

Capital Gains Tax Bill Defeated in House

Ike Says United States May Have To Increase Military Aid Program

Foreign Aid
Message Notes
Berlin Crisis

Mutual Security
Approval Sought

Washington - (UPI) - President Eisenhower told a spending-sensitive Congress today that the United States may have to step up its military aid to other countries because of Russia's threat to Europe.

In submitting his foreign aid program in a special 7000 word message to Congress, Eisenhower took particular note of the Berlin crisis and said it could have "perilous consequences" if the Soviet threats go unchecked.

Later Increase Possible

He appealed for approval of the \$3,900,000,000 mutual security program of arms and economic aid to Free World allies which he originally had outlined in his precariously balanced fiscal 1960 budget.

The President bluntly told Congress the Soviet threat in Europe might require a later increase in his request for \$1,600,000,000 in military aid for fiscal 1960 beginning July 1.

The message went to a Democratic-controlled House and Senate where there are strong signs of potent opposition to foreign aid spending.

Threat to Free World

Some influential legislative leaders have made it plain they want to trim his foreign aid request as an economy move. They also argue that such cuts would allow more money for programs needed at home, including more for U.S. defense forces.

Eisenhower grimly portrayed the growing Communist ability to launch nuclear war, plus the willingness of the Kremlin to use their atomic and hydrogen weapons as a threat to the Free World.

While noting particularly the crisis over Berlin, the President told Congress:

"We also know that even local aggressions, unless checked, could absorb nation after nation into the Communist orbit or could flame into world war."

Shed Damaged by Fire in Ashland

Ashland - A storage shed valued at \$250 at the residence of Harry Kinney, 77 Sixth st., was destroyed by fire Thursday afternoon, according to Ashland firemen.

Cause of the fire was not known.

The department was called early this morning to the corner of Beach st. and Siskiyou blvd. to remove a large limb which had fallen across the cab of a truck owned by Sie Elliott, Redding, Calif. The truck was not damaged, firemen said, although the limb was more than a foot in diameter.

Portland - (UPI) - Contractors have made a new proposal to the Carpenters Union in an effort to prevent an April 1 strike which could shut down work on construction projects in Oregon and southwest Washington.

Winnemucca-to-Sea Route Among Bond Issue Topics

Salem - (UPI) - About 200 on-lookers applauded in approval as a parade of witnesses testified before the House Highway Committee Thursday in favor of two bills for three large highway projects.

The projects would be the Astoria-Megler bridge across the mouth of the Columbia river, improvement of Highway 42 from Winston to Coquille in southern Oregon and the Winnemucca-to-the-Sea route through southern Oregon.

Financed by Bond Issue

The big projects would be financed by a \$80 million bond issue to be paid off by hiking auto license fees from \$10 to \$17 a year.

Rep. Clarence Barton (D-Coquille) said a bonding program was the "only way" to finance the projects. He said that if inflation continues at work on all three projects immediately.

"We need them now and

53rd Year

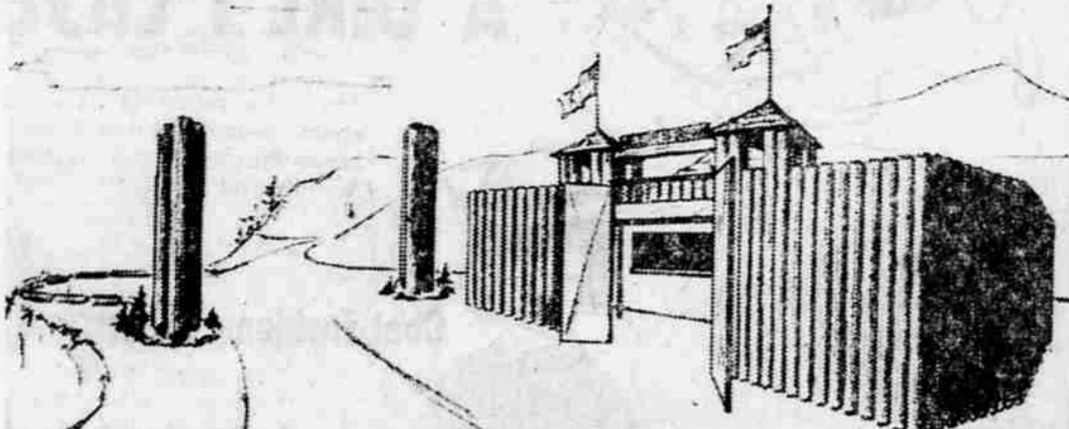
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FRONTIER STOCKADE - A stockade, replica of an early-day fort, will be constructed on Siskiyou summit this spring by the 417th Engineer Brigade, Army reserve. The structure, probably the first frontier-style stockade built by the Army in more than 60

years, will serve as a welcome booth for tourists during Oregon's Centennial year. The 10-foot high walls will have a perimeter of 150 feet. The stockade will be built of logs and will include a catwalk around the walls' interior.

