

LUMBER INDUSTRY PLEA REJECTED

Oregon May Have To Dig Up \$40,000 As Result of Scandal at Withycombe

Applying To Give Documents Listing Men Responsible

Subcommittee To Hear Secretary

Salem — (UPI) — A subcommittee will be given the names of other officers in connection with a military scandal that may cost Oregon \$40,000, Secretary of State Howell Appling Jr. said today.

His remarks came on the heels of a legislative fiscal officer's report that Oregon may have to dig up \$40,000 to repay the federal government for money misused by the State Military Department while the late Alfred Hintz was adjutant general.

Appling said he has been asked to appear before the Ways and Means subcommittee and plans to do so.

"At that time I will provide the documents which will indicate the names of the responsible officers in each questionable transaction," he said.

He indicated some of them still are serving in the Oregon National Guard.

The \$40,000 liability figure was given by analyst Cleighton Penwell as the subcommittee continued its review of the Military Department budget.

A secretary of state's audit last month put the state's liability at \$26,339. Penwell said continued investigation indicates the total may reach \$40,000.

The case came to light last year not long after Hintz died. It centered on Camp Withycombe in Clackamas county.

It initially involved what happened to surplus property from the Tongue Point Naval Station. Investigation showed \$6,388 was put into a special cash fund authorized by Hintz.

The secretary of state's audit detailed misuse of funds in the department. The items included falsified claims, sale of federal property, use of federal funds for unauthorized projects, misuse of state money, and use of paint and supplies for the general's home.

The report included these items — An oven, cooktop and electric hoist, bought for armories, ended up in Hintz's home, the hoist as in a elevator.

A check drawn for encampment rations was used for activities at a governor's day review and the balance turned over to Hintz.

Sale of Tongue Point logs valued at \$13,065, for \$6,980, including moving costs.

Medford Paint Used — Use of paint purchased for armories at Medford, Dallas, St. Helens and Clackamas on the general's house.

A grand jury investigated the Withycombe affair last year, but failed to return any indictments.

Rep. Beulah Hand, chairman of the subcommittee, said in addition to the \$40,000 the situation could jeopardize other federal funds.

Gov. Hatfield Notes Oregon's Birthday

Salem — (UPI) — Gov. Mark Hatfield said today's 104th birthday of Oregon "is a time that is fitting for reflection on our state's history and its progress."

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SOIL SAMPLES — Test holes to determine the type of footing necessary for Medford's new post office and federal building started this week at the site south of Library park. Five holes, ranging to 100 feet in depth, are being drilled by the Pittsburg Testing Laboratory, Portland. The picture above shows workmen operating the drilling rig at the corner of Eighth and Holly sts. this morning.

Proposed Tax Cuts Must Be Approved, Kennedy Insists

Washington — (UPI) — President Kennedy insisted today that his proposed tax cuts must be approved to guard against increased unemployment and a recession.

Kennedy told his news conference that the American people and he, personally are concerned about the size of the budget deficit and the national debt.

"But what I am most concerned about is preventing another recession," the President said.

He said that unless there is a tax cut he believes there is a substantial threat of increased unemployment "which increases the chances for a recession" and an even higher deficit.

"The tax cut argument rests on the desire to stimulate the economy," he said. And he stressed that this aim was intertwined with the nation's security, its balance of payments position and other vital matters.

Kennedy had been asked about a statement by Chairman Walter Heller of the Council of Economic Advisors to the effect that opposition to Kennedy's tax cut plan resulted from "the basic puritanical ethics of the American people."

The questioner noted that there was public concern over Kennedy's forecast of a \$11.9 billion deficit in fiscal 1964 — the second highest in peacetime history.

The President noted that in 1958 former President Dwight D. Eisenhower had predicted a \$500 million deficit but there was a recession and the budget went into the red for a total of \$12.5 billion — the highest peacetime deficit. In 1960, a similar situation developed, Kennedy said.

The President said he was

Hatfield Strongly Defends Civil Defense Agency

Salem — (UPI) — A strong defense of Oregon's Civil Defense agency was made today by Gov. Mark Hatfield, who said "I'm very anxious that the legislature restore the budget."

The governor blamed "constant turmoil at the federal level" for destroying confidence in civil defense.

Referring to a ways and means subcommittee vote Wednesday which threatened to eliminate the state's Civil Defense agency, Hatfield said "I think the action was unwise."

Failure Denied — He strongly denied that the state CD organization had failed to perform its duties. "It has performed well," he said.

