

ECONOMY IN TROUBLE, JFK SAYS

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Hatfield Calls Conference To Push Oregon Economy

All Segments of Industry Will Attend Meeting

Parley Scheduled For Salem Feb. 14

Salem—Gov. Mark Hatfield today announced he has called a "conference on the economic affairs of Oregon" for Feb. 14 here to seek ways to bolster the state's economy—particularly in the lumber field.

About 50 persons, representing all segments of Oregon industry, will be invited. To correct 'dislocations'

Purpose, Hatfield said, is to correct "certain dislocations" in the economy. He identified one of the most severe as the plywood market.

The conference will be in two phases. On the 14th delegates will make preliminary suggestions for action to be taken. The meeting will adjourn for about two weeks to enable more data to be collected.

The group then will reconvene here to make final recommendations.

Federal Liaison Sought

One part of the program will be liaison with the Kennedy administration as to what part the federal government could play.

Hatfield said he will consider a fact-finding tour of the state's economically hard-hit sections if the conference deems it necessary.

Hatfield reiterated his hope that the legislature will act soon on two bills that would enable International Paper Co. to begin its pulp mill at Gardiner. A 1,000 man work force at the mill means a payroll of about \$50 million to southwest Oregon, he said.

Welfare Criticized

Hatfield took another verbal poke at the State Welfare Commission restating that the state agency has shown "disregard" for the intent of both the governor and the legislature.

He quoted Commissioner Gerson Goldsmith, Portland, as commenting on an issue last October and saying: "I think the legislative action is irrelevant." This, Hatfield said, "typifies" the commission's attitude.

Wasco Man May Be Named U.S. Attorney

Portland—Dist. Atty. Harry Hogan of Wasco county is reported under consideration as U. S. Attorney for Oregon.

WEATHER

FORECAST: Cloudy and windy with occasional rain through Tuesday. Rain in the a.m. to heavy at times tonight and early Tuesday. Low tonight 41. High Tuesday 53.

Highest yesterday 53. Lowest this morning 38. Precip. to 10 a.m. today .55

Our Skies Tonight

Sunset today 5:23 p.m.
Sunrise tomorrow 7:27 a.m.
The Moon rises 4:46 p.m. today and is in Apogee.
Full Moon
PROMINENT STAR Jan. 31
Capella, high overhead 8:47 p.m.
VISIBLE PLANETS
Venus, low in west 8:51 p.m.
Mars, in the west 1:23 a.m. (all times Pacific Standard)

Laotian Troops Advance Toward Royal Capital

Vientiane, Laos—(AP)—Laotian government troops advanced toward the royal capital of Luang Prabang were reported today to be meeting stiff resistance from pro-Communist Pathet Lao rebels effecting an organized retreat toward the strategic plain of Jars.

The rebel "Voice of Laos" radio claimed that Pathet Lao units captured among Hien, a post east of Luang Prabang. The broadcast, reported by the Communist New China News agency, said the Pathet Lao units killed or wounded 40 government soldiers and took

RENDEZVOUS SCHEDULED WITH HIJACKED LINER ON TUESDAY

Recife, Brazil—(AP)—A U. S. admiral today arranged a rendezvous at dawn Tuesday aboard the hijacked liner Santa Maria to negotiate with the ship's rebel commander for removal of the 620 captive passengers.

Rear Adm. Allen Smith Jr., commander of the Navy's Caribbean Sea Frontier, will board the U. S. destroyer Gearing for the meeting with Capt. Henrique Galvao on the Santa Maria, 35 miles off the Brazilian port of Recife.

The Navy's announcement indicated that the passengers might be taken off at sea by the U. S. warship rather than landed in port. Four Navy destroyers were ordered to the area where the Santa Maria was circling today.

Duplication of Power Facilities in State Said Costly

Salem—(AP)—The electric power user is paying through the nose for an unhealthy duplication of power facilities in Oregon, Public Utility Commissioner Jonel C. Hill today warned the Senate Commerce and Utilities committee.