Planners Postpone Action on Revised Ordinance Proposal

The Medford planning commission last night postponed action on a revised subdivision ordinance proposal and turned down three requests for zone changes.

The commission also received for study copies of a preliminary draft for a new trailer park ordinance from Lloyd Anderson, planning consultant of the bureau of municipal research and service.

The revisions in the proposed subdivision ordinance concern primarily engineering data and a new requirement that the subdivider extend street improvements to the center line of existing public streets instead of to the pavement edge of such streets.

Agree to Discussion

The planners agreed to take up discussion of the revised proposal at a subsequent meeting.

Denied following a public hearing was the request from E. W. Brown for a zone change from residential to limited commercial for property on the west side of Crater Lake ave. between Stevens st. and Saling ave. Cliff Ouellette, Medford attorney, represented Brown.

Also denied, following a hearing at which no one appeared to represent either side, was the request for a change from single family residential to multiple family for property between East Main st. and Reddy ave. west of Lindley ave. Several property owners including J. L. Cook, reportedly were interested in the change.

Suggest Improvement

City Manager Robert A. Duff pointed out that these properties do not face on any public street and hence an access problem exists that would be intensified by permitting multiple family uses in the area. The commission

DA's Office to Check Ordinance

The county court will reach a decision on the proposed county subdivision ordinance in two or three weeks, according to County Commissioner Chester Wendt this morning.

The district attorney's office must first study the legal aspects of the ordinance. Then, if it is ruled legal, the county court will make a study of the ordinance and make its decision, Wendt said.

Meeting with the county court this morning were Jack Eaton, planning technician, and Jerry Latham and John Weisbrod, planning commissioners, to discuss the proposed ordinance.

Following a public hearing Wednesday night, the proposed ordinance was referred to the county court with the planning commission's recommendation that it be approved.

No recommendation was made to place the ordinance on the ballot. Law requires that a zoning ordinance be submitted to a vote but does not require a vote on a subdivision ordinance. Whether the proposed ordinance is placed on a ballot will now be up to the county court.

Richard Bettendorf, general manager of the port of Astoria, said the Astoria bridge would cost about \$23.5 million. Oregon and Washington already have contributed \$100,000 each for studies on the bridge which are now finished.

Feeling of Gaiety Missing as Hawaii Marks Statehood

Rainfall Dampens Mardi Gras Spirit

By CHARLES BERNARD
Honolulu - (UPI) - A huge bonfire reddened the sky over Honolulu Thursday night and there was dancing and singing in the rain-dampened streets to celebrate congressional approval of the bill making Hawaii the 50th state.

While thousands squirmed their way through crowds in Waikiki and elsewhere around the island to enjoy the planned festivities, other thousands clogged the streets and highways with their autos as sightseers, making it impossible for other thousands to reach their destinations to join in the fun.

Flares Dropped

Military planes and helicopters flew over Waikiki dropping multi-colored flares, ships offshore fired off statehood salutes. Huge searchlights stabbed through the skies, adding a circus atmosphere to the night.

But for some reason there was little exhilaration in the air. Things were a bit too orderly-noisy enough, but it lacked the Mardi Gras spirit somehow. People seemed to be out and about because it was the thing to do. Maybe it was because there were more people driving around looking than those who were getting out and doing something.

Showers Good Omen

The rains may have had something to do with shacking enthusiasm. But to true Hawaiians the light showers and misty skies were a good omen. Anything launched under such conditions, to them, augurs well.

There were smiles everywhere. Traffic jams were laughed at and patiently waited out.

Today the celebrating will go on. All government workers and most employees of civilian establishments along with school children have been given the day off as a statehood gift. The big event will be entertainment staged in Honolulu Stadium where the seating capacity will be increased to handle 30,000 persons-if they can find places to park their cars.

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Ike To Report On Berlin Crisis

Washington - (UPI) - President Eisenhower will take the Berlin situation directly to the people Monday night in a nationwide television and radio speech, the White House announced today.

Press Secretary James C. Hagerty said the President's 30-minute address would be "a report to the American people on the evolving Berlin situation and the general security position of the United States and its allies."

Eisenhower will speak from 6:30 to 7 p.m. (p.s.t.) over all radio and television networks. The speech also will, in effect, be a prelude to his conferences at Camp David, Md., next week end with British Prime Minister Harold Macmillan.

