

1964 county political pot already simmering

See story, Col. 4

Forecast

Partly cloudy in Central Oregon, with few light showers in mountains. Highs, 38-44; lows, 26-34.

THE BULLETIN

High yesterday, 56 degrees. Low last night, 24 degrees. Sunset today, 4:38. Sunrise tomorrow, 7:40, PST.

Hi and Lo

SERVING BEND AND CENTRAL OREGON

61st Year

Twenty Pages

Thursday, January 2, 1964

Ten Cents

No. 22

'Must' tags due

Johnson concerned at unemployment as new year starts

By Merriman Smith
UPI Staff Writer

JOHNSON CITY, Tex. (UPI)—President Johnson headed into 1964 today deeply concerned about chronic unemployment and convinced that the \$11 billion tax reduction bill before Congress was a "must" for the economic vitality of the nation.

The Chief Executive applies the same "must" label to the pending civil rights bill. He also wants the medicare program for the aged enacted by the Congress which resumes its deliberations Jan. 7.

In the international field, the President plans an "unrelenting peace offensive" in the new year to improve relations with Soviet Russia. According to associates, Johnson says the United States cannot "drag its feet a year until after the election" before pressing the peace offensive and exploring the peaceable promises held out in a year-end exchange of messages with Soviet Premier Nikita S. Khrushchev.

Familiar With Thinking
It is possible to report these and other viewpoints of Johnson at the start of the year on the authority of a key White House official intimately familiar with his feelings and thinking about official matters. This account does not represent an interview with the Chief Executive, but it does reflect his attitude as reported by an authoritative member of the White House staff.

The unemployment problem has figured frequently in Johnson's planning for the new year and legislation which he will recommend to Congress.

Walter Heller, chairman of the President's Council of Economic Advisers, saw the President earlier this week. While Heller's emphasis was on the upward trend of the American economy in 1963, he called the unemployment situation the most serious problem on the current economic horizon.

Record number of Americans die on holiday
By United Press International
Automobile accidents killed a record 193 Americans over the 30-hour New Year's holiday, final tabulations showed today.

The toll surpassed the previous record of 160 for a one-day New Year's holiday set in 1957-1958 and exceeded the worst expectations of the National Safety Council.

The council had estimated that from 140 to 180 persons would be killed in traffic accidents during the official holiday period between 6 p.m. Tuesday and midnight Wednesday. Howard Pyle, council president, said "we are very disappointed ... grieved ... over the showing by motorists."

Deadly fires helped boost the overall holiday accident death toll to 250.

The breakdown:
Traffic 193
Fires 29
Miscellaneous 28
Total 250
California's 18 traffic fatalities led the death list. There were 14 in Michigan, 13 in both New York State and Wisconsin, 11 in Texas and 10 in Pennsylvania.

4 Million Jobs.

The unemployment rate is around 5 1/2 per cent of the work force with more than 4 million persons out of work. According to the government, automation is displacing about 1.2 million workers annually and to complicate the situation further, about 1.2 million persons also are being added to the work force each year.

The President feels a substantial effort must be put forth on unemployment problems for the future. He is dissatisfied with present cures and programs that have been suggested.

"We may be underestimating what lies ahead and I am calling for new solutions and I am demanding new thinking on this entire problem," Johnson has been quoted as saying.

As part of his overall approach to economic improvement, Johnson wants more labor leaders and business executives actively participating in government.

He thinks the public service field in Latin America is particularly promising for U. S. labor leaders. And he thinks the government should draw more heavily on the reservoir of talent in business.

Johnson wants what he calls dynamic young businessmen in government. In this connection, associates said he speaks of wanting "action from the young and advice from the old."

The President seems to be increasingly preoccupied with domestic economic matters and fiscal finances. For example, he has been citing recently a firm conviction that fiscal prudence is no longer what he calls a rich man's issue.

He believes the massive federal budgetary burden is "stagnating traditional liberalism in the United States" and hitting particularly at middle income families.

Johnson is convinced the upward progress of the economy in 1963 will be sustained in 1964.

But as part of maintaining economic progress, he wants and expects business confidence to remain high and he feels the need for a re-evaluation of government-business relations.

Other Highlights
Other highlights from this authoritative report on the President's outlook and plans for 1964:

—Johnson believes the "unrelenting cold shoulder to any possibilities of reaching an accommodation with the Soviet Union."