He testified on a bill to require certificates of convenience and necessary for power, gas, and telephone utilities, in order to prevent further overlapping of facilities.

The power discussion gave a hard-hitting sendoff to the legislature's fourth week—a week during which everything from a three-way tax tug-of-war to methods impatient to get their youngsters off to school promised to rock the lawmaking body.

"There is a great deal of duplication of electric facilities in the state, over and above that necessary to serve the customers," Hill said.

Power users are forced to support these extra facilities, he told the committee, and must pay for facilities that

Ashland Man Dies In Auto Crash

Ashland—Ashland's second traffic fatality in less than a month was recorded at 2:15 a.m. today when Sheldon Charles Wilcox, 33, of 770 Iowa st., Ashland, died from injuries suffered when his car flipped over and skidded on Highway 99 inside the northern city limits.

Ashland police said Wilcox had entered the city limits and driven under the railroad underpass on Highway 99. Tire tracks show the car went onto the shoulder of the highway, hit a ditch, then hit a rock flipping the car over, police indicated. The vehicle skidded on its top for a short distance. Wilcox was pinned in the car and his skull was crushed, police said.

Wilcox's death is the second in Jackson county this year. The first occurred Jan. 7 when Elmer William Swift, Tekoa, Wash., died of injuries received in a Jan. 2 one-car accident.

Litwiler's funeral home, Ashland, is in charge of funeral arrangements.

Two youths still hospitalized today

Larry Neuman, 18, one of three Medford High school students injured in a three-car accident south of Cottage Grove Friday night, was reported in "fairly good" condition at a Cottage Grove hospital today.

A second youth, James H. Stever, 17, was transferred to Rogue Valley hospital. The third student injured in the accident, Michael Phillips, 18, student body president at Medford High school, was taken to the home of his parents.

The youths were en route to the annual "senior week end" at Oregon State college in Corvallis at the time of the accident.

LUNCHEON CANCELED

Ashland—There will be no Tuesday noon luncheon of the Ashland Chamber of Commerce this week, according to Velma Jones, chamber secretary. The luncheon meeting has been canceled due to the awards banquet to be held Tuesday night in the Mark Anthony hotel. A junior, senior and middle aged citizen of the year will be named at the banquet. It is sponsored by the chamber, Kiwanis and Junior Chamber of Commerce.

In Sao Paulo, incoming Brazilian President Janio Quadros cast doubt on reports that he would offer Galvao and the stolen ship safe haven after he is inaugurated Tuesday.

A Rio newspaper Sunday quoted Brazilian President-elect Janio Quadros, who takes office Tuesday, described as an "old friend" and to have assured him and the ship of sanctuary.

But confronted with the story at his doorstep early this morning in Rio, Quadros refused to confirm it and snapped: "When I have something to say about the Santa Maria I will not say it in this manner. I have nothing else to say right now."

First Bill for Reorganization Lands in House

Salem, Ore.—(AP)—A much-attacked government reorganization bill that would abolish the board of control as the governing body for state institutions was introduced in the House of Representatives today, at the request of Gov. Mark Hatfield.

The proposal already has been denounced by the two top state officials who sit with Hatfield on the board—Secretary of State Howell Appling Jr. and Treasurer Howard Belton.

Others arrive

Two other reorganization bills arrived in the House today, one to set up a mental health division within a new cabinet department of social services, and the other to set up a veterans affairs division in the same department.

Some dozen more reorganization bills are expected to land in the House and Senate in the next few days.

The mental health division would take over supervision of Eastern Oregon State hospital, Damascus, Mid-Columbia home, Fairview home, and Oregon State hospital.

