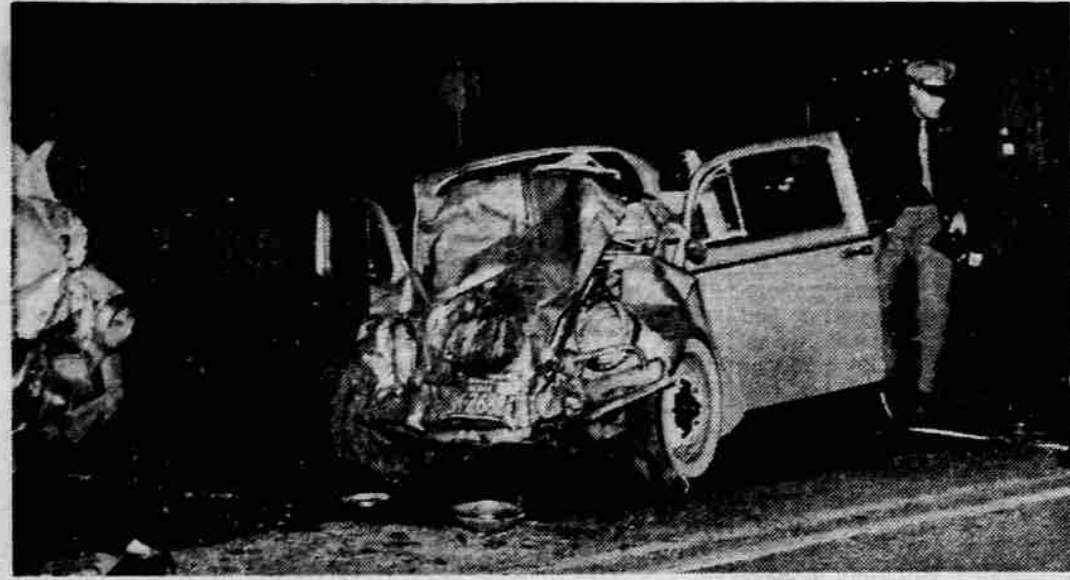


Chicago Increases Cash Offer for Republican Convention



FATAL CRASH SCENE—Chief Criminal Deputy Paul Bettiol holds the door of the Volkswagen in which two persons were killed last night south of the Talent junction. Victims were Clarence Frank Pinkerton, 62, of Ashland, and Kay Louise Gilbert, 21, also of Ashland. The car driven by John Francis Brennan, 18, of 737 Pennsylvania ave., Medford, can be seen at left. The two cars collided head-on about 5 p.m. yesterday on the South Pacific highway. Bill Young, Talent police chief, was first to reach the accident scene.

Two Die in Crash On 99 Near Talent

Two persons died as the result of a two car accident about 5 p.m. yesterday near Talent.

Clarence Frank Pinkerton, 62, of 455 Courtney st., Ashland, was killed almost instantly when the Volkswagen he was driving and a car driven by John Francis Brennan, 18, of 737 Pennsylvania st., Medford, collided head-on about three miles south of the Talent junction.

A passenger in the Pinkerton car, Kay Louise Gilbert, 21, of 439 Chestnut st., Ashland, died last night in Rogue Valley hospital.

Brennan is being treated for face cuts in Sacred Heart hospital and is reported in good condition this morning. Admitted to Hospital

Gordon Earl Moore, 24, of 840 B St., Ashland, another passenger in the Pinkerton Volkswagen, was admitted to Rogue Valley hospital last night in serious condition, but was reported in fair condition this morning.

State police said two cars were following a pickup truck going north when it slowed to make a left turn on Rapp lane. The car following immediately behind the truck swerved to the right to avoid a collision and the car driven by Brennan swerved to the left.

The Brennan car sideswiped a car driven by J. G. Aamodt, Puyallup, Wash., after smashing head-on into the southbound Pinkerton

Porter To Shake Fidel Castro's Hand

Washington—UPI—Rep. Charles Porter (D-Ore.) said he planned to fly to Cuba today to shake Fidel Castro's hand and to extend his sympathy for the new Cuban government.

