for a new trial.

Attorney John A. Boyse objected strongly to the sentencing of Hutcheson and Blair because the judge had not yet ruled on the new trial motion.

Hutcheson and Blair were convicted Oct. 28 of conspiracy and bribery of a state highway department employe in connection with a quick profit of more than \$81,000 on highway right-of-way deals in Lake and Wayne counties in 1956.

Judge Bell fined each man \$250 and ordered both to pay trial costs. He also barred them from voting or holding public office for five years.

The sentences were mandatory, but the fines could have been any amounts up to \$15,000 each. Judge Bell explained he did not levy the maximum fines because Hutcheson and Blair paid back to the state their profits from the land deals.

Carpenters Treasurer Frank M. Chapman, convicted with Hutcheson and Blair, died Nov. 16 in Seattle, Wash.

Nobel Prize Winner Wed

BERKELEY, Calif. (AP)—When Dr. Donald Glaser, 34, of the University of California was named Nobel Prize winner in physics Nov. 3, he said, "I guess I should settle down, find a good woman and marry her."

Today, 28 days later, the discoverer of the "bubble bath chamber" is honeymooning with the pert, honey-blond mathematician major he met while perfecting his award-winning project to photograph atomic particles.

Judge Floyd C. Talbot of the Berkeley-Albany municipal court married Dr. Glaser and Ruth Louise Thompson, 27, in a private civil ceremony Monday.

The bride is the daughter of Mr. and Mrs. John Henry Thompson of San Francisco. Thompson is a vice president of the Metropolitan Life Insurance Co.

Thursday the couple will fly to Europe where Dr. Glaser will receive his \$48,825 Nobel award from the King of Sweden at Stockholm.

Six Dead In First Big Storm

By THE ASSOCIATED PRESS

The season's first full-blown snowstorm, which caused at least six deaths in the north-central portion of the nation, skipped across the Great Lakes region into Ontario today.

The storm, expected to grow weaker by nightfall, still spread high winds and blowing, drifting snow in northern areas.

Early today a heavy fog shrouded much of New York City, hampering sea, land and air traffic. More than 30 flights were delayed at Idlewild and La Guardia airports, or diverted to other fields, some as far away as Buffalo and Detroit. A ferry carrying 2,000 passengers and a tanker collided in the harbor. One passenger was slightly injured.

At midmorning, snow still was falling over an already well-blanketed area from the upper half of the Mississippi Valley to the Great Lakes region. Blowing and drifting snow added to the hazards of motoring.

Temperature readings skidded during the night. Vandalla, Ill., reported a drop of 42 degrees from 69 to 27. A few hours before dawn, Buffalo, N.Y., recorded 62 degrees—a record high for the date—contrasted to 24 below zero at Fraser, Colo. Temperatures in North Dakota were just below the zero mark; in Nebraska 5 to 10 above.

Other readings included: -15 at Havre, Mont.; -4 at Glasgow, Mont.; -10 at Williston, S.D.; -4 at West Yellowstone, Mont.; and Big Piney, Wyo.; 3 above at North Platte, Neb.; 7 above at Denver, Colo.; and 9 above at Casper, Wyo.

U.N. Troops Kill Rebels

ELISABETHVILLE, Katanga (AP)—A detachment of U. N. Nigerian troops killed at least 10 rebel tribesmen in a bloody ambush in this Congo province, the United Nations reported today.

Four Nigerians were wounded in the clash, which occurred Monday near the central Katanga township of Kabondo-Dianda, about 300 miles north of Elisabethville.

The Nigerians were surprised by the tribesmen at a roadblock concealed around a bend in a dirt road.

The tribesmen appeared out of dense brush and began firing on the Nigerians with bows and arrows and rifles.

Three Nigerians were wounded before the rest of the detachment opened fire with Sten guns.

The tribesmen repeatedly swept toward the Nigerian detachment in waves, apparently fearless from drugs. They ignored the withering fire.