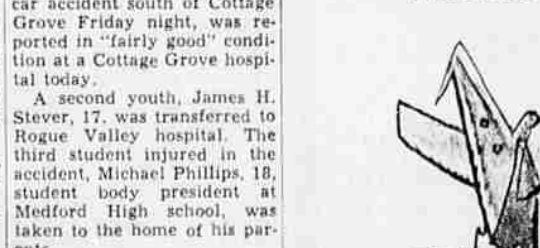
OSC Bill in House

A long-promised bill to change the name of Oregon State college at Corvallis to Oregon State university landed in the House, along with bills to change Southern and Eastern Oregon colleges of education to simply Southern Oregon college and Eastern Oregon college.

Other bills would prohibit discrimination in employment because of membership in an organization, permit county courts to exchange lands, including forests, and shift powers from county school superintendents to rural school boards.

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"Now How About Survivors From This Other Plane That We Downed?"



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MOVING INTO MANOR—Workmen today started moving 12 families into the Rogue Valley Manor, new retirement apartment on Barneburg hill. They are the first of more than 200 families who will move there during the next two months. Walter M. Higgins, executive director, said that persons moving in now will occupy the first three floors. Work on the interior in the apartments of the upper floors will continue. Fourth and fifth floors are expected to be ready for occupancy after Feb. 9; sixth and seventh after Feb. 23, and the eighth, ninth and tenth after March 9.

Masked Gunman Holds Up Local Service Station

A masked gunman, described as "older than a teenager," held up the all-night Regal Service station, 1008 South Central ave., early Sunday morning and fled with \$45 from the station's cash register.

Walter Troy Reynolds, a part-time employee at the station who was the only one on duty at the time of the robbery, told police the gunman locked him in an oil storage room while he rifled the station's till.

Reynolds reported the robbery to police at 4:30 a.m. A Medford police officer on routine patrol drove past the station during the robbery, but said he thought the gunman was an employee of the station and did not stop.

Reynolds told police the man had a dark wool stocking pulled down over his face. The robber had one hand in his right pocket, Reynolds said, and told him there was a gun inside.

Medford police searched the area around the gas station, and the sheriff's office set up road blocks on the roads leading out of the city, but no suspects were apprehended.

Reynolds said he was getting some oil from the storage room at the time of the robbery. He said the gunman walked up and told him to get into the storage room. He then locked the door behind Reynolds and told him to "keep quiet, or I'll kill you."

Reynolds said he heard the man open the cash register and then run from the station in a northwesterly direction. No car was seen. Reynolds unlocked the storage room door with a key he had in his pocket, and then called police.

The attendant described the man as about 5 feet 9 inches tall, and weighing about 155 pounds. He was wearing a dark leather jacket and light colored pants, Reynolds said.

Police said the gunman took only cash from the station till, leaving the change behind.

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JFK Sees Programs Impaired if House Rules Battle Lost

Washington—(AP)—President Kennedy feels that his ability to deal with Soviet Premier Nikita Khrushchev may be seriously impaired if his administration loses the fight over enlarging the House Rules committee, close associates said today.

Kennedy's deep feelings about the rules fight became known as continuing surveys on Capitol Hill showed that Tuesday's crucial House vote would be extremely close.

Tuesday's showdown vote in the House will be on a proposal by Speaker Sam Rayburn of Texas to liberalize the rules group by trying to increase its membership from 12 to 15.

In the past, the two conservative Democratic members of the 12-man group often have joined with the four Republican members to block legislation from going to the House floor.

Southern Democrats faced the prospect of political reprisals no matter which way they turned in the rules fight.

On the hand, they were getting numerous warnings from home of political reprisals at the polls in the next Democratic primary if they deserted the conservative coalition and supported Rayburn.

On the other hand, they were being told that if they opposed Rayburn's plan, their influence in Washington would drop close to zero during the Kennedy administration.

Some of Rayburn's supporters predicted that Democratic defectors would get no favors in committee assignments, or federal patronage. And they would have almost no chance of winning congressional approval of job-creating projects at military installations or rivers and harbor developments in their district.