—Now is the time, the Chief Executive feels, to push for new break-throughs on peace. He is acutely sensitive to the fact that East and West stand on a nuclear precipice. This being so, he cannot wait until after the election to mount a peace offensive. He thinks it would be "muddle-headed" for the United States to fail to seek peace simply because we are afraid of being taken in by Communist tactics. He is confident the nation is fully alert to such tactics after 15 years of cold war.

—Johnson is confident that the economies planned for fiscal 1965 will lead to a pattern which will reflect itself in fiscal 1966 budgeting. He is enthusiastic about the policies and performance of Budget Director Kermit Gordon.

Tree pickup set by Skyliners

Skyliner racers, both Mighty Mites and juniors, will hold a Christmas tree pickup Friday evening, January 3. Trucks will circulate in the residential areas of Bend from 5 to 7 p.m.

Trees will be collected and hauled to the dump, at a fee of 25 cents apiece. Proceeds will be used for the ski teams' coaching costs.

Householders are asked to leave porch lights on, if they want trees collected. They may also call Mrs. Kenneth DeGree, 382-3774, or Mrs. Phil DeGree, 382-9686.

The pickup is planned as an annual fund-raising event for the ski teams, according to those in charge.

New mayor to be named here tonight

A new mayor and mayor pro-tem will be selected by City Commissioners when the board's first session of the '64 year gets underway tonight at 7:30 in city hall.

Both figures will be chosen from among the seven commissioners: E. L. Nielsen, present mayor; Leon Devereaux, mayor pro-tem; Dr. C. J. Rice, Paul Reynolds, Jack Dempsey, Richard Carlson and Charles Cleveland.

Other business may make tonight's session a drawn-out affair. On the agenda is an appearance by Joseph Larkin, Redmond attorney. Larkin is attempting to obtain refunds of assessments to 50 property owners who reside at E. Third Street, where the expenses of a street-widening project in 1962 were charged to property owners.

Fourteen Third Street residents that year brought lawsuit against the city to be relieved of the obligation of paying total assessments. Their objection was supported in Deschutes Circuit Court and later in State Supreme Court.

Larkin contends that the remaining residents living in the affected area should also be relieved of the assessment obligation.

Completing Term
Judge Penhollow is completing a six-year term. He is pastor of the Powell Butte Community Church, and a resident of Redmond.

The offices of sheriff, judge and one commissioner are to be filled next November. The early filings of two candidates are interpreted by some observers as an indication of more than the usual competition in the May primary.

Shepard, incumbent county commissioner, is a retired farmer and is active in the Grange. He has served on numerous county boards and appointive commissions. Formerly a resident of Tumalo, he and his wife now make their home at 1175 Roosevelt Avenue.

Sheriff Forrest C. Sholes said today that he definitely will file for reelection. He is completing his third four-year term. He was appointed a deputy sheriff in 1949, by Claude L. McCauley, and ran in the fall of 1952, when McCauley retired.

Nielsen, who is seeking a county office for the first time, came to Bend 20 years ago from Hillsboro. For 18 years, he was the local Mobil Oil distributor. For the past two years, he has been in partnership with E. B. Hogan, in H & N Co., an investment business.

Nielsen is a graduate of the University of Oregon. He and his wife, Dorothy, are parents of three children, two boys and a girl. The eldest, Sally and Craig, are graduates of the University of Oregon, and the youngest, Scott, is a Bend High School student. The family home is at 611 Drake Road.

Shepard named DA for Crook

SALEM (UPI)—Douglas Shepard, 32, today was appointed Crook County district attorney by Gov. Mark Hatfield.

Shepard, a native of Deschutes County, will succeed James Minturn who has resigned to promote full time to the private practice of law.

Shepard's appointment is effective Friday.

Shepard is the son of Mr. and Mrs. Fred Shepard, of Bend. His father is a Deschutes County commissioner.

Al Nielsen, Penhollow early filers

By Ila Grant Hopper
Bulletin Staff Writer

Two candidates threw their hats in the political ring on the first business day of 1964, by filing today for county offices.

They are County Judge D. L. Penhollow, Republican incumbent, and E. L. (Al) Nielsen, Democrat, now mayor of Bend. Nielsen is seeking nomination for the office of county commissioner, now held by Fred Shepard, Republican.

