

In The Day's News

By FRANK JENKINS
Economic note — on this day when another Christmas has come and gone and we face again the problem of finding the money with which to pay our bills: President-elect Kennedy has chosen as his chief economic adviser a University of Minnesota expert who hacks a built-in system of adjusting taxes to business booms and slumps.

His name is Walter W. Heller, and he will be the chairman of the President's Council of Economic Advisers. He hopes, he says, to serve President Kennedy in "developing policies that will bring the economy back on the track of full employment and satisfactory growth."

What is his system?
Well, he is on record as favoring a standby program for lowering the tax rates when the country is suffering economic pangs and raising them when it becomes necessary to combat rising inflation.

His idea is to set up precise scales of reductions and increases in the tax rate, to be written into law in advance and "triggered" when needed by putting a simple resolution through congress.

How would it work?
It would go something like this: When business is bad—as he puts it, "when the country is suffering pangs"—he would LOWER taxes. The result of that would be to LEAVE MORE MONEY IN THE PEOPLE'S POCKETS.

With more money in their pockets, the people would spend more and thus business would be stimulated and we would come out of the slump.

When business begins to get good again (that is to say, TOO good) and prices begin to rise stiffly and inflation begins to bite, he would RAISE tax rates, thus taking money OUT OF THE PEOPLE'S POCKETS. With less money in their pockets, the people would begin to tone down their buying. That would take the wind out of inflation's sails and it would begin to slow down.

It sounds wonderful.
Reading it, one wonders why somebody didn't think of it before.

But—
As a matter of fact—
Somebody DID think of it before. If you will analyze it carefully, you will find that Dr. Heller's system involves almost identically the principles of the subsidy that was paid to farmers during World War II. It was then reasoned (quite accurately) that a world war would increase immensely the demand for food, and at the same time it would reduce farm man power by taking the sons of farmers into the military services.

So, it was decided, the thing to do was to raise prices of farm products by means of a subsidy, thus encouraging the farmers to PRODUCE MORE.

It worked. Encouraged by guaranteed prices, the farmers increased their production to the point where we were enabled to meet not only our own demands for food but the demands of our allies as well.

While the war lasted, it worked wonderfully well. But, when the war ended, conditions CHANGED. The war demand for food declined, and at the same time farm workers came back from the war and went to work again on the farms. The result was an increase in farm production.

Then, if the theory of the wartime bonus for food production had been adhered to, would have been the time to CUT OFF THE SUBSIDY. But — the politicians balked. They were afraid that abolishing the farm subsidies would result in LOSS OF FARM VOTES.

The chances are that when the time came under Dr. Heller's system to RAISE TAXES AGAIN, thus taking more money out of people's pockets, the politicians would BALK AGAIN, thus upsetting his system.

Weather

Klamath Falls and vicinity —
Fair tonight and Wednesday. Low tonight 26-27, high Wednesday 34-42.
High yesterday 42
Low last night 23
Precip. last 24 hours trace
Since Oct. 1 5.19
Same period last year 1.00

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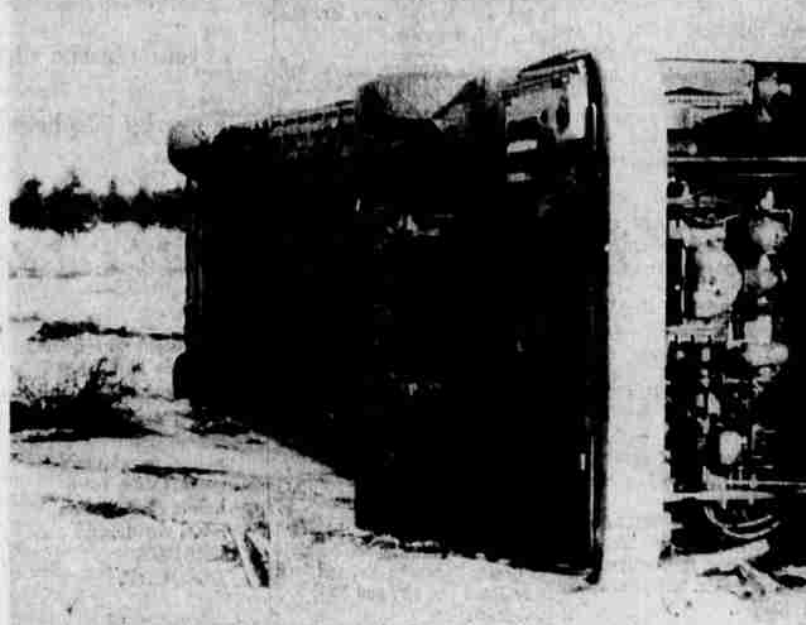
KLAMATH FALLS, OREGON, TUESDAY, DECEMBER 27, 1960

Telephone TU 4-8111 No. 6568

Weather

Northern California: Fair through Wednesday except overcast in Central Valley with clear weather possible there this afternoon; warmer in Central Valley today.

