

ANGLO-AMERICAN RELATIONS CHILLED

Rogue Valley Edition

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STRUCTURE DESTROYED—Damage estimates ranged as high as \$400,000 from a fire which destroyed the Pines Shopping Center at Bass Lake, Calif., Tuesday night. The

two-story structure contained a general store, post office, bar, two restaurants, a barber shop and several second-story offices. (UPI)

Weather-Caused Death Toll Soars Past 100 Mark

Water Lines Burst In Columbus, Ohio

By United Press International
Aching cold from the Canadian border to the Gulf Coast choked off the water supply in Columbus, Ohio, froze Florida, and sent the week's toll of weather-caused deaths climbing past 100 today.

Below zero temperature records were commonplace from the Midwest prairies to the Atlantic Seaboard. It was 23 below zero at Mt. Pishah, N.C., 19 below at Mt. Mitchell, N.C., and below zero for the first time in recent memory at every reporting station in Illinois.

32 Dead in Ohio
At least 104 deaths were blamed on the series of wintry storms and Arctic chills which have punished the nation's eastern half since late Wednesday. They included 32 in Ohio, 22 in Michigan, 10 in New England, 7 each in New York State and Indiana, 6 each in Pennsylvania and Kentucky, 4 in Tennessee, 3 each in West Virginia and Illinois, and 2 each in Missouri and Kansas.

The cold wave burst the frozen water lines in Columbus, cutting off supplies to the business section of the city for six hours.

Water Pressure Low

Service was restored at midmorning, but Mayor Ralston Westlake maintained a state of emergency in Ohio's capital city because water pressure in the area was dangerously low in case of fire. The water famine forced most downtown Columbus stores and businesses to close. Water was cut off to hotel rooms. The water system at the Ohio Penitentiary was also frozen and 4,500 inmates had no water or heat.

Cold in Florida

Elsewhere, the weather was warmer in Anchorage, Alaska with 42 degrees than at Pensacola, Fla. with a record-breaking 21 above. About one third of Florida's huge tomato crop had been damaged by frost and heavy losses of snap beans and sweet corn were reported as far south as Okeechobee. A hard chill settled on the state's lucrative resort industry.

Elections Slated In Talent Area

Two elections are scheduled in Talent, one Jan. 15 for the South Talent Sanitary district, and one Jan. 18 for the Talent Rural Fire district, the county court reported today.

The sanitary district election will be held at the Res More Motel in Talent, and the fire district election in the office of the old agronomy station on Colver rd., Talent.

Area residents attending two recent public hearings on formation of the districts voiced overwhelming support. Earlier, Consulting Engineer James K. Hoey said the proposed area had been enlarged to include the property from the present Highway 99 to Bear creek.

Overall estimated cost for serving the entire area with a sewer system would be \$181,463, without the city of Talent. The proposed sewage disposal plant would be a lagoon type with five-acre pond to serve 500 people.

The general district would be assessed for the main sewer trunk and the residents for laterals serving their homes, it was explained.

Both sanitary and fire districts will elect boards of directors. Generally, the proposed rural fire district would cover the Talent and Phoenix rural areas, according to John Tompkins, Talent, who is spearheading the district formation.

Approximately 1,810 acres of land will be brought under irrigation for the first time under the new Agate dam project, Sexton said. It will furnish supplementary irrigation to 4,820 acres.

Higher Education To Fight For Own Budget
Portland — The State Board of Higher Education pledged Tuesday to battle for its own budget, and said the legislature's verdict will set the level of Oregon education for a decade to come.

Board members voted to ask the legislature to approve the board's own budget for the 1963-65 biennium instead of Gov. Mark Hatfield's reduced spending plan.

Nikita Claims Peace Policy Averted War

Soviet Premier Nikita Khrushchev said today that Russia's policy of peaceful coexistence averted a nuclear war over Cuba. He also warned the belligerent Chinese Communists that the American "paper tiger" has atomic teeth. He said that Moscow will honor agreements on Cuba so long as the United States honors them. The story is on page 2A.

WEATHER

FORECAST: A little rain tonight. Mostly cloudy with a few showers Thursday. Low tonight 40-45. High Thursday 48-50.

Our Skies Tonight

	Temp.
Sunrise today	4:30 p.m.
Sunrise tomorrow	7:12 a.m.
The Moon rises	4:19 p.m.
Twilight and rises high	
Last Quarter	Dec. 18
The planet Venus	4:43 a.m.
and is now 33 million miles from Earth. Mars, is now 43 million miles from the Earth.	