Shepard was not available for comment at press time, but a reliable source said that he is planning to seek reelection. He is serving his eighth elective year in the office. He was appointed following the death of A. E. Stevens, in the fall of 1955, and has been elected to two four-year terms.

Nielsen is serving the third year of his present term on the city commission. He was also on the city commission from 1949 to 1953. There has been considerable conjecture that he would seek a county office the next time around, but the early registration came as a surprise to most observers.

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Blustery storm

A blustery, ocean-born storm that enveloped the Oregon Cascades New Year's Day blanketed mountain passes with considerable snow and whipped the Deschutes country with erratic winds. Bend was white this morning, as clouds cleared and bright sunshine followed the storm.

Bend measured only a trace of snow and the same amount of moisture from the New Year storm.

Ten inches of snow fell on the Santiam divide last night, and motorists reported tough travel-

ing over the storm-swept mountains. Some cars stalled, others slipped into roadside ditches. Roadside depth of the Santiam pack this morning was 30 inches. Much-needed snow fell in the Hoodoo bowl.

The high Willamette divide also felt the brunt of the New Year storm, with a 12-inch fall of snow reported. Roadside depth was 22 inches. Government Camp measured seven inches of snow this morning.

Flows were operating over the Cascade passes this morning and sanding crews were on

the job. Icy spots covered various roads early in the day, and the Sisters area was badly iced. There were spots of ice on the Ochoco summit, where skies were clear this morning following a one-inch fall of snow last night.

Motorists driving south through the Chemult area were advised to carry chains. A two-inch fall of snow was measured at Chemult.

Cut of \$100 million in postal deficit ordered



FIRST IN '64 — First baby born at St. Charles Memorial Hospital in 1964 was Kip Kiven Schossow, son of Mr. and Mrs. Larry Schossow, 1515 Fresno. Baby is pictured here with his mother. The Schossows are lifelong residents of Bend. Kim becomes their second child.

Young cyclist severely injured in crash here

A Bend youth, Jerry Lynn Page, 19, was in the St. Charles Memorial Hospital today, a victim of severe head cuts and bruises suffered Wednesday about noon when his motorcycle crashed into a barbed wire fence near the intersection of Butler and Studio Roads, near the northeast edge of Bend.

Page apparently lost control of his 'cycle, which skidded from the road, crossed the roadside ditch and threw the rider into the wire. He was taken to the hospital in the city ambulance, and underwent surgery.

In another accident, early this morning at the E. Third-Greenwood intersection, a motorist was charged by police with mixing liquor with his driving.

Cited on charges of driving while under the influence of intoxicating liquor was Joseph Henry Ward, Jr., 40, of 435 E. Sixth. Police said his car, eastbound on Greenwood, skidded through the traffic light and struck the side of a state sanding truck moving southbound on E. Third. No injuries were reported.

DOW JONES AVERAGES
By United Press International
Dow Jones final stock averages: 30 industrials 766.08, up 3.13; 20 railroads 179.68, up 1.14; 15 utilities 138.53, off 0.46, and 65 stocks 269.09, up 0.87.

First arrival of '64 makes his appearance

Thirty-six valuable gifts from Bend merchants await the son of Mr. and Mrs. Larry Schossow, 1515 Fresno.

The 7-pound, 2-ounce baby, named Kip Kiven, was born at 4:29 a.m. New Year's Day to become the first Central Oregon baby born in St. Charles Memorial Hospital in 1964.

The baby joins a sister, Kerri Lynne, whose birthday also falls in January. Kerri will be two on the 28th.

Schossow is a timber faller with the Walt Allison firm. Both he and Mrs. Schossow are lifelong residents of Bend. Grandparents of the child are Mr. and Mrs. Art Mastrud, South Highway 97.

3 hospitalized after accident

Special to The Bulletin
PRINEVILLE — Three Madras residents were admitted to Pioneer Memorial Hospital New Year's Day, two of them seriously injured in an automobile accident.

A middle-aged couple, Delbert Eccles, and his wife, Josephine, suffered multiple injuries when their car swerved off highway 26 and overturned, about 14 miles from Prineville. They were admitted to the hospital at 2 a.m.

Bufford Orcutt, a self-employed appliance repairman, suffered head and eye injuries in a work-connected accident at his home.

Officers said that the Eccles' accident may have been the result of a tire blow-out. Neither is able to be questioned. Eccles' condition was reported today as poor; his wife's as fair. His injuries included a compound skull fracture. Mrs. Eccles suffered head and facial injuries, and multiple fractured ribs. It was reported that she was driving the car.