Mt. Shasta-Siskiyou area: Cloudy today; fair tonight and Wednesday; little change in temperature.



A WOMAN WAS KILLED when this Greyhound bus skidded on a "sheet of ice" at 2:55 a.m. Monday about 23 miles north of Chiloquin on Highway 97. The victim was Mrs. Evon E. Butler, 33, Milwaukie, Ore. A Klamath Falls woman, Mrs. Delphine Brown, 30, 3130 Summers Lane, was treated and released from Klamath Valley Hospital. The driver, Freeman William McAdoo, 57, was reported in satisfactory condition at the hospital Tuesday morning. It was the 21st traffic death of the year in Klamath County.

Local Woman Is Injured In Mishap Fatal To One

A Klamath Falls woman injured when a southbound Greyhound bus skidded out of control 23 miles north of Chiloquin on Highway 97 early Monday morning was released from Klamath Valley Hospital late the same afternoon after being treated for cuts and bruises.

Mrs. Delphine Brown, 30, 3130 Summers Lane, was released and the bus driver, 57-year-old Freeman William McAdoo, was reported in satisfactory condition Tuesday morning with a chest injury. The crash killed Mrs. Evon E. Butler, 33, of Milwaukie, Ore. State police who investigated the

State Toll Includes 7

By THE ASSOCIATED PRESS
The long Christmas holiday took seven lives in Oregon.

Six were killed on the highways, another in a Christmas Eve fire that destroyed a home.

The latest fatality was that of Robert Elmo Welch, 33, Jacksonville, who was killed in a collision between his automobile and a tow truck on Highway 99 north of Roseburg Monday night. Three other persons were injured.

Earlier Monday a Greyhound bus crashed off an icy highway near Chiloquin and killed Mrs. Evon Eileen Butler, 33, Portland. Two other persons were injured.

A Saturday night crash near Tillamook fatally injured William Rorisch, about 70, Tillamook. Earlier Saturday, two crashes in Eastern Oregon claimed three lives.

The Christmas Eve fire was in a Portland suburb, where an unidentified woman was killed.

The highway deaths increased Oregon's traffic toll to 463 on the Associated Press list, compared to 498 at this time last year.

30 Below Temps Flow Across Northern Line

By THE ASSOCIATED PRESS

A blast of icy air from Canada spread into northern Midwest areas today, dropping temperatures to nearly 30 below zero in some places.

The frigid weather covered sections of the Dakotas, Minnesota and Wisconsin and was expected to envelop most of the north central region. Lower temperatures were in prospect for most of the Eastern half of the nation.

The mercury dropped to 29 below in Fargo, N.D., as the cold air mass moved across the snow-covered Midwest areas. It was -23 in Jamestown, N.D., and in International Falls, Minn., on the Canadian border. Grand Forks, N.D., reported -20.

Freezing weather extended over most sections of the Rockies and the central plateau eastward through the northern and central plains, the Great Lakes region, the Ohio Valley and into extreme northern New England.

accident described the highway as "a sheet of ice." The bus speed was estimated as 45 miles an hour, well below the 55-mile limit. Mrs. Butler was apparently thrown through the window when the bus went out of control and was pinned in soft snow under the bus. She died immediately.

Mrs. Butler was a Portland waitress on her way to attend a wedding in California.

Ten other people besides Mrs. Brown and McAdoo were injured. They were given first aid at the scene or at Klamath Valley Hospital, where they were taken by Peace Ambulance. All injured, except McAdoo, were reported released from the hospital by Tuesday morning. Most passengers were cut and bruised; Miss Mary Powers, 19, Oakland, was treated for a fractured collarbone.

Others injured were Marjorie Kilgore, 22, Salem; Steven Michael Christensen, 16, Eugene; Gary Louis Everton, 16, Eugene; Dennis David Newman, 23, Eugene; Miss Aase Helen Jensen, 35, Palo Alto; Vernon Leroy Corberly, 38, Alameda; Harlin R. Gibson, 27, Lions, Ore.; Jeanine Humphers, 16, Portland; and Maurice Schallion, 19, Eugene.

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NEWPORT, Ore. (AP)—A 155-foot landing craft, its bow gate ripped off by rough seas, came safely into harbor this morning with six men aboard after a perilous night at sea.