Mrs. Dunwoody was taken to Rocky Butte jail in Portland this morning by Sheriff Joe Walsh. She was sentenced to a six months jail term recently in district court, after pleading guilty to the misdemeanor charge of pointing a gun at another person.

Mrs. Dunwoody received news of Burnette's death before leaving for Portland this morning, sheriff's deputies said.

District Attorney Alan B. Holmes said this morning he would not prosecute the case further, since Burnette had repeatedly told his physician that he shot himself.

Funeral arrangements for Burnette will be announced by Siskiyou Funeral Service directors of Chapel in the Trees Mortuary.

Juveniles Arrested For 'Car Prowls'

A 14-year-old Medford boy, who was taken into custody Saturday night on a charge of being a delinquent juvenile, later admitted to police that he is responsible for a number of "car prowls" in recent weeks.

His confession implicated another 15-year-old boy, who also admitted breaking into several cars, and was taken into custody.

Both youths told Medford police that they took such things as knives, flashlights and money from the glove compartments of approximately a dozen cars during the past month.

The younger youth was taken into custody Saturday when police, investigating a report of a family disturbance, found him fighting with his mother. He was taken into custody at his own request.

Both boys were confined in the county juvenile detention home.

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CALL FOR SWIFT ACTION VOICED

Washington—(AP)—President Kennedy declared somberly today that "the American economy is in trouble" and the news from abroad "will be worse before it is better."

In his first State of the Union Message delivered personally to a joint session of Congress, the 43-year-old chief executive sounded a call for swift action to shore up a receding U. S. economy, thwart Soviet-Chinese designs for world domination and thus lead America safely through the onrushing "hour of maximum danger."

Kennedy painted a gloomy picture of the state of the union whose stewardship he took over 10 days ago.

He renewed his pledges to seek liberal programs he outlined during the election campaign and said he also would ask for a temporary increase in the duration of unemployment benefits and for a tax break for companies spending money to create jobs through plant expansion.

The President spoke for 43 minutes before a jam-packed audience in the House of Representatives chamber where he began his national political career 14 years ago.

He was interrupted 39 times by applause, mostly from Democrats.

But Republicans applauded just as vigorously as the Democrats Kennedy's pledge that his administration "will not distort the value of the dollar in any fashion."

Democrats generally hailed the speech but some Republicans and southern Democrats challenged some portions of it.

Democrats echoed Senate Democratic Leader Mike Mansfield's comment that the President had "laid the cards on the table" and "asked the American people and the people of the world to face up to their responsibilities." But Republicans, while applauding some of his remarks, took issue with parts of the speech.

He said he was placing blame for the nation's troubles on the doorstep of the previous administration "so that he can take credit for improving it."

Kennedy bluntly confessed he was "staggered" during the first 10 days in the White House by what he had learned of "the harsh enormity of the trials through which we must pass in the next four years."

"Each day we draw nearer the hour of maximum danger," the President said.

As he did in his inaugural address, he warned that days of hard work and sacrifice are demanded of the American people.

Says Danger Great

"I speak today in an hour of national peril and national opportunity," Kennedy declared at the outset of his speech. "Before my term has ended, we shall have to test anew whether a nation organized and governed such as ours can endure. The outcome is by no means certain. The answers are by no means clear."

Kennedy spoke on the birthday of the late President Franklin D. Roosevelt.

He quoted from Roosevelt, saying: "In the words of a great president in closing his final state of the union speech 16 years ago: 'We pray that we may be worthy of the unlimited opportunities that God has given us.'"

"Each day we draw nearer the hour of maximum danger," Kennedy said.

He reported "The American economy is in trouble," and that crises produced by tense relations with Russia and Communist China a multiply daily, with solutions increasingly difficult. He warned that life in 1961 "will not be easy" and "there will be further set-backs before the tide is turned."

