

Foreign Policy of Administration Outlined

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Party Lines Tighten at Salem



RETURNING—The nation's capital is gradually returning to normalcy after a hectic week of inaugural activities. Larry White of the Ace Wrecking company, Washington, D.C., goes about the task of tearing down the stands in the Capitol plaza. The stand from which President Kennedy gave his inaugural address is still standing at right, center. (UPI Telephoto)

Third Week Brings Double Challenge By Mark Hatfield

Salem—(UPI)—Democrats who control the 1961 Oregon legislature swung into the third week of the session today with a double challenge from GOP Gov. Mark Hatfield—a fight to the finish in 1961 over moving the public welfare commission from Portland to Salem, and a battle for the governorship in 1962.

Hatfield's declaration on the welfare commission, the session's first outright promise of defiance from the executive branch, came during a Portland television interview, when the governor said flatly: "We're going to move it to Salem."

The comment came after Hatfield described as "legislative interference" a bill by Rep. Grace Peck (D-Portland) and other Democrats to prohibit the move, which Hatfield has ordered for next spring.

"Blackmail" Charged

Hatfield also labeled as "political blackmail" a statement by Sen. Walter Pearson (D-Portland) that if Hatfield vetoes the bill the legislature could "get even" with him in other ways.

Hatfield's declaration that he would run for governor again in 1962 promised further to tighten up party lines between himself and key Democratic leaders, among them House Speaker Robert Duncan (D-Medford) who has been mentioned as a possible Democratic gubernatorial candidate.

Hatfield made his challenges on the eve of his personal appearance at a legislative hearing in support of one of his pet aims—a cabinet system of government for Oregon.

Evening Appearance

The governor will testify before the Joint State and Federal Affairs committees Tuesday evening on his government reorganization plan, which must have Democratic support in order to become a reality.

Pearson, one of Hatfield's chief opponents in the welfare commission fight, will head the hearing.

Other controversial issues were on the agenda this week, among them hearings on taxes for fraternal organizations, a proposed cigarette tax, and a commercial code that would affect almost every Oregon business.

The Senate Education committee was scheduled to take up several appointments for confirmation and Sen. William Greenfield (D-Portland) said he would fight confirmation of Dean E. B. Lemon to the State Scholarship commission.

More Snow Reported At Crater Lake

The sun was shining at Crater Lake National park this morning, after the headquarters area there received 2 1/2 inches of new snow during the night.

Park officials in Medford said that Sunday's high at the lake was 39 with a low of 23. It was reported to be 30 degrees there at 8 o'clock today.

Currently 60 inches of snow is reported on the ground at headquarters. This is reported to be less than average, but more than for the same time last year.

Belgium's Long Strike Ends

Brussels—(UPI)—Belgium's month-long, crippling strike wave ended today when 150,000 die-hard workers went back to their jobs.

The strike against the government's austerity program formally ended shortly after dawn as the thousands of former strikers trooped into heavy industry and mechanical plants in southern Belgium's Liege and Charleroi regions.

But the memory and the bitterness of the strike lingered on. Leaders feared the five weeks of violence, which left five persons dead and at least

\$180 million in damage, would topple the Social Christian government of Premier Gaston Eyskens.

The death toll rose to five today with the death of Jean Bourdet, 25, father of four. Bourdet was fatally injured in the Jan. 6 riots in Liege, although he was only running an errand when a stray bullet pierced his neck.

Although the workers were back at their jobs, some plants reported a severe shortage of raw materials and warned they may have to lay off personnel until supplies build up. With the return of the



TACKLE PLANS—President John F. Kennedy and his key advisors tackled plans today for adjusting U.S. defense strength to the foreign policy of his administration. The Chief Executive is shown here with Secretary of State Dean Rusk (left) and defense Secretary Robert McNamara. (UPI Telephoto)

Normal Channels To Be Used With Russia, Rusk Says

Kennedy Confers With Top Advisors Today

Washington—(UPI)—Secretary of State Dean Rusk said today that he and President Kennedy intend to deal with Russia through normal diplomatic channels, frequently behind the scenes.

Rusk outlined the administration policy in a formal statement during a break in a day-long conference between Kennedy and his top diplomatic and military advisers on national security issues.