Orcutt reportedly was injured while sawing a piece of lumber that struck him in the face. His condition is reported as good. He is a former Prineville resident.

All three patients were brought to the hospital in the Madras ambulance.

Holiday crowds setting records at ski resort

The word is out. Skiing on Bachelor Butte is good when it isn't everywhere else.

Bachelor's post Yule overflow crowds testify to its fame. According to Mrs. Lou Blann at the Bachelor Butte Lodge this morning, last weekend saw a record crowd, and New Year's Day saw a mass invasion of out-of-state skiers.

No official count was available, but Mrs. Blann disclosed that Sunday, December 29, saw over 3,000 skiers on Bachelor's slopes. "Both parking lots were full, and cars were parked all the way down to the intersection of the Century Drive Highway," she said. "It was as though we didn't have a second parking lot at all."

Though the numbers were much less on New Year's Day, the skiing throng from out-of-state was "tremendous." New Year's washout by rain brought so-so ski conditions on Bachelor, but completely obliterated skiing at camps in Washington and California. The dislodged crowd came to Bachelor Butte.

"To the out-of-staters," Mrs. Blann said, "skiing conditions were tops... we, locally, are used to even better conditions... that's why so many Bend skiers sat out New Year's Day."

Towards the end of yesterday, however, more snow fell and conditions were "excellent" by closing time.

New Year's is soggy day for Oregon

By United Press International
New Year's day was a wet and soggy one in Oregon with coastal areas getting more than an inch of rain in 24 hours.

Most of the state got some precipitation, ranging from a trace at Baker to 1.34 inches at Astoria.

Brookings had 1.26 inches and North Bend 1.16. Temperatures were mild, with Pendleton reporting a high of 63 on New Year's Day. Baker's 22 was the coolest reported this morning.

Reductions are planned in personnel

JOHNSON CITY, Tex. (UPI)—A cut of \$100 million in the postal deficit in fiscal 1965 and a reduction in Post Office Department personnel during the next six months were announced today by Postmaster General John A. Gronouski after a conference with President Johnson.

Gronouski told reporters that the economies were ordered in compliance with presidential directives to keep government employment and spending to a minimum.

The postal deficit in the current fiscal year ending June 30 is expected to run about \$650 million and Gronouski, without giving a final budget figure for his department for fiscal 1965, said he expected the deficit to run about \$550 million in the new fiscal year.

Part of this deficit reduction, however, will depend on whether the Interstate Commerce Commission approves a Post Office Department request for a \$77 million increase in parcel post rates.

Confers with Weaver
The President also conferred today with Robert C. Weaver, head of the Federal Housing and Home Finance Agency, on plans for a new comprehensive housing program which will go to Congress under the banner of a "home for every man."

Gronouski flew from Washington early today with Weaver, White House press secretary Pierre Salinger and other staff members who had gone home for the New Year holiday.

Gronouski said that by not filling vacancies, he would institute what amounted to an immediate personnel freeze and reduce Post Office Department employment by 5,000 to a payroll of 590,000 persons by June 30, end of the current fiscal year.

A general outline of the housing program was expected to be included in the President's Jan. 8 State of the Union message to Congress. Johnson worked on the message for two-and-a-half hours Wednesday night.

He also telephoned the Democratic and Republican leaders of the Senate, Mike Mansfield of Montana and Everett M. Dirksen of Illinois, Wednesday night to wish them a happy new year and discuss what the White House called "Senate matters."

Globemaster down in ocean

HONOLULU (UPI)—An Air Force C124 Globemaster en route from Japan to Hawaii with nine men was reported to have ditched in the Pacific today and a radio report said "there are survivors."

Two air-rescue C135 aircraft took off from Hickam Air Force Base to join four other aircraft at the scene, 450 miles west of Hawaii.

The reported ditching ended three hours of confusion during which the Air Force reported the big plane missing and presumed down, then discovered on radar that it was "still flying" an hour and 10 minutes after it was calculated to have run out of fuel.

The reported ditching came in a round-about way. An Air Force spokesman said it originated with a surface vessel in the area, relayed to the Navy Rescue Center at Fuchu, Japan, and then passed on to the Navy Air Rescue Unit at Pearl Harbor.

Aboard the plane were eight crewmen and a military passenger who was escorting a body being returned to the United States.