U.S. Watching Against Return Of Cuba Weapons

Washington — President Kennedy said today the United States is taking every step necessary to see that offensive Soviet weapons are not brought back to Cuba.

At his news conference, Kennedy also said he was hopeful that U.S.-Russian negotiations to clear up the Cuban situation will be successful but stood on his previously announced position.

He expressed his views in response to a question about a statement by Soviet Premier Nikita Khrushchev today that the Russians were holding the United States to a pledge against any invasion of Cuba.

Position Unchanged
Kennedy said he had not yet had a chance to analyze Khrushchev's major policy speech with the care needed but said his position was the same as that enunciated at his last news conference two weeks ago.

At that time, the President said that on-the-spot inspection in Cuba would have to be made before any formal "no invasion" pledge could be made by the United States.

He said today that in the meantime the United States is "taking every step necessary" to see that Russian rockets and other offensive weapons are not brought back to Cuba.

Surveillance Conducted
He said that surveillance of the island to check on this is being conducted daily.

Kennedy noted that UN Ambassador Adlai E. Stevenson and his chief Cuban negotiator, John J. McCloy, are continuing discussions with Soviet spokesmen in New York on the situation.

"I'm hopeful that the negotiations in New York will come to a successful conclusion," the President said.

Agate Project Land To Be Designated
Lands to be irrigated under the recently authorized Agate project will be designated by Dec. 21, according to Harold Sexton, Rogue River Valley Irrigation district manager.

Area residents with questions or those wishing to review the list of lands proposed for inclusion should visit the RRVID district office before Dec. 21, Sexton said. Land classification maps and the list of acreages proposed for inclusion are available, he said.

Sexton said Verne Lawrence, of the Salem office of the bureau of reclamation, is working with the district on the proposed land inclusion list which will be finished tomorrow.

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Skybolt Missile Project Plans Irritate British

Threat To Use Of British Bases Seen

Washington — Anglo-American relations were chilled to the near-freezing point today by U.S. threats to kill the Skybolt missile on which Britain has staked its nuclear future.

Rescuing the rocket project from oblivion will be at the top of Prime Minister Harold Macmillan's agenda when he goes to Nassau for conference with President Kennedy starting a week from today.

By London accounts, Defense Secretary Robert S. McNamara was subjected to as icy a reception as an American has had in Britain's capital in many a year when he stubbornly expressed his conviction Tuesday that the missile was no longer needed.

Counted on Skybolt
A British spokesman said that Defense Minister Peter Thorneycroft left McNamara "under no illusions whatever" as to the consequences of American cancellation of the missile. Britain has counted on the Skybolt as its chief deterrent weapon from the mid-60s into the 1970s.

Britain's decision to arm its Vulcan bombers with the 1,000-mile range ballistic missiles grew out of the 1960 Camp David, Md., conference between former President Dwight D. Eisenhower and Macmillan.

When questions were raised in the House of Commons in 1961 as to whether America would carry out the weapon's development, the then British Defense Minister, Harold Watkinson said: "The suggestion that the United States would repudiate agreements it had made with us on this matter will be treated with the contempt it deserves in London and Washington."

London let it be known Tuesday that if the United States dropped the Skybolt project there would be an "agonizing reappraisal" of the Anglo-American alliance. This was viewed as a threat to the future of America's bomber and nuclear submarine bases in the British Isles.

Five Failures
The Skybolt has had five failures in five attempted tests, but technical difficulties were not considered to be the chief reason that McNamara has left new funds for the missile out of his tentative budget for next year.

The London conference Tuesday and reports about the Skybolt's dark future which preceded it have raised two key questions here to which answers are not yet available: —Does the United States want Britain to get out of the strategic nuclear deterrent business? Britain's spokesman said Tuesday "It is our intention to stay in the independent deterrent business."

—Is a new strategic shift in the making in the United States, with emphasis almost entirely on intercontinental missiles and Polaris submarines, with manned bombers making a hasty exit than previously planned? The U.S. Air Force fears it, and a warm controversy can be expected in Congress where the ending of B52 bomber production and the administration's resistance to pushing the RS70 warplane were bitterly protested this year.

Hatfield Says Labor Study 'Waste of Time'
Salem — Gov. Mark Hatfield today termed an "assinine waste of time" a Board of Control staff study which indicated replacing of prison and state ward labor could cost more than \$18.2 million a biennium.

