

Foreign aid budget smallest in many years

WASHINGTON (UPI)—President Johnson today sent an aid-skeptical Congress the smallest foreign aid request since the start of the Marshall Plan—a total of \$3.4 billion in new military and economic aid funds in fiscal 1965.

Johnson also split the foreign aid budget in two, listing military and economic aid under different headings, in a move that appeared aimed at giving aid critics a harder target. But a top aid official said the administration would not necessarily send the two to Congress in separate packages.

The total aid request of \$3,382,100,000 was \$1.5 billion below the funds originally asked by the late President John F. Kennedy for the current fiscal year. It was the smallest administration request since the Marshall Plan first began in 1947, shading the previous low of 1955 by about \$86 million.

Congress finally chopped administration aid requests to \$3 billion last year, although funds available for spending exceeded this amount because of carryovers from other years and loan repayments.

In his budget message, Johnson said the less-developed nations are engaged in "a critical struggle for political independence and economic betterment" on which depends the stability and security of much of the world. He called continued U.S. aid "essential."

As expected, Johnson divorced his \$1 billion military assistance request from the \$2.4 billion he asked for such economic aid as the Alliance for Progress and other loan and grant programs.

The idea would be to have the military aid funds considered by the House defense appropriations subcommittee rather than the foreign aid subcommittee which is headed by aid opponent Otto E. Passman, D-La. But there is no guarantee the strategy will work; the House could easily put the two parts of the program back together under one heading.

For other foreign policy functions—ranging from the Peace Corps and the U.S. Information Agency to the Tariff Commission and U.S. Embassy receipts—the budget sought \$1.2 billion in new spending authority.

Johnson asked for \$1 billion in new military assistance funds, but forecast actual 1965 outlays of \$1.2 billion because some money is left over from past years. He said about 70 per cent of U.S. military aid now goes to nine countries on the borders of the Soviet Union and Red China.

Although the budget asked for \$2.39 billion in new economic aid money, it forecast actual outlays of only \$2.15 billion during the year. This would be about \$50 million above estimated outlays for the current fiscal year.

No sag seen in fag sales

WASHINGTON (UPI)—President Johnson quit smoking in 1955 after his heart attack, but his new budget doesn't envision many Americans taking the same step as a result of the recent government report on the health hazards of using tobacco.

The budget estimated the government would take in \$2.14 billion from cigarette excise taxes in the year starting July 1. That would be \$65 million more than collected during the current fiscal year.

Nor did the budget makers look for a big switch to pipes and cigars. They estimated the cigar tax take at \$52 million, and the manufactured tobacco tax collection at \$17 million. That would be an increase of only \$1 million for cigars, the same as the year before, and no change in the revenues from smoking and chewing tobacco and snuff sales.

Road bottleneck is removed

MEDFORD (UPI)—The last major traffic bottleneck between the California state line and downtown Portland was removed Monday.

Gov. Mark Hatfield and a host of other officials and civic leaders dedicated 17.25 miles of Interstate 5 freeway between the south end of Medford and the south end of Ashland. A portion of it, a 7.3 mile stretch, bypasses Ashland, and was opened for the first time.

Although there are still some sections of two-lane highway on Interstate 5, the opening of the Ashland bypass makes it possible to drive from California to Portland without encountering a stop light.



HER GARDEN GROWS—Thanks to UNICEF, this young Indian girl in the State of Orissa can take care of her garden, part of a UNICEF-sponsored nutrition project in the region. Guided by trained teachers, the children plan, plant and cultivate their gardens. The pennies millions of American children collect at Halloween are used for this and other health, vocational and welfare projects.

Johnson emphasizes that budget assumes passage of tax cut bill

WASHINGTON (UPI)—President Johnson emphasized to Congress today that his \$97.9 billion budget is built on the assumption that the lawmakers will swiftly pass the big tax cut bill and thereby spur business activity.

Calling tax reduction an "integral and vital part of my budgetary proposals," Johnson said prompt passage of the bill "should hasten the achievement of a balanced budget in an economy of full prosperity."

