

FLLEE TROOPS — Laotian refugees, fleeing from leftist troops, cross a bamboo bridge over a river near Tha Tom, a lonely outpost about 140 miles southwest of Vientiane, they are being escorted by troops of Premier Prince Boun Oum. —(UPI Telephoto)

# Situation in Laos 'Critical'

## Western Allies Seek Solution for War-Torn Country

Washington — French Ambassador Herve Alphand said today after a conference with Secretary of State Christian A. Herter that the situation in Laos is "very critical."

Alphand said the Western allies are still seeking a method to stabilize the war-torn country.

Alphand told reporters that his 40-minute talk with Herter was concerned entirely with Laos, where the new government of pro-American Prince Boun Oum is battling for its life against Soviet-supported and Communist-led rebels.

The envoy said the United States, France and other Western allies are united in desiring "an independent Laos with no intervention from outside" in accord with the Geneva Conference decisions of 1954.

Alphand acknowledged that the Western powers still have not agreed on what type of international solution to seek for Laos.

Russia has told this government that it will not recognize the new pro-American government in Laos.

U.S. officials said today the Soviet stand was emphasized by Russian Ambassador Mikhail Menshikov during his 40-minute conference Tuesday with Secretary of State Christian A. Herter.

The Soviet envoy challenged the legality of the government headed by Prince Boun Oum. Menshikov restated the Soviet contention that legal power still rests with neutralist Premier Souvanna Phouma, who fled to Cambodia last month when pro-Western and Communist forces became locked in battle for the capital city of Vientiane.

## Six Local Firms Form Corporation

Six Medford-owned industries announced today that they have merged into one large corporation called the Concrete - Steel Corporation. Headquarters of the new firm will remain in Medford.

Making the merger are the Medford Concrete Construction company, the Asphalt Paving company, the Tru-Mix Equipment company, the Tru-Mix Construction company, the Medford Steel company, and the Medford Blowpipe company.

The merger became effective Jan. 1, but was not announced until today.

The new corporation, to be known as CSC, will employ the combined working forces of the six firms, a total of approximately 140 employees. Don Wood, secretary of CSC, said none of the employees of the six firms will lose their jobs as a result of the merger.

The merging firms will be grouped into four divisions under CSC. These divisions will be known as the Medford Concrete Construction division, the Asphalt Paving division, the Tru-Mix Concrete and Equipment division and the Medford Steel and Blowpipe division.

**Operations Same**

The operations of each of the industries will remain the same and will be conducted in existing plants. No building or plant expansion program is planned for the near future, Wood said. The accounting and administration offices of CSC will be located in the former Medford Steel company offices at 228 East McAndrews rd.

The merger is the third one announced here in recent weeks. The others were the merger of the California Oregon Power company with the Pacific Power and Light company of Portland, and the merger of the Rogue Valley State Bank with The Oregon Bank, also of Portland.

CSC will differ from the other mergers, however, in that it will be a locally-owned enterprise.

W. D. Thornidike, vice-president in charge of sales at CSC, and former president of the Medford Blowpipe company, said the chief advantage in the merger will be that CSC can undertake larger jobs, and provide a more complete service than could the six individual companies.

**Utilization of Equipment**

This can be done, Thornidike said, through a better utilization of equipment, machinery and personnel. CSC, he said, will be mainly a service industry, doing sub-contracting work.

Wood said the merger was consummated after a "meeting of the minds" of the ownership of all six firms. The management of CSC will be a combined management of the former six firms.

Besides Wood and Thornidike, officers of CSC include H. H. Pringle, president, the former secretary and office manager of Medford Concrete; Homer Marx, vice president, the former manager of the pipe division and a secretary of Medford concrete; Miles Stuart, vice president, the former president of the Tru-Mix Construction and Equipment companies; Homer Bell, treasurer, the former secretary-treasurer of Tru-Mix Construction; and Bruce Braaten, accounts and collections officer, the former office manager of Medford Blowpipe.

The division managers will be Marx, head of the Medford Concrete Construction division; Richard Hensley, head of the Asphalt Paving division; Bell, head of the Tru-Mix Concrete and Equipment division; and Wood, head of the Medford Steel and Blowpipe division.

## A. C. Fries Jr. Installed New Chamber Head

Ashland — A. C. Fries Jr. officially took over leadership of the Ashland Chamber of Commerce Tuesday at the chamber's first 1961 noon luncheon held at the Mark Antony hotel.