The Rusk statement, read to newsmen, gave no information on U.S. Ambassador Llewellyn Thompson's two-hour talk with Soviet Premier Nikita Khrushchev in Moscow Saturday.

Confirms Policy

The statement however, appeared to confirm the Kennedy administration's announced policy of not rushing into any summit meetings with Russia without thorough advance diplomatic preparation.

For the second straight day, Kennedy worked on broad problems in the international field as he prepared to send Congress his first slate of new ambassadors, plus additional appointments at the assistant secretarial level in the State Department.

Meeting with Kennedy in a day-long round of talks today were Secretary of State Rusk, Defense Secretary Robert S. McNamara, Gen. Lyman I. Lemnitzer, chairman of the Joint Chiefs of Staff, Paul Nitze, assistant secretary of defense for international affairs; Chester Bowles, undersecretary of state, and McGeorge Bundy, special assistant to the President for national security matters.

After a lunch break, the conferees planned to resume their meeting.

Appointments Expected

Kennedy met Sunday with Rusk and Bowles. Press Secretary Pierre Salinger said the bulk of their discussion concerned the remaining appointments to the upper echelon of the State Department. Salinger added that these appointments, plus the first selection of ambassadors, would be coming along soon.

The White House described the purpose of today's meeting as "a discussion of policy in the national security field." Salinger doubted anything would be said about the conference before the end of the day, if then.

First Forest Fire Reported in State

Valestz—(UPI)—Oregon's first 1961 forest fire, coming in the face of near-summer weather, roared through about 450 acres of timberland near here Saturday.

State Forest Service officials termed the blaze the earliest in any year they could remember.

The fire, burning slash and timber on Valestz Lumber company land, broke out about midnight Friday and burned for 12 hours before it was controlled.

Mop-up operations were continued Sunday but a Forest Service spokesman said the blaze would not be completely extinguished until it rained.

The fire was believed to have been caused by a cigarette.

Seven Men Die in Carrier Blaze

Judge Sentences Bengtson to State Penitentiary

Grants Pass—O. H. Bengtson, Medford lawyer, was sentenced to an indeterminate period in the Oregon state penitentiary not to exceed two years by Circuit Judge Orval Millard this morning.

Bengtson was found guilty of embezzlement Jan. 13 by a Grants Pass jury. Sentencing this morning was delayed by statements given in court by attorneys for both sides.

This sentence is to run consecutively with a sentence Bengtson had received in an earlier trial on similar charges in connection with the failure of the Medford Escrow company. He had been previously sentenced to three years in the Oregon Correctional institution.

Immediately following the sentencing today, Leo Levenson, Portland, one of the defense attorneys, filed an appeal.

Bail was set at \$10,000 and was immediately posted by Mr. and Mrs. Homer J. Bringle, Medford. Bengtson is now free on a total of \$20,500 bail.

Two motions by the defense were denied this morning by Judge Millard. One was to arrest judgment and the other was for a new trial.

Statements in statements prior to the sentencing Paul Haviland, court-appointed prosecutor, stated that shortages in the Medford Escrow company will total about \$87,000. This amount was also given by Frank Knox, Medford, a witness called by the state. He added that this figure was not the result of a certified audit, but only a personal investigation of the Escrow company's accounts.

Levenson claimed that an audit of the accounts by a Portland certified public accountant will show that the defendant is out \$7,000.

Bengtson stated that once the audit is complete and "the truth comes out, I am sure I will be vindicated."

In pronouncing sentence the judge noted that the defendant is an attorney and "when you start handling someone else's money, you had better know what you are doing. It is my opinion that he had complete control of the Medford Escrow company at all times."

Portland—(UPI)—Moonshining still goes on in Oregon but at a slower pace than in prohibition days state and federal officials said today.

Howard Morgan May Get Appointment in JFK Administration

By A. ROBERT SMITH
Mail Tribune
Washington Correspondent
Washington—(Special)—The first Oregonian picked for a high post in the new Kennedy administration is Howard Morgan, former Democratic state chairman.

Morgan is understood to be in line for appointment to the Federal Power Commission. During the state administration of Governor Robert D. Holmes in 1957-58, Morgan served as Oregon's public utility commissioner.