For an hour or more Monday night the LCU—landing craft, utility—lay broadside to breakers near the south jetty. Her well deck was filled with water. The combination of darkness and spray whipping off the crests of the swells cut visibility almost to zero.

"They were about ready to jump when our 52-footer directed them out into deeper water," said coast guardman Dennis Johnson, boat-swainmate first class.

Once the LCU got out of the breakers "it was all white water," said Johnson—the 52-foot boat from the Yaquina Coast Guard Station at Newport lay alongside and escorted the craft into harbor this morning.

The LCU, a new one, was being delivered to the U. S. Navy at San Diego. It was built in Portland by Gunderson Bros. Its civilian crew, engaged by Diesel Towing Co., Portland, was under command of Capt. Roger Fairfield, Myrtle Creek. The other five aboard were Portlanders.

The craft left Portland and headed down the coast when rough weather prompted it to put into Yaquina Bay here. It headed out again at 7:10 p.m. Monday night and as it crossed the bar, a great wave smashed against it, ripping the bow gate open.

The craft then was almost a scoop digging into the green water, and was driven dangerously close to the seaward side of the south jetty.

The coast guard boat, skippered by William Quigley, chief boat-swain mate in command of the station, headed out on the LCU's radio call for help.

Traffic Toll Falls Below Estimate

Two Killed, 1 Wounded In Shooting

JUNCTION CITY, Ore. (AP)—Shotgun blasts wounded a woman and killed two men, one of them the police chief of this western Oregon town Monday night.

Police said it was a love triangle shooting in which Police Chief Woodrow Whetstone, 43, got caught while trying to act as peacemaker.

Whetstone was killed, along with Everett Leslie Fletcher, 54, Junction City. Mrs. Verna Mae Milligan, 42, a divorcee, suffered serious wounds.

Robert Evans, 54, was booked at the Lane County jail on a first-degree murder charge.

Deputy Sheriff Kenneth Allen said Fletcher and Mrs. Milligan fled to Whetstone's home when they saw Evans in town with a shotgun. Whetstone came outside, got between the gunman and Mrs. Milligan and Fletcher, and tried to talk him into laying down the gun.

Instead, successive blasts felled the three.

Witnesses said the gunman then got calmly into his automobile and drove off.

Allen said witnesses identified the man as Evans, and police rushed to his home at Crawfordville, 25 miles northeast of here. There Evans' brother, John, 29, talked Evans into surrendering. Police said they found a 12-gauge shotgun left behind in a bedroom.

Allen said Evans formerly was a companion of Mrs. Milligan, but recently she had rejected him, and was often seen with Fletcher, a part-time cook in her cafe here.

Asks Visit In Russia
ELMIRA, N. Y. (AP)—The father of Air Force Capt. F. Bruce Olmstead says he has asked Soviet Premier Khrushchev for permission to visit the imprisoned aviator in Moscow.

J. Blaine Olmstead said Monday night that a Soviet Embassy official told him Friday that no word had been received on his request.

Scalps Fakes, Snowman Myth, Says Biologist
SAN FRANCISCO (AP)—A biologist member of Sir Edmund Hillary's recent Himalayan expedition says the Abominable Snowman is a myth.

"It's been a fascinating story and I hate to be the one to destroy it," Lawrence Swan of San Francisco State College said Tuesday.

Swan was one of two biologists who accompanied Sir Edmund into the Himalayas in search of the Abominable Snowman or Yeti, as it is known to the Nepalese.

Sir Edmund recently returned with two scalps the natives said were taken from Yeti. Swan, a Himalayan fauna expert, says that the hair on the scalps is fake and that the Abominable Snowman never existed.

"It's time someone set the record straight," he said.

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By THE ASSOCIATED PRESS
Traffic accidents killed at least 485 Americans during the long Christmas weekend.

The nation's traffic toll for the holiday was less than last year's 493 and the lowest for a 3-day Christmas period since 1949 when the total was 413.

There were fewer lives lost on the highways than the National Safety Council had estimated. The council's pre-holiday warning was that 510 traffic deaths were expected.

Deaths in traffic smashups slackened Monday night despite increased traffic as millions of motorists jammed highways heading home from Christmas visits.

Rain and ice made driving hazardous in some areas and the death rate dropped slightly.

The total at midnight (local time), at the end of the 78-hour holiday period which started at 6 p.m. Friday, showed 485 killed in motor vehicle accidents.

Fires also took a heavy toll, with 77 deaths reported compared to 43 for last year's Christmas weekend holiday. Various types of other accidents claimed the lives of 82 persons compared to 73 last Christmas for an over-all total of 644 violent deaths. Last

Christmas the total was 609 accidental deaths.