Porter was invited to Cuba by Castro and Jorge Quintana of the Cuban Newspaper Reporters association, to witness war criminal trials and a demonstration of victory by the new government.

Porter said "I think the new Cuban government deserves a warm embrace and a little more sympathy and understanding than it has had from this country to date."

Findings of State Water Resources Board To Be Aired

Findings and recommendations of the Rogue river basin study will be announced by the state water resources board at a special meeting in the Jackson county courthouse auditorium at 9:30 a.m. tomorrow.

The board will hold its regular meeting tomorrow afternoon.

The investigation was conducted at the request of the state legislature, which pointed out that the economy and general welfare of the people of southern Oregon have been impaired because investigations necessary for forming a state water resources policy had not been made.

John D. Davis, Stayton, chairman of the board, said the board gave consideration to the 10 beneficial uses of water as well as other legislative standards governing studies of the Rogue basin.

The 10 beneficial uses are domestic, municipal, irrigation, power, industry, mining, recreation, wildlife, fish life and pollution abatement.

In calling for the investigation, the legislature noted that current adjustments in the forest industries require prompt action in the development of the state water resources policy for the Rogue river basin to promote full consideration of projects so southern Oregon could make full use of its potential for growth and economic stability.

According to law the defendants may require the depositions be taken to show the nature of the suit, the testimony expected from witnesses and the materiality of the suit.

Testimony yesterday afternoon was aimed at showing how it was decided to bring suit, who advised the complainants, and the relationship of each to the plaintiff.

Taking the stand yesterday were Conrad, Carlson, Higday and Mrs. Todd.

Russia's Mikoyan Heading for Home

Washington—UPI—Soviet Deputy Premier Anastas I. Mikoyan thanked Americans for "their warm welcome and friendship" today and headed for home. He was to leave at noon (p.s.t.) aboard a Scandinavian Airways plane for Europe.

Eight classrooms in Prineville schools are on double shift and other classrooms were found to be carrying an excess pupil load.

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Supreme Court Airs Question of Hatfield's Heir

Thornton Charges Improper Action

Salem—UPI—The question that brought on the crisis—whether David O'Hara or Howell Appling Jr. is secretary of state—was being considered by the Oregon Supreme Court. Written briefs of the opposing sides were to be filed today.

Oral arguments were heard before the court Monday in the quo warranto proceeding brought by Attorney General Robert Y. Thornton and Marion County District Attorney Hattie Bratzel. They defended ex-Gov. Robert D. Holmes' appointment of O'Hara.

Hatfield and his appointee, Appling, were represented by Roy Shields and Lamar Tooze, Portland attorneys.

Improper Resignation

Thornton said that Hatfield had not resigned properly from his secretary of state office before becoming governor, in violation of the Oregon constitution. He added that Hatfield also had failed to turn over all books, records and moneys to his successor before leaving office as provided for in an 1859 statute.

Thornton maintained that Hatfield was still legally secretary of state because he had not resigned unconditionally.

This statement brought a question from the bench as to whether he thought Holmes was still governor. Thornton said he had no opinion on that matter except to say that Holmes already had vacated his office.

Said Accepted by People

Tooze argued that the "people accepted Hatfield's resignation" by voting him as governor and that Holmes accepted it also by appointing O'Hara.

He based his argument on the people's constitutional right to rule.

First Bill Signed

"It would be most extraordinary to prevent Hatfield from becoming governor by Holmes rejecting his resignation," Tooze said.

Holmes said he couldn't accept Hatfield's letter of resignation on the advice of Thornton that it was not legal.

Centennial Theme Of Pear Festival

The Oregon Centennial theme will be featured in the Pear Blossom Festival this year, John Watkins, president of the association, has announced.

The annual Pear Blossom Festival will be held April 10, 11 and 12 this year, in conjunction with the spring sports fair sponsored by the Cater Lions club.

Problems in financing the Festival were discussed at a planning meeting this morning. Association members invited anyone interested in working on the Pear Blossom Festival to attend the meeting Feb. 2 in the Jackson hotel.