In assuming the chamber presidency from Clyde Vogel, Fries said, "We all should be aware of the value of the chamber's work in a progressive community." Fries presented a plaque to Vogel expressing the chamber's appreciation for work he did during his term of office.

Paul Antony was installed as chamber vice president following Fries' appointment.

Vogel reported 1960 accomplishments of the chamber. He said as a community service project, the chamber initiated sponsorship of a man of the year award for men between the ages of 36 and 59. Emmett Whitman won the award.

The chamber also sponsored the annual Shakespearean scholarship luncheon in June. Twenty-four new members were added during 1960, Vogel said.

The publishing committee issued a six-page vacation guide and work was done on a three-color folder to be printed in 1961, he said.

Other accomplishments included getting city approval for courtesy parking tickets issued to out of town cars. Also, three retail promotional events were held.

Velma Jones, chamber secretary, reported 12,000 brochures about Ashland were issued during 1960 and about 1,000 mail inquiries were received. About one-third of these were from potential residents, she said.

She said the chamber operating budget was \$4,225, which didn't include a promotional budget.

Other statistics included 25 people coming into the chamber office daily and 15 phone calls received each day, the secretary said. Fries scheduled a meeting of the board of directors for tonight at 7:30 o'clock in the chamber office.

# TAX BILLS INTRODUCED IN STATE LEGISLATURE

## Objections To Ways, Means Rule Noted by Corbett

Full Committee Meets First Time

Salem — Sen. Alfred Corbett (D-Portland) took issue today with a proposed joint ways and means committee ruling providing that minutes be kept of subcommittee hearings and that these minutes help in establishing legislative intent.

The full committee, which held its first meeting today, agreed to take another look at the rule.

Corbett said this would be "dangerous" and the committee, which decides how the state spends its money, "shouldn't attempt to control an agency by the use of our minutes."

Co-Chairman Clarence Barton (D-Coquille) said idea of the rule was that in past sessions, some have questioned legislative intent of ways and means.

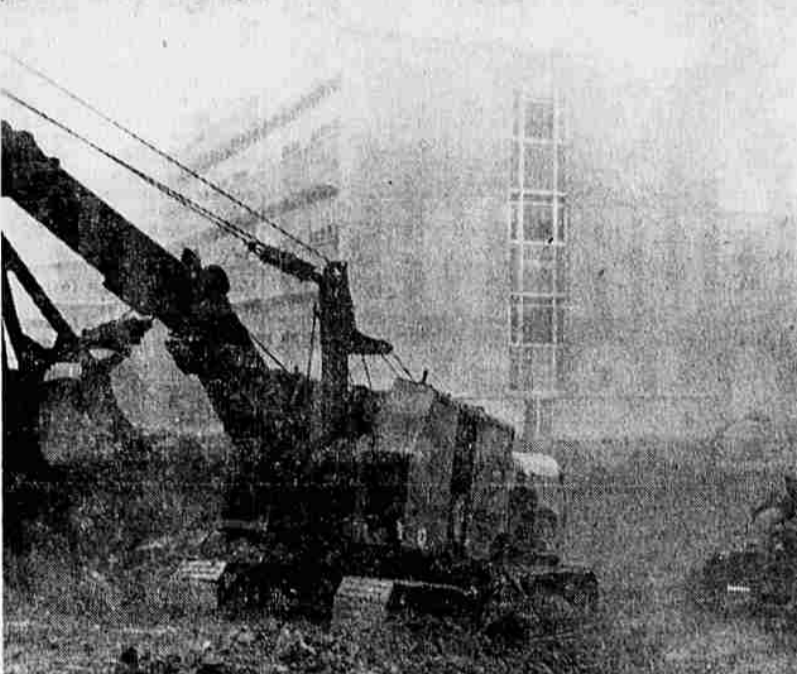
He cited welfare last session, when it claimed ways and means intended for the department to have a new data processing machine. This was not in the minutes, Barton said, and no members could recall such an "understanding."

Up until now, minutes have not been kept of subcommittee hearings. They will be kept this year.

The proposed rule states that legislative intent is established only by bills and resolutions and their minutes and reports.

Sen. Francis Ziegler (R-Corvallis) said the minutes should be very helpful, especially where intent of the legislature is questioned.