The National Safety Council, which had estimated a possible death toll of 510, said traffic fatalities would number 350 on a normal nonholiday weekend at this time of year. It estimates 340 persons may be killed during the three-day New Year holiday weekend.

340 Deaths Anticipated
CHICAGO (AP)—The National Safety Council says 340 persons may die on the nation's highways during the New Year's holiday weekend.

The estimated death toll would compare with 374 killed during a similar three-day weekend a year ago, which was a record for a three-day weekend period.

Council President Howard Pyle said speeding and drinking are the main factors in New Year's traffic fatalities. He said more than half the fatal mishaps occur during the first 30 hours of the weekend.

Freighters Hit In Fog
GALVESTON, Tex. (AP)—Two big freighters, one carrying passengers, collided in a heavy fog off the Texas coast Monday. Two small Coast Guard boats rushed to the Gulf of Mexico to rescue passengers and aid the stricken ships.

There were no deaths or injuries reported. The Fernmore, a Norwegian ship, and the Tharros, a Greek ship, rammed together 12 miles off Galveston Island. Both ships were bound for Houston.

The Cahoon, a 125-foot Coast Guard cutter, transferred the passengers from the 500-foot Fernmore, the most seriously damaged ship, to the Washington Trader, an American freighter, which took the passengers to Houston.

Another cutter tied up along side the Fernmore and used its pumps to help the ship bail 100 gallons of water pouring into the engine room and the No. 4 hold every minute.

"We sent two tug boats to help the Fernmore into port," said Robert Smith, a chief petty officer at the Ft. Point Coast Guard station.

Landis pictured the agencies as authority similar to that which he said Congress had granted to Eisenhower and Truman.

Bennett, however, said "what ever reforms are needed ought to be legislated by Congress. One of the most important things is keeping these agencies independent."

He said the delays in agency decisions could be removed by having individual commissioners write decisions, with proper staff help, and this in turn would do away with what he called much of the backstage efforts to influence decisions.

In the White House itself, Landis would do away with presidential assistants dealing with matters of concern to the regulatory agencies. Instead, he would have an office directly under the president to supervise the agencies.

An Associated Press survey of violent deaths for a 78-hour nonholiday weekend period earlier this month showed 293 traffic fatalities, 47 killed in fires and 113 killed in miscellaneous accidents, a total of 453.

The record traffic death toll for a three-day Christmas holiday is 609 set in 1955.



THE CITY'S AIR TERMINAL was left blackened throughout by smoke from a fire that started in a janitorial supply room just to the right of Chief Edward Deatherage, center, of Kingsley Field Fire Department, early this morning. An explosion caused the holes in the ceiling. See page 4 for more pictures.

Explosion, Fire Damage Municipal Air Terminal

By NORM CARDOZA

An explosion in a supply room set fire to the new municipal air terminal at Kingsley Field early this morning and spread an inky and offensive coat of soot throughout the lobby.

Damage was considerable, but not as serious as the building's appearance seemed to indicate. Service was disrupted at a critical moment, however, when United Air Lines and West Coast Airline flights packed with holiday travelers were shuttling in and out.

Electric, phone and teletype service was halted in the aircraft control tower on the flank of the main runway as well as in the

terminal building. But radio equipment in the tower was not affected and neither were flights, consequently.

West Coast personnel and clerks for two car rental agencies swept out, mopped up and were preparing for business while crews were busy attempting to restore phone, teletype and electrical service this morning.

Mike Mays, who rents the upstairs portion of the building from the city, says his Satellite Room restaurant and bar are going to be shut down for awhile. He didn't indicate how long.

His facilities received less damage than the rest of the building, since the upstairs portion is

terminal building. But radio equipment in the tower was not affected and neither were flights, consequently.

Though only a slight damage was apparent there, the restaurant, bar and kitchen were damaged by smoke and probably will have to be repainted, firemen said.

Downstairs, however, damage was obvious. An observer could trace the course of the fire as it exploded in the small janitorial supply room and flashed along the ceiling, melting down plastic light fixtures, cracking big windows over the lobby and stair-case and staining everything.

The explosion blew out the supply room door and a portion of the ceiling in a hallway.

The Federal Aviation Administration office across the hall was practically undamaged. The men's rest room next door seemed to be damaged considerably.

The blaze was discovered at about 7:05 a.m. by Mays, firemen said. He told them he heard an explosion as he was upstairs preparing to open for the day. He ran down and found fire spouting from the supply room, Mays said.