The Senate Finance Committee hopes to finish action this week on the \$11 billion measure, passed by the House Sept. 25. It would slash federal income tax rates for every corporation and for about 51 million individual U.S. taxpayers. The President's preoccupation with tax reduction was reflected throughout his budget message.

Offset Revenue Losses
Significantly, the message forecast that a rapidly growing economy would more than offset revenue losses resulting from the biggest tax cut in history.

"Chiefly because of the anticipated continuing expansion of economic activity," Johnson said, tax collections from individuals and corporations in fiscal 1965 should increase \$3.1 billion over the current year despite the proposed rate reductions.

The President also counted on tax cuts to help in spurring the economy to an anticipated growth rate of 6.5 per cent this calendar year, compared with an average 5.4 per cent rate of growth for the last three years.

It was on these rosy expectations, buttressed by the stimulus of tax reduction, that he built much of the revenue estimates in his big budget.

Control Costs
At the same time, by holding spending below the current fiscal year, Johnson reminded the congressional economy bloc that this "should provide ample assurance of our determination to keep costs under tight control and move the tax reduction bill toward speedy approval."

He also renewed his plea to Congress to cut the payroll withholding rate in the bill to 15 per cent to give the economy a quick boost. The House bill would cut the present 18 per cent withholding rate to 15 per cent this year, and delay a drop to 14 per cent until 1965.

Johnson noted, however, that the 15 per cent rate will continue in effect until the bill is passed with the result that too much money will be collected from lower bracket tax-payers. Cutting the rate to 14 per cent this year will balance things out for these people and avoid time-consuming refunds.

HEARING POSTPONED
PORTLAND (UPI)—A hearing on a representation election petition by Roseburg Local 3-436 of the International Woodworkers of America was postponed indefinitely Monday by the National Labor Relations Board.

The hearing, involving L&H Lumber Co. of Roseburg, was scheduled for Friday.

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Wind-whipped rains pelt East, West Coasts

By United Press International
Wind-whipped rain soaked the East and West Coasts today but left the Midwest high and dry with spring-like weather. Heavy snow piled up in the Western mountains.

Milford, Mass., reported 2.05 inches of rain during the night. Foxboro, Mass., had 2.02 inches and Norwood, Mass., had 1.97.

Gale warnings were hoisted along the New England coast. Wind gusts were clocked at more than 60 miles an hour far inland, at Allentown, Pa.

On the West Coast, more than two inches of rain rode strong winds into the San Francisco Bay region during the night and more than an inch was reported at Burbank.

Four inches of fresh snow belted Great Falls, Mont., in six hours today and Butte, Mont., was slugged with eight inches of new snow in 24 hours.

Tampa, Fla., reported more than an inch of rain in 24 hours. Winds hit 72 m.p.h. at Appomattox, Va., Monday and downed power lines, trees and signs. The Seattle, Wash., area was buffeted by 30 m.p.h. winds that broke store windows, toppled a radio tower and pulled down power lines.

Despite turbulent weather at the nation's edges, the Midwest and Plains basked in a balmy touch of summer.

The weather bureau described conditions in the nation's mid-section as "an April in January temperature pattern." Bismarck, N.D., had a record high of 53 Monday and 60 degree readings extended as far north as Central South Dakota.

The weather story was different in the Western mountains. Up to 14 inches of new snow blanketed Northwestern Wyoming, closing roads at Teton Pass at the Wyoming-Utah line and in Hogback Canyon. Wind gusts up to 70 miles per hour were recorded in Eastern Wyoming. Cheyenne had a high of 54 degrees, 6 under the record for the date.

Four inches of snow fell at Lakeview, Ore., along the northern border of California. Heavy rains pelted the New York City area. Williamsport, Pa., had a one inch snowfall.

No decision yet on chairmanship
CORVALLIS (UPI)—Richard Kleindienst, national field director for Arizona Sen. Barry Goldwater, said Monday a chairman for a state Goldwater for President committee would not be named immediately.