President Kennedy has two opportunities at present to make appointments to the five-man FPC because the Senate last fall failed to confirm two nominations then made by President Eisenhower to fill vacancies.

Term Expires
Kennedy will have a chance to appoint a third new commissioner next summer, after the term of another holdover commissioner expires. These three appointments will give the Kennedy administration voting control of this sensitive regulatory agency.

Morgan is a Reed college graduate and currently a rancher at Sisters. He was one of the chief architects of the build up of the liberal wing of Oregon's Democratic Party. He was state Democratic chairman before joining the Holmes administration.

Important Case
The most important case pending at the FPC now is the dispute between Pacific Northwest Power Company, which wants to build High Mountain Sheep Dam, and Washington's public supply system which wants to build the New Force Dam. Both projects would be in the Middle Snake River below Hells Canyon.

Morgan is regarded as an advocate of federal power development. He supported the proposal for building a government dam at Hells Canyon where the FPC granted a license to Idaho Power Company.

The terms of commissioners are five years. The salary is \$20,000.

Approval for Second TV Station Awaited

Ray Johnson, manager of Radio Medford Inc., said this morning that he hopes a second television station will be operating here by late spring or early summer.

Johnson said the new station, to be owned and operated by KMED, will broadcast over channel 10 and will be a National Broadcasting Company (NBC) affiliate. It will also bring color television to the valley, he said.

Construction of the new station hinges on approval of the company's application by the Federal Communications Commission. Late last year, two other applicants for Channel 10 withdrew their applications leaving KMED as the lone applicant.

Ex-President Flies South for Hunting

Gettysburg, Pa.—(UPI)—Former President Dwight D. Eisenhower flies south today to hunt for quail in the Georgia plantation country.

Eisenhower looked forward to warmer weather than the sub-freezing temperatures he encountered last week end at his snow-covered Gettysburg farm.

Saratoga En Route To Athens; Court Of Inquiry Set Up

Washington—(UPI)—Seven Navy men died in a fire which raged for two hours in the super aircraft carrier Saratoga early today near Athens, Greece, the Navy announced.

The Navy said the 60,000-ton ship was proceeding to Athens shortly after midnight when the fire broke out in one of the main machinery spaces.

It was believed to have been caused by a ruptured fuel line and blazed for just over two hours.

The Navy said four officers and three enlisted men died. In Same Class
The Saratoga is of the same super carrier class as the Constellation which was gutted by fire Dec. 19 while under construction at Brooklyn Navy Yard. There were 50 deaths in the Constellation fire and damage was estimated at \$48 million.

The Navy withheld the names of the seven fatalities in the Saratoga fire until it could notify their families. The number injured was not yet known here.

There was no immediate estimate of the damage.

The Saratoga arrived in Athens on schedule. A damage survey was started at once.

Court of Inquiry
Vice Adm. George Anderson, commander of the 6th Fleet in the Mediterranean, immediately set up a court of inquiry to investigate the cause.

Capt. R. W. Mehle, Cincinnati, Ohio, is skipper of the Saratoga.

The Navy said the fire was fought and put out without help being needed from any other 6th Fleet ships.

The fire in the Saratoga, fully operational and at sea, was extinguished reasonably rapid in contrast to that aboard the Constellation which raged for a day.

Adams Pleads Guilty to Charge; Sentenced to Life

Keith Duane Adams, 32, Central Point, was sentenced to life imprisonment this morning after pleading guilty to a charge of second degree murder.

Adams was charged with beating and strangling his ex-wife, Hazel Jean Adams, 23, of 1204 Withington st., Medford, last Aug. 4. The killing occurred while the woman slept, and in full view of the two Adams' children, a 10-year-old boy and eight-year-old girl, according to police reports.

Adams' attorney, Robert Dickey, asked Circuit Judge James M. Main to reduce the charge from first to second degree murder. His motion was granted. In his arguments for the motion, Dickey said that if the defendant was tried on the first degree murder charge before a jury the outcome would be the same. Adams would probably receive a mandatory life sentence for first degree murder. Dickey indicated he would seek a jury trial if the first degree murder charge remained.