Ways and means subcommittees and their chairmen were announced. They are general government, Rep. Ben Evick (D-Madras); protection to persons and property, Corbett; highways and natural resources, Ziegler; education, Rep. Stafford Hansell (R-Athens); and public health and welfare, Rep. George Anala (D-Hood River).



WING STARTED—A sign, "hospital zone, finish the job from ground level. The new wing will be constructed as a separate building and when finished the buildings will be joined by simply knocking out partitions on each of the floors. Completion date is set for February, 1962. Graff and James, Medford, are contractors for the job.

## 3-Cent-Per-Pack Cigarette Tax Is Among Proposals

Basic School Bill Also Filed Today

Salem — Controversial tax bills including a 3-cent-a-pack cigarette tax were introduced in the House today as the 1961 Oregon legislature buckled down to its heavy workload.

Only one bill and one resolution were introduced in the Senate's morning session.

The bill, sponsored by Sen. Francis Ziegler, R-Corvallis, would increase basic school support by about \$25 million or to \$130 per census child.

This is more than Gov. Mark Hatfield and the interim committee on education recommends. Ziegler indicated the hike he proposes would be used only for off-setting local property taxes.

**Bill in House**

Rep. C. R. Hoyt, R-Corvallis, will sponsor the bill in the House.

The tobacco tax is one of 11 House bills recommended by the legislative interim tax committee. All 11 were referred to the House tax committee headed by Rep. Richard Eymann, D-Mohawk, who as secretary of the interim committee helped write them.

Another is repeal of the personal property tax on business inventories, to be replaced by a 1.5 per cent net income tax. Legislative tax experts say this would make Oregon stronger than many states in attracting new industry.

**Third Proposal**

A third proposal is a new personal income tax plan featuring elimination of personal deductions and calling for an average tax cut of 10 per cent. Lost revenue would be made up through the cigarette tax.

Others include new ways to zone and tax farm land, property tax exemption for senior citizens and bringing domestic insurance companies under the corporate estate tax.

The interim committee "package" also includes two bills and four resolutions to be introduced in the Senate.

Both houses were adjourned Tuesday as legislators were busy taking part in a one-day orientation conference on procedures, first of its kind.

**Expenses Favored**

Gov. Mark Hatfield and Secretary of State Howell Applegate Jr. gave their blessing to a Senate-House resolution giving legislators year-around expense money out Applegate said he would pay the expense money only if he was sure it was constitutional. Legislators now get no expenses.

House Speaker Robert Duncan, D-Medford, commented that "if there was anything illegal about it, we wouldn't be supporting it."

Sen. Jean Lewis, D-Portland, who helped draft the proposal, said there should be a court test as soon as possible to settle it once and for all.

**Kennedy Works on Inaugural Address**

Palm Beach, Fla. — President-elect John F. Kennedy completed organization of the top command of his State Department today and settled down for intensive work on his inaugural address.

## Inter-State Burglary Ring Cracked By Local Arrests

Law enforcement agencies in southern Oregon and northern California apparently uncovered the operations of an inter-state burglary ring when they arrested four men Sunday on a charge of attempting to burglarize the Oakdale Super market.

Last night, police and sheriff's deputies arrested three more men on charges of burglary. The warrants for their arrest came from the Siskiyou county sheriff's office in California.

Arrested were William Lester Hurst, 39, of 1125 West 10th St., Medford, Jerry Lester Stewart, 23, of 829 West 11th St., Medford, and David A. Hoffer, 26, Grants Pass.

In addition, a second charge of burglary was brought against Veri LeRoy Biggens, 28, of 122 Kenwood ave., Medford, on a Siskiyou county warrant. Biggens was one of those arrested Sunday and charged with the attempted safe burglary of the super market.

Hurst and Stewart were arrested in Grants Pass on a charge of burglary in that city. The arrests were made about 8 p.m. Siskiyou County Sheriff A. B. Cottar, who was in Medford today interrogating the suspects, said the three men arrested last night, and Biggens, are suspected of the Dec. 29 safe burglary of Ed's Clothing store in Happy Camp, Calif. He said approximately \$750 is missing.

Cottar said extradition proceedings will be started immediately if necessary, to get the four men back to California to face the charges. Hoffer is being held in Grants Pass on \$20,000 bail. The other three men are being held in Medford on \$10,000 bail each.

Arrested Sunday in addition to Biggens were, Kenneth Elston Dailey, 25, of 519 King st., Thomas Edwin Cornwall, 30, of 145 South Ivy st., Donald Raymond Breazeale, 21, of 831 Niantic st., and Biggens.