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He said that labor leaders, because of the "great power lodged in their hands," have a "particularly critical role to play" in stabilizing living costs and protecting the value of the dollar.

Unjustified Wage Increases

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"They impose severe hardships on those whose incomes are not enlarged," he said. "They endanger jobs by limiting markets at home and impairing our capacity to compete in markets abroad. In short, they are, in the end, self-defeating."

Eisenhower called on businessmen to "redouble their efforts" to keep production costs down. In setting prices, he said, business should keep in mind the economies that can be achieved through mass production and expanding markets.

His appeals to business and labor were buttressed with a warning that if wages and prices cannot be stabilized through voluntary action, it may be necessary to resort to government controls "which are alien to our traditional way of life."

(Continued on Page 11)

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"Go Ahead, Mister—You Ain't Bothering Us At All"



Three Individuals, 23 Businesses Are Recognized by CC

Three individuals and 23 businesses and industrial firms in Jackson county were recognized by the Jackson County Chamber of Commerce at its annual dinner last night.

Scrolls of honor award were presented to John R. Tomlin, posthumously, for 1957, and to Alfred S. V. Carpenter and Helen Bundy Carpenter for 1958, for their personal leadership in contributing to the spiritual and cultural life of the community.

Walter Tomlin, nephew of the late Mr. Tomlin, accepted the award for his uncle, and Dunbar Carpenter accepted the awards for Mr. and Mrs. Carpenter, who are out of town.

Presented in Recognition

The awards were presented in recognition of the charitable contributions in this area by Mr. Tomlin and the Carpenters.

Twenty-three business and industrial firms were recognized for their vision and confidence represented by extensive investments of rebuilding or remodeling.

The projects were all completed in 1958, chamber officials noted. Additional awards may be made for such projects finished last year if they are brought to the attention of the board of directors.

Chamber officials noted that since this is the first year for the progress award, some details still may need adjustment and a policy formulated to determine the extent of the award.

Phoenix District

Phoenix—A poll of Phoenix school district residents will be taken soon to determine how they stand on consolidation of the Phoenix district with either Medford or Talent school districts, Ernest James, school superintendent, said today.

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Six Cities Bid For Conclave; \$300,000 Figure

S. F. Mayor Waiting Turn With Proposal

Des Moines, Iowa—UPI—Chicago raised its cash offer today in its scramble to win the 1960 Republican National convention.

Stung by its failure to get the Democratic convention, Chicago officials added \$50,000 to their cash bid, bringing the total to \$300,000, without much of an increase in the estimated worth of the total package.

Leads Delegation

Mayor Richard J. Daley of Chicago led the city's delegation before the GOP Convention Site committee, which is hearing spokesmen for six cities in a two-day round of hearings. Republican National Committeeman Morton H. Hollingsworth and Democratic National Committeeman J. M. Arvey also were in the group.

Chicago's original offer was \$250,000 plus extras said to be worth \$104,000. Dropping some of the extras to increase the cash offer, the delegation offered a new package said to be worth \$365,500.

San Francisco to Bid

Mayor George Christopher of San Francisco was waiting to appear before the committee with a cash offer of \$350,000 plus other benefits said to be worth an additional \$205,000.

Some GOP leaders considered Chicago and Philadelphia as the strongest contenders for the convention because they would provide a more neutral setting.

Los Angeles, Philadelphia, New York and Miami Beach also were bidding for the convention.

Chicago—UPI—A Democratic national committeeman today planned a campaign to support his charges that a "distorted" cash bid led to recommendation of Los Angeles as the party's 1960 convention site.

Committeeman Jacob Arvey said statements "from Democratic Chairman Paul Butler's office" had "distorted" Chicago's bid for the convention by listing it as \$250,000 against a \$350,000 bid by Los Angeles.

"Actually," Arvey said, "our offer came to over \$350,000, counting \$204,000 in other benefits."

Moreover, Chicago Mayor Richard J. Daley had promised, "if need be, to match any other city's cash offer," he said.