Washington Gets Interstate Compact

Olympia, Wash.—(UPI)—A bill to ratify the Columbia Interstate Compact for development of the Columbia river watershed was introduced today in the House.

An identical bill was introduced in the Senate.

Legislatures of Washington, Oregon, Idaho and Montana must ratify the compact, signed last October in Spokane by representatives of seven states. Wyoming, Utah and Nevada may participate if their legislatures also approve the document.

The Washington legislature has never acted on previous compact proposals, although Idaho approved similar pacts in 1955 and 1957.

The new compact gives less power to members of the commission to be appointed from member states. Their role would be largely recommendatory.

A joint development agreement has already been signed at the international level by former President Eisenhower and Canadian Prime Minister John Diefenbacher.

State Tax Court Bill Introduced By Sen. Ben Musa

Salem—(UPI)—Sen. Ben Musa, D-The Dalles, said today he will introduce a bill for creation of a State Tax Court as an alternative to a bill already introduced that would make the court elected by the people.

The bill to be introduced a second time provides that the governor could appoint the tax appeals court. This is one

which Gov. Mark Hatfield vetoed last session.

Under both bills, the court would be made up of one judge at first, elected or appointed for six years. The tax court would be comparable to Circuit Court but would hear only tax matters and appeals would be made direct to the State Supreme court.

The measure for an elective tax court, SB 137, was introduced at the request of the State Bar and the Oregon Society of Certified Public Accountants.

Musa, himself a CPA, said the reason he is introducing the second bill is that some legislators favor a tax court appointed by the governor. "This way, we have a choice," he said.

Wants This Session
Musa said the important thing is to establish some kind of tax appeals court this session.

The legislation would strip the State Commission of its appeals authority.

Any citizen or firm could appeal a tax squabble to the tax court. There is a small claims provision to enable citizens to appeal small amounts without having to pay Circuit court costs that often make small appeals financially not feasible.

The Senate Judiciary committee today introduced a bill that would allow persons to remarry in Oregon 40 days after a divorce is final. The present waiting period is six months.

At the request of the City of Portland, the committee on local government introduced two bills dealing with air and water pollution. Both strengthen versions of similar bills requested by the authority itself.

Balmy Weather on Coast Draws Hundreds

Balmy week end weather sent Oregonians to the beaches in numbers rivaling mid-summer.

Temperatures reached 72 degrees in the shade at Depoe Bay. Some coastal residents said the number of visitors was the largest they could remember in January.

Duncan Names Six To Counsel Group

Salem—(UPI)—House Speaker Robert B. Duncan has announced the six house members of the Legislative Council on State Committee for the 1961-63 biennium.

Named to the committee were Reps. George Van Hoornissen, D-Portland; Edward Fadely, D-Eugene; Clinton Haight Jr., D-Baker; C. R. Hoyt, R-Corvallis; and Carroll Howe, R-Klamath Falls.

As speaker, Duncan will remain on the committee as its sixth House member.

The Legislative Counsel committee, which has five Senate members, supervises a legislative drafting, research and revision staff during and after the session.

Deputies Investigate Burglary at School

Sheriff's deputies this morning were investigating the burglary of Eagle Point High school Saturday night.

Deputies said thieves broke out a window in the south side of the building, entered and took a cash drawer containing about \$40.

WEATHER	
FORECAST: Partly cloudy to night and Tuesday morning, with a few fog patches Tuesday morning, increasing cloudiness Tuesday afternoon. Occasional rain by late afternoon of Tuesday. Low tonight 35. High Tuesday 60.	
Highest Yesterday	Temp. 45
Lowest This Morning	46
Forecast to 10 a.m. Today	43
Our Skies Tonight	
Sunset today	5:11 p.m.
Sunrise tomorrow	7:33 a.m.
Moonsset tomorrow	1:24 a.m.
First Quarter today	8:14 a.m.
PROMINENT STARS	
Antares, rises	6:08 p.m.
Regulus, rises	7:15 p.m.
VISIBLE PLANETS	
Mars in the east	4:21 p.m.
Venus, low in west	8:43 p.m.

"Chief, I Just Don't Think He's Ready For The Idea"