The four were arrested after a city police officer on routine patrol spotted the men allegedly attempting to remove the safe from the market.

Police officers, either in Grants Pass or Medford, are not sure if the safe was a little over \$1,000.

## Record Set By SOC Enrollment

Ashland — Winter term enrollments at Southern Oregon college have set an all-time record, Dr. Elmo Stevenson announced today.

Stevenson said 1,238 students have enrolled so far with the close of the registration period set for Jan. 18. Last year's total winter enrollment of 1,225 was the previous high.

Of the 1,238 to date, 726 are men and 512 women.

**WEATHER**

Forecast: Variable cloudiness tonight and Thursday with chance of occasional light rain and gusty wind. Patchy valley fog Thursday morning. Low tonight 35-40.

**TEMPERATURE**

Highest Yesterday 49  
Lowest This Morning 31

**Our Skies Tonight**

Sunset today 4:55 p.m.  
Sunrise tomorrow 7:15 a.m.  
Moonset tomorrow 1:32 a.m.  
New Moon Jan. 15

Jupiter and Saturn now too near the sun to be seen. Next month Q. the ☉ they will be near ☉ and ☉. The ☉ will be a little ☉.

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## Three Persons Injured in Two Tuesday Accidents

Three people are in Ashland General hospital today as a result of two separate accidents in the Siskiyou Tuesday.

Frank Wallace Kamp, 63, temporary address 502 West Fourth st., Medford, was reported in serious condition with head and chest injuries suffered last night when his car, pulling a two-wheel trailer, went onto the road shoulder and hit a bank where the car tipped.

His wife, Alma Marie Kemp, 62, same address, is in fair condition with a broken upper arm and severely cut forehead, hospital officials said.

State police said prior to hitting the bank the Kamp car struck the rear of a house-trailer being pulled by a pickup truck driven by Theodore Richard Oaks, route 1, box 93, Warren, Ore.

In another accident, William James Wilson, 28, Yreka, was driven off a paved road and plunged over a 100 foot bank of Highway 99 about 10 miles south of Ashland. Hospital officials said Wilson is still unconscious and in "fair" condition from injuries suffered.

## Bengtson Is First Defense Witness

Grants Pass — O. H. Bengtson, Medford lawyer on trial in Josephine county circuit court charged with embezzling \$1,700 from the Medford Escrow company, testified in his own behalf this morning.

The state rested its case Tuesday at 2:30 p.m. after five witnesses had testified.

In testimony this morning, Bengtson denied having instructed Mrs. Rachel P. Carter, former president of the Medford Escrow company, to write a \$1,700 check on Escrow funds and depositing it in his personal account.

In reply to the question by Richard Carney, Portland, one of the defense attorneys, Bengtson dramatically raised his right hand and said "so help me, no."

He also denied having asked Mrs. Carter for a loan.

Other testimony this morning concerned Bengtson's personal background and his association with the Escrow company.

Immediately after Paul Haviland, state appointed prosecuting attorney, presented the state's final evidence Tuesday afternoon, Carney moved for a judgment of acquittal.

The defense charged that evidence presented by the state was insufficient to support charges as set forth in the indictment. Points stressed were the lack of evidence in connecting Bengtson with the crime charged, failure to prove that funds paid to Bengtson were not due him, failure to show that the money was paid with the intent to defraud the company.

Arguments on the motion continued for more than one hour. Judge Orville Millard ruled that testimony presented constituted a case.

**Witnesses Called**

Witnesses called Friday afternoon by the state included Pete Ruef, Medford, an employee of the First National Bank of Oregon, Medford branch; Leland Knox, Medford, a certified public accountant, and Hugh Collins, Medford lawyer.

The entire testimony given by Knox regarding business contacts he had had with Bengtson was ruled "irrelevant and immaterial" by the court.

Collins testified regarding a deposition taken at his law office June 7, 1960, from Bengtson. The deposition was regarding a suit against Medford Escrow company brought by Mr. and Mrs. Earl Rogers, Medford.

Collins quoted Bengtson as saying that during the first two or three years that he had the Medford Escrow company he received some income, but since that time had not been entitled to any salary as the company's income did not pay overhead costs.

The trial started Thursday in Grants Pass on a change of venue.