"But turn it we must," he said in a prepared 4,600-word address, disclosing in rapid-fire order a series of executive actions he has taken, plus recommended legislation he wants promptly from the House and Senate.

While his message bore a clear stamp of concern over the bleak foreign picture, Kennedy turned first to the state of the national economy and what he intended to do about the continuing slump.

Refusing "to stand helplessly by" while the situation worsens, Kennedy informed Congress of an omnibus anti-recession program to be submitted within two weeks.

He said he would ask for larger and longer unemployment compensation benefits, more food for the unemployed and for their families, a new housing program under a new housing and urban affairs department, a higher minimum wage and a tax break for companies spending money on "sound" plant expansion.

The President welcomed open, peaceful competition with Russia and Red China, but warned Americans against being "lulled into believing that either power has yielded its ambition for world domination."

Counseling the free world to remain so strong that aggression by any nation would be "clearly futile," Kennedy said his administration still planned "to explore promptly all possible areas of cooperation with the Soviet Union."

He specifically invited Russia, with other nations, to join the United States in preparing for space ventures to Mars and Venus and in mutual development of satellites for weather forecasting and communications.

"Both nations would help themselves as well as other nations removing these endeavors from the bitter and wasteful competition of the cold war," he said.

To lead America through deepening world tension, Kennedy disclosed he had ordered Defense Secretary Robert S. McNamara "to reappraise our entire defense strategy." He directed McNamara to submit preliminary conclusions by the end of February with a view to quick budgetary, legislative and executive action.

Kennedy directed three immediate steps in the defense area. He ordered a quick build-up of airlift capacity so America's conventional military forces could "respond, with discrimination and speed, to any problem at any spot on the globe at any moment's notice."

He ordered the Polaris submarine construction program stepped up at once by using the unobligated shipbuilding funds now instead of waiting for the next fiscal year which does not begin until July 1. He said this would advance the Polaris program by nine months.

The President also directed prompt acceleration of the entire U. S. missile program. Pending completion of the McNamara study, he said there would have to be better organization and decisions making to cut down on wasteful duplication and time-lag "that have handicapped the whole family of missiles."

Kennedy tackled international economic problems from two directions, foreign aid and the dollar gap. He wanted congressional authority to overhaul the entire foreign aid program with more flexibility for "short run emergencies" and the right to make commitments for long-term development projects overseas.

He also said greater emphasis should be given to the role of recipient nations to assure greater social justice, broader distribution of the American aid and on the local level, better public administration and tax systems. This added up to belief that governments on the receiving end should not regard American aid as a one-way street.

(Continued on Page 2)

Accidental Deaths Claim Four Lives In Oregon During Past Week End

By United Press International
Oregon chalked up four accidental deaths over the week end, a young Adrian, Ore., woman died in a Wyoming crash, and a former Clackamas newspaperman died in a California accident.

Sheldon Charles Wilcox, 33, Ashland, died when his car flipped over in Ashland.

Mrs. Ruth Williams, 64, Portland, was injured fatally and her husband, Asa, 62, was injured seriously late Saturday in a one-car accident on Highway 199 about 60 miles southwest of Grants Pass.

Richard Barnett, 14, Bend, was killed Saturday when the toboggan he was riding struck a tree about 12 miles west of Bend.

Richard Faust, 2, Canby, died Friday night after falling off a car seat and striking his head on the floorboard.

Day Churchman, 38, a former employee of the Oregon City Enterprise Courier, was killed near Lake Tahoe in California Saturday along with Basil D. Benedict, 47, Fair Oaks, Calif., when their car skidded on ice and collided with a bus. Churchman and Benedict were employees of the Sacramento Union.

Mrs. Peggy Hunter, 18, Adrian, was killed Sunday in a collision between a sports car and a truck five miles west of Rock Springs, Wyo., on Highway 30. Her husband, Jerry, 19, and their 7-month-old daughter, Janet, suffered minor injuries.