Besides the 10 known dead, many tribesmen were wounded.

Plans Postponed

WASHINGTON (AP)—Any plans Mrs. John F. Kennedy has for increasing social activity in the White House will have to be postponed for six months.

That advice from her doctor dashes some of the enthusiastic predictions that came only a week ago from Mrs. Kennedy's new social secretary.



A NEW WHEEL CHAIR was the gift of the Klamath County Muscular Dystrophy Association and the Eagles Lodge Auxiliary to Mrs. Paul Chenoweth, center, Klamath Falls recently. John Mathews, left, city fireman and treasurer of KCMDA, and Mrs. Lillian Carr, chairman of the Eagles MD program, made the presentation.

Many Children Die In Bus, Train Crash

LAMONT, Alta. (AP)—A Canadian National Railway train struck a loaded school bus here today and a school official said about half the 32 children aboard were killed.

The crash came in subzero weather at a grade crossing a quarter mile from the railroad station of Lamont, 45 miles north of Edmonton, Alberta's capital.

The wreckage was carried down the track into the town itself and the victims were strewn along the right-of-way.

Frank Butney, driver of the bus, survived.

M. Wozniak, secretary-treasurer of the school division, said the train—a through freight—struck the bus "smack in the middle."

He said the students were mainly from the Chipman district, 10 miles southeast of Lamont.

They attended grades 10, 11 and 12.

The crash occurred at about 9 a.m.

Royal Canadian Mounted Police and rescue workers rushed to the scene to pry children free of the wreckage.

The injured were taken to the Lamont Hospital, where officials said they were too busy to give details.

JFK Discusses Hodges As Commerce Secretary

By MERRIMAN SMITH WASHINGTON (UPI)—President-elect John F. Kennedy held a discussion today on the possible appointment of Gov. Luther Hodges of North Carolina as his secretary of commerce.

The subject of a possible appointment for Hodges was brought up in a conference between Kennedy and the man who will succeed Hodges, Gov.-elect Terry Sanford.

Earlier, Kennedy held a breakfast conference with Rep. Chester Bowles, D-Conn., and indicated that the foreign affairs expert may be given a role in the new administration.

Hodges was mentioned immediately after Kennedy's election as an almost certain choice for the Commerce Department job.

Appointment Discussed Kennedy and Sanford agreed that they discussed the possible appointment of Hodges who was one of Kennedy's chief campaign workers in the South and particularly in the organization of professional and businessmen behind the Democratic ticket.

Reporters tried to pin Kennedy and Sanford down on Hodges being 18 line specifically for secretary of commerce, but the president-elect declined to say more than they had talked over Hodges' qualifications for any high post, not just one.

Kennedy and Bowles met for an hour and 10 minutes in the Georgetown home of the president-elect as Kennedy continued work on the construction of his administration. They reviewed recent conversations Bowles has had with representatives of foreign governments here and at the United Nations.

School Patrols Receive Official City Sanction

School safety patrols were given official sanction by the city council at the regular Monday night meeting in city hall.

An ordinance was given third and final reading which made the school patrol flag official, and provided a penalty for violators.

The ordinance states, "The members of such school patrol shall wear identifying uniform or insignia and are hereby authorized to display school patrol flags at any street intersection in the city of Klamath Falls. All motorists are hereby required to stop their motor vehicles at the display of any school patrol flag being held over the street in a projected manner."

The ordinance continues, "The authority herein granted is to safeguard pedestrian traffic and does not constitute police authority and all actions herein authorized are subject to and subordinate to any police officer who may be at the scene or location of such school patrol. School patrols shall subordinate themselves to any officer of the police department."

Such school safety patrols have not been adopted in the public schools of the city in the past. The first such patrol is now operating at Sacred Heart Academy.

The City Elementary School Board has indicated it has not adopted safety patrols because of the question as to whether the children were controlling traffic or school children.