He said criticism of the agency because of shortcomings noted during the Columbus day storm were "not a sufficient basis to destroy civil defense in this state."

He said the organization did perform, although he admitted it "functioned on a limited basis."

"Nobody has claimed it was perfect."

He then pointed to difficulties faced by cities, the state police and the National Guard.

"Nobody is proposing to abolish the state police because their communications network did not function perfectly during the storm."

\$22,047 Budget Is Favored by Planners

A proposed budget of \$22,047 was approved by the Jackson county planning commission last evening. The amount is an increase of \$888 more than the present budget.

Increases proposed include one step salary boosts for the staff, and for telephone, stationery and office supplies, and to purchase books. Decreases were noted for travel for staff and commission members, drafting supplies, and printing.

Included in the budget is \$6,000, the amount budgeted last year for the bureau of municipal research study, which was not spent this year. Also budgeted but not spent this year was \$185 for aerial photographs. The item was included in the proposed budget.

Rusk Presses for Troop Removal

Los Angeles — (UPI) — Secretary of State Dean Rusk Wednesday night gave a full explanation of U. S. cold war tactics and continued the call for removal of all Soviet military forces in Cuba.

He reiterated President Kennedy's statement of last week that "we are reasonably certain that the offensive" weapons deployed by Soviets in Cuba have been removed. But he admitted that the United States cannot be certain about this without on-the-spot inspection.

The secretary spoke Wednesday night at a dinner at the end of a daylong State Department foreign policy conference for interested citizens. About 2,400 persons attended the dinner and another 1,200 listened to various State Department experts explain foreign policy at a series of briefings.

About a dozen persons, including four members of a local chapter of the John Birch society, picketed the Palladium. There were no incidents.

Portland — (UPI) — Manager Ford Montgomery said Wednesday the new Hilton Hotel in downtown Portland would be in operation at least by May 12.



SURRENDER FORCED — A man demanding the impeachment of President Kennedy and his cabinet drove his car onto the steps of the Justice Department in Washington Wednesday and lay underneath for two hours before police forced his surrender by firing tear gas shells at him. The man, who identified himself as Nathan Wiskowsky, said he had a bomb wired to the car, so police cleared the area near the building. After the capture police said they found the name "Arthur Wise" of Phoenix, Ariz., on the man's driver's license. The "bomb" turned out to be a suitcase filled with newspapers and wired to the bottom of the car. (UPI)

Commission Fails To Recommend Tariff Increase

Kennedy's Hands Tied on Issue

Washington — (UPI) — The Tariff Commission today rejected a U. S. lumber industry plea for restrictions on Canada's more than \$260 million a year softwood lumber sales in the United States.

In a report to President Kennedy following a seven-month study of conditions in the softwood lumber industry, the commission said the rapidly increasing imports of Canadian lumber were not caused in major part by past tariff concessions.

Hands Tied — The commission's decision against recommending tariff boosts or quotas was unanimous. It tied Kennedy's hands on the lumber issue. Without a recommendation for action, he is unable to apply any restrictions.

The U. S. lumber industry had asked for tariff boosts from the present maximum of \$1 to \$6 per thousand board feet plus a quota of 8.5 per cent of U. S. consumption, which would have slashed imports of Canadian lumber by nearly one third.

The U. S. industry said employment in the lumber industry and in industries dependent upon it had dropped by 117,000 because of softwood lumber imports in 1961. It had said unemployment would increase as imports increased.

Domestic Conditions — The Canadian industry, arguing against restrictions during a two-week hearing last October, had said that the U. S. industry's problems were not due to Canadian lumber but rather to domestic competitive conditions and to U. S. laws which hobbled domestic lumber in some markets.

The Tariff Commission appeared to go along with many of the Canadian arguments. "The most important cause of the increased imports is reflected in the much more pronounced 'cost price squeeze' in the United States than between the rising price of lumber and the even more rapidly rising price of timber and purchased logs," the commission said in its 104-page report.

It said there was a limited commercial availability of softwood timber in the United States, resulting in "intense competition among the buyers of such timber."

In contrast, it said, there was an increasing availability of newly opened virgin timber land in Canada, mostly in eastern British Columbia, and a less intense competition among Canadian lumber mills for logs.

Tax Collections Increase 8.1 Per Cent

Salem — (UPI) — Tax commission collections for the past seven months are up 8.1 per cent over the same period a year ago.

Collections for the seven-month period ending Jan. 31 totaled \$59.3 million, compared with \$54.8 million a year ago.