Portland - (UPI) - The University of Oregon medical school has decided to quit performing autopsies for the Multnomah county coroner's office.

Portland - (UPI) - The city council Thursday approved a downtown tree-planting project to help spruce up the city for the coming Rose Festival and Centennial celebrations. At least 500 trees will be planted.

Second Ranking Soviet Communist Visits Britain

Delegation Plans Stay of 10 Days

London - (UPI) - Mikhail A. Suslov, second in command of the Soviet Communist party, arrived here for an unofficial visit today expressing hopes for warmer relations between Russia and Britain.

Suslov, considered a hard core Stalinist and a leading party theoretician, brought a Soviet delegation here for a 10-day stay at the invitation of the British Labor party's Anglo-Russian Parliamentary committee.

Could Be Embarrassing

Although the visit is strictly unofficial and the ruling Conservative party has nothing to do with it, it could prove embarrassing to Prime Minister Harold Macmillan, now in the midst of western strategy conferences on the Soviet threat to Berlin.

In a short speech at the airport lounge, Suslov said in an excited tone, "Spring is in the air. We hope that the warm air will help both nature and the relations between our countries."

He was accompanied by four other deputies of the Supreme Soviet.

Sincere Wish

"In the sphere of international relations it is our sincere wish to contribute as much as possible to the relaxation of international tensions and strengthen the friendly relations with the British people," Suslov said.

"We note with satisfaction that in recent times the governments of our two countries have taken certain steps toward better mutual understanding."

Extra police stood guard as Suslov stepped from a Soviet TU104 jet airliner.

Bids Opened for New Reservoir

Graff and James, Medford contractor, was apparent low bidder for construction of the 500,000-gallon reservoir atop Barneburg hill when bids were opened at 11 a.m. today at city hall.

The Graff and James bid is \$34,772, compared to the engineer's estimate of \$34,110, according to Medford Water Superintendent Robert L. Lee. Lee said the Medford water board is scheduled to meet Monday to consider awarding the contract. Present plans call for the reservoir's completion by July 15, Lee reported. The reservoir will serve Rogue Valley Manor and other Barneburg hill properties.

Graff and James is currently the contractor for constructing covers on two city reservoirs on Capital hill.

Other bids opened this morning include Petreth and Purdy, Central Point, \$35,645; Wiley company, Ashland, \$37,400; Ausland Construction company, Grants Pass, \$38,000; Salter and Klein, Grants Pass, \$40,186; Glenn Snook, Eugene, \$40,549; Peter Kiewit and Son, Vancouver, Wash., \$41,250; R. A. Heintz Construction company, Portland, \$41,561; John Kovtynovich, Eugene, \$47,200; and Vik Construction company, Eugene, \$49,912.

Grants Pass Man Dies in House Fire

Grants Pass - (UPI) - An early morning fire today claimed the life of John William Wiley MacIntosh, 94-year-old local resident well known for his bicycle riding.

MacIntosh had observed his 94th birthday a month ago, on Friday, Feb. 13.

Firemen said the blaze apparently resulted from a faulty stove-pipe in his small residence here.

MacIntosh in 1902 rode a bicycle across the continent and as late as 1942 had ridden his bicycle to Portland and the state of Washington. He continued to ride the 1902 model bicycle until his death.

He had lived in Josephine county since 1921.

"Really, You're A Mess"



Five-Year-Old Girl Injured When Hit While Riding Bike

A five-year-old girl who rode her bicycle into the path of a Medford police car yesterday afternoon was reported in "fairly good" condition today at Sacred Heart hospital.

Jane Sue McCall, daughter of Mr. and Mrs. Doyle G. McCall, 523 Haven st., was under observation for possible internal injuries and in traction for a broken right leg suffered when the police car struck her. She also received facial abrasions.

Medford police said the collision occurred at 2 p.m. on Summit ave. between Haven and Fairmont sts.

Patrolman Donald Lee Pursel, who was driving the patrol car, reported in a signed statement that she emerged suddenly from behind a parked car which blocked his view. He said he was southbound on Summit, driving between 20 and 25 miles per hour.

Account Confirmed

Pursel's account was confirmed by a statement from Mrs. Dorothy Cordelia Stuart, 2650 Beall lane, Central Point, who had parked the car that shielded the girl from view just before the accident.

Mrs. Stuart said she noticed the girl as she approached the parking space. She said Pursel applied his brakes hard when he saw the girl, but that the bicycle was only

Boys Ordered to Restore Damage

Four boys responsible for vandalism to outdoor Christmas lights have been ordered to make restitution by contributing to a public project, the Jackson county juvenile department reported this morning following a hearing.

One boy is 11 years old, two are 12, and the other 13.