Vandagriff, Leever and Whalin Realty company confirmed today that the motel chain is "interested" in at least part of the property. They declined comment on whether the motel chain has actually taken an option or purchased the property.

## Motel, Government Want Same Property

The federal government, which last week announced that it is considering locating the new \$2,365,000 Medford federal building between Central and Riverside aves. on Tenth st., may have to vie with a motel chain for the property.

As nearly as can be ascertained locally, the proposed federal building would be erected south of Tenth st. This same property has also been proposed as the site of a new 33-unit motel, owned by the Imperial '400 Motel chain of Los Angeles.

Copco received the first call reporting that power was cut off at 3:55 a.m. Repairs to the power circuit for the rural area were completed at 9:53 a.m., officials said. The circuit into the city was operating again at 11:05 a.m.

## Power Outage In Gold Hill Vicinity

Gold Hill area residents were without electrical power for between six and seven hours early today when an insulator faulted on each side of the Gold Hill power substation, California Oregon Power company officials report.

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## Beverly Allan Said Strangled

Portland — Beverly Ann Allan was strangled, possibly with a rope or piece of cord, before her body was dumped from a car on the Sunset Highway last November, authorities said today.

Preliminary findings by Dr. William Lehman, pathologist, indicated the 19-year-old Washington State university coed was slain soon after she was abducted from a lover's lane where her boyfriend, Larry Ralph Peyton, also 19, was stabbed to death.

No evidence of gunshot or knife wounds was found on the girl's body. Authorities said it was possible she had been sexually assaulted.

The body, found Monday about 40 miles west of here down an embankment, was returned to Port Townsend, the girl's home, for burial.

Dr. Lehman said hemorrhaging in the voice box indicated strangulation and external bruises and burns on the neck suggested use of rope. He said death probably occurred six to 10 hours after the girl had last eaten.

Cape Canaveral, Fla. — A Polaris missile launched from a nuclear submarine cruising submerged off the coast of Florida was destroyed today when it veered off course.

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Gold Hill area residents were without electrical power for between six and seven hours early today when an insulator faulted on each side of the Gold Hill power substation, California Oregon Power company officials report.

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## SF Has A Whale Of A Problem

San Francisco — A volley of bullets has ended the problems of the wayward whale of Pier 50 — but it left the city of San Francisco with a problem of its own today.

The 20-foot grey whale made a valiant show of strength during its 14-hour battle to escape from a maze of pilings below the pier into which it had strayed and officials warned that the whale will be even "stronger" in death unless the carcass is removed.

"We are not going to let it stay there, that's for sure," James N. Brown, superintendent of the Society for Prevention of Cruelty to Animals (SPCA), said "It will be fragrant by morning."

Brown also warned that the bloody carcass may attract sharks.

"They come in the bay every night — and if they get a whiff of blood, they'll be down there," he said.

The 4,000-pound mammal died slowly, and a decision about what to do with the remains didn't appear to be coming up any faster. Everyone agreed that the carcass had to be removed — but they couldn't agree on who was going to remove it.

It's a whale of a problem, and it all began Monday night when the mammal entered a large opening at the front of the pier and swam deep into the maze of pilings.

It was unable to turn around because of its size, so it began smashing against the hull of the vessel.

Hayes, which was tied at the pier.

When the ship was removed early Tuesday, the SPCA decided the whale would have to be destroyed.

"We saw his eyes were closed and he was bleeding from crashing against the ship and the barnacle-crusting pilings," Brown said.

But efforts to put the whale out of his misery weren't too successful. Fifteen rounds of soft-nosed and armor piercing ammunition were fired into the thick skull of the whale in an effort to hit the brain, about the size of a baseball.

Four hours after the firing began, the whale thrashed the bloody water for the last time.

The whale's little eye over — but the city's eyes are on the pier.

## Ashland Hotel Is Being Demolished

Ashland — Demolition work on the historic Ashland hotel has been under way for several days, according to hotel officials.

Several windows in the rear of the building have been removed and a small roof in the rear has been torn off. The hotel is being torn down to make way for a new First National Bank of Oregon Building.

Hotel officials said the third floor was vacated last week. Part of the second floor is still being used. The office and store buildings on the new bank site will be occupied until Jan. 31.

Salem — Gov. Mark Hatfield said Tuesday he hoped efforts to "accelerate the thinking of reluctant legislators would lead to passage of most of the government reorganization plan.

## "Sir, Several More Of Our Men Have Defected To The Enemy"