Renaming Procedure On Meeting Agenda
The procedure for renaming county roads will be discussed at a meeting of the Jackson county planning commission at 8 o'clock tonight in the courthouse auditorium.

Also on the agenda is a discussion of the public building plan.

Voters in Three Areas Approve Bonds
By United Press International
Voters in Salem, Oak Grove and Tigard Monday approved school financing bonds but similar proposals were turned down by voters in Beaverton and Oregon City.

Three bonds totaling \$2.2 million were rejected by Beaverton School District voters. The key proposal, a \$1.9 million issue for construction of the city's third junior high school, was rejected 3,063 to 1,995.

PROPOSAL ENDORSED
Salem — The Oregon Purebred Sheep Breeders Association has endorsed a proposal for a sales tax to be used for education only. It would be accompanied by property tax reductions.

New Timber Tax Law Hits Hard at Lake Taxpayers
Salem — Taxpayers in the Silver Lake School District of Lake county face a \$28.29 per \$1,000 assessed valuation increase in property taxes for the 1962-63 tax year as a result of the Eastern Oregon timber tax law.

The same law, adopted by the 1961 legislature, resulted in a \$22.70 decrease per \$1,000 of assessed valuation in Lake county's Vernon School District.

A study of effects of the new law was released today by the State Tax Commission. The report refers to the 17 Eastern Oregon counties containing 131 elementary or unified school districts.

The Eastern Oregon law provides for a 5 per cent severance tax on timber at the time it is harvested, in lieu of the ad valorem tax on standing timber.

The legislature adopted the law on a conservation measure and to stabilize the timber industry.

Lake County was hard hit by the tax. Lake County Assessor Harold Langset said the new law resulted in a tax loss of \$153,870 to the county. Deschutes and Jefferson counties were also hard hit by the new timber tax law.

Petition Contests Nov. 6 Election of Talent Officials

Talent — The question of whether the Talent mayor and city council election of Nov. 6 has to be held over again may be decided on Jan. 7.

That is the date set for a hearing on a petition filed Monday contesting the city election held Nov. 6. The petition was filed by John Tompkins, incumbent councilman, in Jackson county circuit court.

Tompkins ran fourth in a field of four candidates running for three seats on the Talent city council, but there are only eleven votes separating him from the third and second place finishers.

Principal reason for contesting the election is the fact that 45 of the ballots were incorrectly printed. The name of Eddie Lunsford, one of the city council candidates, appeared on those 45 ballots twice, as running for both mayor and council, while the name of Edward Switzer, one of the mayor candidates, was left out.

Reelected Mayor

Wayne Reichstein was decisively reelected mayor of Talent, and observers believe that had Switzer's name not been left off the 45 incorrect ballots, Reichstein still would have won easily.

The city council race was much closer, however. Final returns, excluding the 45 contested ballots, gave F. W. Gilbreath 165 votes, Lunsford 146, Ellis Beeson 142 and Tompkins 135.

With the 45 ballots added to these totals, the results have been: Gilbreath 206, Lunsford 178, Beeson 175 and Tompkins 162.

At the Jan. 7 hearing Judge M. Main is expected to enter a decree either acknowledging that the candidates elected are the duly elected city officials or determining that there is a need for another election.

Kennedy's Budget Outlay May Exceed \$100 Billion Mark

Washington — As it now shapes up, the 1964 budget President Kennedy is preparing to send Congress in January will project spending of nearly \$100 billion.

Planned outlays for the fiscal year which starts July 1 may well exceed \$99 billion, topping the all-time high of \$98.3 billion reached in 1945 under war financing pressures. Spending in the current fiscal year is estimated at a peacetime record of \$93.7 billion.

Expenditures could easily top \$100 billion in fact by the end of fiscal 1964. Qualified government sources indicated that refusal of Congress to enact administration farm legislation might in itself send outlays above the \$100 billion mark.

Another Deficit Certain
Another budget deficit in fiscal 1964 is certain. The 1963 deficit is estimated at \$7.3 billion. With tax relief effective in 1963 the administration's announced goal, the 1964 deficit could exceed the 1963 deficit.

Most of the planning for the 1964 budget has been completed. Defense and foreign aid, usually the last major spending items decided, have been pinned down earlier than usual. Defense outlays will be more than \$50 billion, and more than \$51 billion if a much-discussed pay boost for servicemen is included.