Martin Holmes, official of the State Department of Motor Vehicles here to organize the Sacred Heart Academy patrol, indicated that the yellow flag did not control traffic but controlled children.

He also pointed out that such patrols were operative in more than 250 communities in the state. All materials for the patrol were furnished by the Department of Motor Vehicles.

A request by the Seventh Day Adventist Church for reconsideration of their request to play Christmas carols and solicit fund-door-to-door was denied by the council.

Rev. K. H. McVay appeared before the council which had granted permission to the church to sing carols and to solicit but not both at the same time.

Initially, the Green River Ordinance Screening Committee had recommended the request be refused, and later, after a second hearing with Reverend McVay, had changed its recommendation.

However, Monday night, Councilman James Barnes informed Reverend McVay that there was no discrimination involved, that it was simply the council's feeling that such action would be "commercializing" on the Christmas spirit.

After discussion, the council refused to reconsider its denial.

A lone bid for the construction of the Conger Street sewer was rejected by the council on the grounds it was excessive. The estimate for such a sewer was approximately \$14,000 and the lone bid from Klamath Plumbing and

Weather Northern California - Rain in Eureka area this afternoon spreading to Santa Maria and San Joaquin Valley by late Wednesday. Snow in mountains above 4,000 feet in the north and 5,000 feet in the south; warmer most areas; gale warnings on coast north of Point Arena.

Harry Sharuk, chairman of the Lamont School Board, gave the estimate that half the children died. Others were injured.

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They attended grades 10, 11 and 12.

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Royal Canadian Mounted Police and rescue workers rushed to the scene to pry children free of the wreckage.

The injured were taken to the Lamont Hospital, where officials said they were too busy to give details.

Heating was \$20,200. City Manager G. S. Vergeer reported that negotiations with the bidder had brought an alternate proposal of \$15,200, but which would require the city to pay for and furnish pit run rock for the sewer line bed, and riprap rock for a covering.

The council rejected the alternate bid also.

City Attorney Henry Perkins told the council that under Bancroft Act proceedings such construction could only be by authorized bid.

He was to check this point further and report at the next council meeting.

A request by KUHS officials for additional street lighting on Alameda from the west end of Mon Claire to the Wall Street bridge was tabled for a week.

Councilman Ladd Hoyt informed the council that such lights, to be effective, would have to be at about 120-foot intervals and would cost the city about \$108 per year for energy.

Present policy of the council is to permit street lights at about one block distance.

A request for a five-year extension of the franchise of the Klamath Disposal Company was held up for another week pending receipt of a statement from the company to the effect that they intend to continue the sanitary land fill method at the dumping grounds also for the next five-year period.

A statement from the company showed that the land fill operation was practically self-supporting during the 2 1/2 years it has been operating.

A hearing date of Monday, Dec. 12, at 7:30 p.m. has been set for a request by Wendell Smith for the rezoning of blocks 33 and 34 in Buena Vista Addition.

Vergeer informed the council that he had not yet been able to secure a right-of-way for the proposed road to Oregon Tech's new campus site from Carl Braden, owner of lots 1, 2 and 3 of Block 5 in Sunnyside Addition. He said that Braden had asked \$1,250 for the three lots while an appraisal had listed them as valued at only \$625.

A Home?

The advertiser ran this ad a month to get the desired results, but \$11.50 for three lines for a month is a thrifty investment when sale of a home is concerned.

FOR sale or trade: two bedroom and four bedroom south suburban homes. TU 2-3000.

By Thanksgiving Day the I&N had published 11,236 "Real Estate for Sale" ads since the first of the year. The Want Ad section is the great market place for all home needs. Dependable realtors list homes daily for your convenience. Read the Want Ads! Use them! A Want Ad writer will be glad to help you. TU 4-8111, 1301 Esplanade.

Shooting Times OREGON November 30 6:10 a.m.—4:40 p.m. CALIFORNIA November 30 6:44 a.m.—4:32 p.m.