They were charged with vandalism to outdoor lighting last Christmas with the total costs estimated at \$30.72.

Circuit Court Judge Edward C. Kelly did not judge the boys' delinquent this morning. He postponed the hearing until later and instructed the boys and parents to obtain the money necessary for restitution.

However, instead of returning the money to those persons whose lights were damaged, the money will be used for something for a school, a tree for the new swimming pool in Medford or possibly for buying Christmas tree decorations for a needy family next December, Judge Kelly suggested.

Most of the owners of damaged outdoor tree lights were contacted and agreed to the proposal.

WEATHER
FORECAST: Partly cloudy to night and Saturday with scattered light rain showers in valley. Snow flurries in mountains. Colder tonight with low 29. A little warmer Saturday with high 58.

Highest Yesterday	Temp.
Lowest this Morning	50
Free, to 10 a.m. Today, Trace.	35

Our Skies Tonight
Sunset today 6:15 p.m.
Sunrise tomorrow 6:27 a.m.
First Quarter March 17
The Moon sets 10:38 p.m. tonight and is in Apogee.
Mercury, setting at 7:19 p.m., is now growing dimmer and harder to see. Its next brief appearance will be as a morning star in April.

Demos Joined by Four Republicans In 36 to 23 Vote

Proposal Favored By Gov. Hatfield

Salem - (UPI) - A so-called "Capital Gains" bill, favored by Gov. Mark Hatfield, was defeated in the Oregon House today 36 to 23.

Democrats generally opposed the bill along with four Republicans.

The bill would put provisions for capital gains in the income tax law and tie it to a cigarette tax of two cents a pack and 10 per cent on other tobacco products.

The cigarette tax bill was referred to the House Tax Committee.

Bill Defended

Rep. P. Douglas Heider (R-Salem) explained the bill on the floor. He said the Oregon bill did not go as far as the federal government in allowing provisions for capital gains.

Heider said that allowing for capital gains would cause more money to be invested in Oregon, thus creating jobs at a time when they were scarce.

Rep. F. Bristol (R-Grants Pass) said that many enterprising businessmen were leaving the state because they "don't want to pay a penalty for doing business in Oregon."

He maintained that while money would be lost through allowing capital gains that money was being lost now because there was no capital gains provision.

Rep. Clarence Barton (D-Coquille) said capital gains would cost the state some \$9 million a year, of which \$6 million would go to only about 750 people who make more than \$50,000 a year.

"There is no justification for giving this small group of taxpayers a tax subsidy," Barton said.

Barton, chairman of the House Tax Committee, also has a bill in the Committee with a capital gains provision, but it is not tied to a cigarette tax and requires that the money gained must be re-invested in Oregon.

The cigarette tax bill referred today would have raised some \$7 million a biennium.

The House Tax Committee has two other cigarette tax bills before it for study as well as Barton's capital gains bill.

Rail Retirement Bill Approved

Washington - (UPI) - The House Commerce Committee today approved a bill to increase retirement and unemployment benefits for the nation's one million railroad workers.

The railroads have opposed the measure on grounds it would further weaken them financially and result in more layoffs of workers.

The bill is similar to one that cleared the Senate but died in the House last year. It would increase retirement and survivor payments and pensions 10 per cent.

The increase would be financed by boosting for three years the payroll taxes paid by both the workers and the railroads.

Salem - (UPI) - Robert F. Harrington, 40, Coos Bay, has been named administrative assistant to Chief Justice William McCallister of the Oregon Supreme Court effective April 1.

West Coast, Pacific Air Lines Argue Route Cases

Long Beach, Calif. - (UPI) - Wilnesses today continued to parade before Civil Aeronautics Board Examiner William F. Cusick in the so-called Pacific Southwest route case.

The case appeared to be the main one on the agenda of the regular CAB meeting which includes readjustment of some routes between trunk and local airlines and the addition of local service to some cities not yet having regular stops.

Local Carriers Involved

The hearing matter involves three local service carriers - Bonanza, Pacific Air Lines and West Coast Airlines - and five major carriers - American, Trans-World, United, Continental and Western Air Lines.

West Coast Airline, recently granted a new route into San Francisco - Oakland via Sacramento, wants to extend its service south to Los Angeles by way of 10 central and southern California cities.

Representatives from two additional cities - Salinas and San Luis Obispo - told Cusick they wanted West Coast Airlines to serve their cities. They said neither United nor Pacific have proposed any future service for them.

Two Daily Trips

West Coast has offered to serve the cities with two daily round trips on a two-stop route from San Francisco-Oakland to Los Angeles. United, now serving Salinas, has agreed to withdraw and serve that city through the Monterey airport, and Salinas witnesses agreed such service would not handle their needs.