Billboards Along Highways Discussed By County Planners

Billboards to be visible from Interstate 5 were discussed by the Jackson county planning commission last night.

The commission was considering variance requests by Mrs. Leona Robertson, Talent, for signs at the intersection of Highway 99 and Old Highway 99 in the south Talent interim zone area, and by the Standard Oil company to erect a directional sign in the north Central Point zone area.

Last August, Mrs. Robertson was granted permission by the commission to allow three signs to be erected—two on Highway 99 and one on the old highway — not to exceed 150 square feet, and the enlargement of an existing sign on Highway 99 to five by seven feet.

Variance Requested — Last month, she requested a variance to permit four signs on Highway 99. Two double-faced and not to exceed 200 square feet, and one sign on the south side of the

Bridle Path Request Submitted to Group

The Medford park and recreation commission last night heard a request that bridle trails be installed along the banks of Bear creek through the city.

The request came from a representative of the Jackson County Horsemen's association. He was informed that a developmental plan is currently being drawn up for Bear creek by the San Francisco firm of Royston, Hanamoto, Moyes and Beck, and that bridle paths are expected to be included in the plan.

The group adopted a resolution instructing that in the future the commission president be requested to attend all city council meetings.

Kennedy Calls for Domestic Corps

Washington — (UPI) — President Kennedy asked Congress today to set up a youth conservation corps with 15,000 members and create a national service corps similar to the Peace Corps operating abroad.

In a special youth message keyed to the theme of serving young people better so "they will serve their nation better" Kennedy also proposed an expansion in the overseas Peace Corps.

The proposed conservation corps would provide work and training for 15,000 youths in national forests and recreation areas. It would resemble the Civilian Conservation Corps of the 1930s.

NEWS BRIEFS

ITEMS FROM AROUND THE GLOBE

SERIOUS FIGHTING ERUPTS IN BAGHDAD

Baghdad, Iraq — (UPI) — The first serious outbreak of fighting since Sunday erupted today on both sides of the Tigris River which runs through the heart of this Iraqi capital.

GOLDFINE AGREES TO TERMS

Washington — (UPI) — Textile magnate Bernard Goldfine has agreed to the sale of all his corporate and personal assets to settle federal tax claims of several million dollars against him, Atty. Gen. Robert F. Kennedy announced today.

SABOTEURS SAID TRAINED IN CUBA

Washington — (UPI) — Hundreds of Latin Americans are being trained in Cuba in guerrilla warfare, sabotage, and leadership of insurgent movements, U. S. officials reported today.

Railroad Strike Talks Shifted

San Francisco — (UPI) — Federal Mediator Frank O'Neill today called a recess in negotiations between Southern Pacific Railroad and 11,000 railway clerks who have threatened to strike in seven western states.

O'Neill said talks would resume in Chicago next Tuesday and that he is confident the negotiators "will return to San Francisco with an agreement in their pockets."

The dispute centers about the clerks' demand that men displaced by automation be assured of other jobs within the company.

Guilty Pleas Are Entered by Woman

Faye Laure Ellen Cranston, 53, of 3506 New Ray rd., Central Point, pleaded guilty in Jackson county district court this morning to charges of failure to leave name and address at the scene of an accident and driving while under the influence of intoxicating liquor.

She was sentenced to 10 days in the county jail for leaving the scene of the accident, and 30 days in the county jail and fined \$500 on the other charge.

She was arrested by Medford city police Tuesday after her car was involved in an accident on Highway 99 near the Voorhies crossing.

CONTACT LOST

Cape Canaveral, Fla. — (UPI) — The United States installed its new Syncom communications satellite in a difficult "hanging" orbit above earth today, but lost contact with it.

WEATHER

FORECAST: Partly cloudy tonight with considerable night and morning valley fog. Increasing clouds Friday with occasional light rain by evening. Low tonight 38-35. High Friday near 55.

Highest Yesterday	58	Temp.
Lowest This Morning	39	
Prev. to 10 a.m. Today, Trace		

Our Skies Tonight

Sunset today	5:42 p.m.
Sunrise tomorrow	7:09 a.m.
Moonrise tonight	11:49 p.m.
Full moon	Feb. 16

PROMINENT STARS

SIRIUS, in the south-east. 6:21 p.m.

EVENING PLANETS

Jupiter, low in west at 6:21 p.m.

is now about as bright as Sirius.

Mars, in the east 7:15 p.m.