He called the Kingsley Field Fire Department, and firemen were on the scene at 7:10 a.m. Firemen from the city, county and suburban fire departments arrived later.

Chief Gene Gheller of the city department still is investigating. He said he is not sure how the fire started.

The terminal was completed by the city last spring at a cost of \$125,000. United flights have been using facilities there recently while fog brought zero visibility to Medford.

John Howard of Morrison and Howard, Architects, and Starbuck, Engineer, the firm that designed the building, and Joe H. Victor, of the city's Insurance Committee, were looking over damage this morning.

Howard said he does not believe the building suffered any heavy structural damage.

City Manager Jerry Vergeer said ceiling and wall partitions will have to be torn out over a considerable area to determine extent of damage.

Temporary phone service was reported in service at the airlines office by 11 a.m. Electricity and heat were expected to be restored by noon.

A spoffire in a wall of the building's hallway beneath the floor of the restaurant was discovered at 10:30 a.m. and was caught quickly by firemen.

Damage to the building was completely insured, city officials said.

Missourian Is Chosen Highway Administrator

PALM BEACH, Fla. (AP)—

those discussions were Rep. John Rooney, D-N.Y., chairman of the House Appropriations subcommittee which handles State Department funds.

Whitton, 62, will administer the Federal Highway Act in his new position which pays \$20,000 a year.

Pierre Salinger, Kennedy's press secretary, said he did not know Whitton's political party affiliation.

Whitton has been associated with the Missouri Highway Department since 1950 and has been its chief engineer since 1951.

"Mr. Whitton's long background in every phase of highway work will place the direction of the nation's important highway program in the hands of a man of unmatched experience," Kennedy said in a statement.

Kennedy chose Whitton after consultation with Gov. Luther H. Hodges of North Carolina, who will be secretary of commerce in the new administration.

Whitton was graduated from the University of Missouri in 1920 with a degree in civil engineering. In his position with the Missouri Highway Department he has supervised the state's 32,000 miles of road systems.

Whitton's home is in Jefferson City, Mo.

Whatever business Kennedy transacted this morning with Johnson, Kerr and Rooney was brief. The quartet and Kennedy's father, Joseph P. Kennedy, turned up at the Palm Beach Country Club for a round of golf shortly after Salinger announced resumption of the talks.

Ship Stern Due In Port

NEWPORT NEWS, Va. (AP)—The stern section of the storm-shattered tanker Pine Ridge is due here today with the last of the 29 crew members who survived last week's break-up.

Chief Engineer John Richard of Wilmington, Del., remained aboard what's left of the 10,417-ton tanker to protect the salvage rights of the ship's owners, the Keystone Shipping Co. of Philadelphia.

Richard was accompanied on the long bobbing ride aboard the stern section by four members of the tug Curb which towed the hulk to port along with the tug Lambert Point. The Coast Guard cutter Cherokee accompanied the two tugs and their tow.

Federal Agency Report Gets Mixed Reaction

WASHINGTON (AP)—A senior congressional Republican today agreed with a Kennedy adviser on the need to overhaul federal regulatory agencies. But he said Congress, not the president, should do the reworking.

Rep. John B. Bennett of Michigan, ranking GOP member of the House Commerce Committee which deals with regulatory agencies, commented in an interview on a study made for President-elect John F. Kennedy by former Harvard Law School Dean James M. Landis.

Kennedy hailed Landis' report issued Monday as "a most important and impressive analysis" which should be studied by "members of Congress as well as the agencies themselves."

Sen. John A. Carroll, D-Colo.,

chairman of a Senate subcommittee studying administrative practices, called for a drive against "powerful pressure groups" which he said have stymied agency reform. He said Kennedy will provide the leadership for change, and that the president-elect had invited him to confer on the Landis report.

Landis has served as chairman of the Securities and Exchange Commission and the Civil Aeronautics Board and on the Federal Trade Commission. These are among the seven major regulatory agencies he discussed in his biting terms.

The so-called independent agencies have been set up by Congress over the years to regulate and hand down judgments on major economic activities.

Landis pictured the agencies as authority similar to that which he said Congress had granted to Eisenhower and Truman.

Bennett, however, said "what ever reforms are needed ought to be legislated by Congress. One of the most important things is keeping these agencies independent."

He said the delays in agency decisions could be removed by having individual commissioners write decisions, with proper staff help, and this in turn would do away with what he called much of the backstage efforts to influence decisions.

In the White House itself, Landis would do away with presidential assistants dealing with matters of concern to the regulatory agencies. Instead, he would have an office directly under the president to supervise the agencies.