Kleindienst was in Corvallis to hear Sig Unander, former state treasurer, speak at a Benton County Republican Club meeting on behalf of Goldwater. Clay Meyers of Portland spoke for New York Gov. Nelson Rockefeller.

Kleindienst said the Goldwater chairman would name location of the state headquarters for the Arizona senator.

It's plenty of money, any way you look at it
WASHINGTON (UPI)—The \$97.9 billion which President Johnson figures the federal government must spend in the coming fiscal year is a lot of money, no matter how you look at it.

One way to get a vivid mental picture of \$97.9 billion is to imagine it all stacked up in \$1 bills.

The stack would reach about 6,200 miles into space.



END OF ERA—Indiana's State Department of Education is closing all one-room schools by the end of the 1964 school year. Vincennes University, Vincennes, Ind., has erected this one-roomer on its campus for future generations of Hoosiers to visit. This ancient log cabin was enclosed within a barn for many years so its poplar logs are in a near perfect state of preservation. The interior will be restored to the style of the early century.

Nixon's hat always in ring

NEW YORK (UPI)—Former Vice President Richard M. Nixon said Monday his hat is always in the political ring and a poll indicates that a majority of GOP voters want it there.

During a taped guest performance on Arthur Goldfrey's radio show Nixon was asked if he was going to run for president again. Nixon, without elaborating replied:

"I never wear a hat so it must always be in the ring."

In Washington, pollster Louis Harris released the findings on a national poll and declared that Nixon holds a "decisive" lead for the Republican presidential nomination among GOP voters.

The poll also showed that Nixon would run the strongest race against President Johnson.

Nixon has stated on numerous occasions that he is not a candidate.

SMOKING CONCERN

AGEN, France (UPI)—Concern about smoking was registered near here 140 years ago. A clerk at the town hall in nearby Nerac reported Monday that he found a municipal decree dated 1824 forbidding smoking "during fairs and markets or in the streets of the town."

The decree, signed by the mayor, did not link smoking with any disease. It said simply that it "inconvenienced" non-smokers.

Baker testimony reveals free stereo set given LBJ

WASHINGTON (UPI)—President Johnson, then Senate Democratic leader, was given a free \$580 stereo Hi-Fi set in 1959 by a local insurance dealer at the request of former Senate aide Robert G. (Bobby) Baker, it was disclosed today.

The incident was described in previously secret testimony given to the Senate Rules Committee by Don B. Reynolds, who has figured in the Baker case as an insurance agent and associate of Baker's who wrote an insurance policy on Johnson's life. Reynolds testified earlier this month.

In releasing the testimony, the committee also made public an authenticated interview with Walter Jenkins, long-time Johnson aide who is now a White House assistant. Jenkins told committee aides he was informed that the record player was a present from Baker.

Jenkins stated in the interview that he had never heard that Baker was associated with Reynolds in the insurance company which the latter operated.

Reynolds, under questioning by committee counsel L. P. McLendon, said he had no communication with Johnson about the stereo set either before or after it was shipped to the Johnson's suburban home.

He told committee Chairman B. Everett Jordan, D-N.C., however, that he did not think there would have been any question as to whether Johnson knew the source of the set. He said the Magnavox Company's

invoice showed that the charges—a total of \$584.75—were to be paid by Reynolds.

Baker, described in previous public testimony as a former vice president and silent partner in the Reynolds insurance firm, was said by Reynolds to be still a vice president of the firm—on paper at least—under a charter which has not been amended.

Reynolds said, however, that Baker has only been in the insurance company's office on one occasion.

DEATH PROBED

SEASIDE, Ore. (UPI)—Authorities today investigated the death of Don Kempton, 62, former Seaside municipal judge.

Kempton was dead on arrival at Seaside Hospital Monday of a .22 caliber bullet wound in the heart. Police Chief Ken Healea said Kempton was reported to have been cleaning his gun.

ROSEBURG (UPI)—Residents of the area just north of here plan to file petitions with the county clerk asking for a new city to be known as Edenbower. A spokesman said about 20 per cent of the residents of the area have signed petitions. The area has about 6,500 residents.

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