Refusing to speculate on why he thought Butler downplayed Chicago's offer, Arvey said the national chairman "certainly was not neutral."

"I don't believe he kept his promise," he said, "to stay out" of influencing the Site committee's selection.

DOW-JONES AVERAGES

New York—UPI—Dow-Jones final stock averages: 30 industrial 595.89, up 1.29; 20 railroads 167.20, up 0.63; 15 utilities 92.42, unchanged, and 65 stocks 208.14, up 0.44. Sales today were about 3,680,000 shares compared with 3,840,000 shares Monday.

WEATHER

FORECAST: Partly cloudy tonight and Wednesday with valley fog clearing by Wednesday noon. Continued cool. Low tonight 25. High Thursday 42.

Highest Yesterday 57
Lowest this Morning 27

Our Skies Tonight

Sunset today 5:09 p.m.
Sunrise tomorrow 7:26 a.m.
Moonset tomorrow 4:47 a.m.
Full Moon 25, Saturday 42.

Venus, the brightest planet, sets this evening at 6:05 p.m. Each night for the next four months Venus will set later and a little further north on the horizon.

Dr. Sly's Report on Tax Structure Breaks Little New Ground

Dr. John F. Sly's special report on Oregon's tax structure represents a different point of view but breaks little new ground, Jerry Latham said yesterday.

"He had a different approach on some problems," Latham, chairman of the Jackson County Chamber of Commerce's committee on government relations, said. But, Latham told the chamber's weekly roundtable luncheon, "he didn't come up with much new."

He said Dr. Sly, whose \$35,000 report last year was requested by the state, generally "covered the same ground" as the joint legislative interim committee on taxation did in 1955 and 1957.

Dr. Sly, director of Princeton Surveys, presented his findings in a more attractive form, Latham said.

Dr. Sly's report was submitted in three parts. The first, "The Economy We Live In and the Taxes We Pay," was issued July 1. The second, "The Present and Potential Tax Structure of Oregon," appeared in September. The third, "A Tax Program in Oregon: Conclusions and Recommendations," was issued Nov. 15.

Dr. Sly said in a letter accompanying the third portion, "If there is any claim to newness at all, it must rest on those proposals that are somewhat beyond the ordinary, and upon a sharp focusing of recommendations toward the single objective of an improved economic environment for Oregon."

tended Dr. Sly's speech to a joint session of the Legislature Jan. 10 in Salem.

Dr. Sly's findings place Oregon in a "favorable position" economically compared to Washington and California, Latham noted yesterday. He pointed out that both states' financing is on a deficit basis.

"Transportation is a bigger problem in dealing with new industries than taxes," Latham quoted Dr. Sly as stating. He explained that high transportation costs were a greater detriment than high taxes to attracting new industries to the state.

Latham said Dr. Sly has suggested new voting limitations for general levy and bond issue elections. These are that a three-fifths majority be required for approval and that a certain percentage—40

per cent for levies and 50 per cent for bonds—of the total votes cast at the preceding general election be cast.

"I was rather reluctant to go along with it," Latham said of these limitations. He said it would be difficult to get such a high percentage of people out to vote, especially for a small bond issue.

Dr. Sly suggested that the state gear higher education financing to bond issues, Latham reported.

Among specific tax proposals, Latham said, Dr. Sly recommends removal of the inventory tax and, ultimately, the personal property tax. He does not recommend removal of the personal property now, Latham explained, since this would place a heavy burden on other tax revenue sources.

Dr. Sly also recommended

a 1 per cent gross income tax up to the point where this would intersect with the present scheduled rate, Latham said.

And, he said, Dr. Sly recommends a reduction in the capital gains tax to lighten the income tax impact on higher income brackets.

The gross income tax would broaden the tax base and provide that every employed person pay something to the support of the state. The reduced capital gains tax would encourage more capital investment in the state, and thus provide a better climate for industrial expansion.

Dr. Sly also suggests that industrial properties under construction be exempted up to 100 per cent completion or for a maximum of two consecutive years, Latham said.

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