Still Unresolved
Still unresolved is how much to spend on space. The outlay hinges on a decision about how fast to proceed with the man-on-the-moon program. Also awaiting final decisions are spending plans for the Labor, Commerce and Health, Education and Welfare departments.

Christmas Tree Lift Planned by Moose
The Medford Moose lodge will conduct its ninth annual Christmas tree lift following the holiday season, B. J. Gilbert, governor of the lodge, has announced.

Date of the lift and the Jackson county organization in need of assistance which will receive the entire proceeds from the project, will be announced. The date of the Christmas tree burn also will be announced.

Residents will be asked to place their contribution in an envelope and pin it to the tree for pick up after Christmas when members of the lodge and other organizations will participate. No expenses are involved in the lift and all donations are given each year for charitable work.

Emigrant Drops Peak Flow in Area During Flooding

If Emigrant reservoir had not stored all of its inflow during the heavy rainfall Dec. 2, Bear creek at Medford would have had a peak flow of 22,500 cubic feet per second instead of the recorded 15,000 cubic feet per second peak.

These statistics were released today by the bureau of reclamation office in Boise, Idaho. Flood control operation of Emigrant lake reduced the flow at Medford by 33 per cent, it stated.

The reservoir, used primarily to store irrigation water, impounds water from only 22 per cent of the total Bear creek watershed.

Storage Capacity

The storage capacity of Emigrant lake prior to its enlargement in 1961 was 8,000 acre feet. The enlarged reservoir has a useable capacity of 39,000 acre feet, and is operated as a multiple-purpose reservoir for both irrigation and flood control.

Regional Director H. T. Nelson said sufficient flood control space remained after the passage of the flood to give equal control had the flood been repeated, which appeared a definite possibility based on weather forecasts at the time.

Bureau engineers, dispatched from Boise, Idaho, to the flood area Dec. 2, estimated that the recent flood was the largest in peak discharge experienced in the Medford area in more than 100 years.

Previous major floods on Bear creek occurred in February, 1961; February, 1960; February, 1927; and December, 1955.

Gold Hill Home Destroyed by Fire
Gold Hill—Fire of undetermined origin destroyed the one-story three-bedroom home of Mr. and Mrs. Harley Callahan and their five children Tuesday about 11:50 a.m.

The Callahan home, a few feet outside the northwest city limits of Gold Hill, was the former Fred Taylor residence.

The family lost all clothing and household items, including recently purchased grocery supplies and Christmas presents the couple had for their five sons, ages 10, 6, 5, 3 and 1.

The couple and youngsters are now staying at the home of Callahan's brother and sister-in-law, Mr. and Mrs. Clarence Callahan at Fifth and Fourth st. here. Those who wish to help the family may leave clothing and household items at the Clarence Callahan home.

The city fire department responded to the alarm, but the house was already engulfed in flames when firemen arrived.

Revolt Collapsing, British Leader Says
Singapore — British troops captured the town of Kuala Balaet in Brunei today, and the commander of British ground forces in the Far East said the revolt in the protectorate on Borneo was collapsing.

Number of Employed Declines in Oregon
Salem — The number of employed people in Oregon declined by 12,900 from October to 680,700 in mid-November, David H. Cameron, commissioner of the Oregon Department of Employment, said today.

10 SHOPPING DAYS LEFT

CHRISTMAS SEALS fight TB and other RESPIRATORY DISEASES

FOR MORE INFORMATION, CONTACT: **COMMUNITY HEALTH DEPARTMENT**

NEWS BRIEFS

BALLOON LAUNCH PLANNED THURSDAY
Holloman AFB, N.M.—The countdown began today for Thursday's scheduled launching of Project Stargazer — a balloon ascent to give man his first clear look at the stars.

If weather permits, the manned balloon will make the highest astronomical-research ascension in history.

RUSK WINS APPROVAL OF DE GAULLE
Paris — Secretary of State Dean Rusk won warm endorsement from French President Charles de Gaulle today for U.S. handling of the Cuban crisis and its refusal to enter new East-West talks with the Soviets until the crisis is fully cleaned up.

NIKE ROCKET INTERCEPTS MISSILE
Washington — A Nike-Zeus rocket today successfully intercepted an Atlas intercontinental ballistic missile that had been fired on a 5,000-mile course over the Pacific, the Defense Department announced.

STUDENTS PLANNING TRIP TO CUBA
New York — A pro-Castro U.S. student group is planning to defy the government's ban on travel to Cuba and slip out of the country to visit Havana over the Christmas holidays, it was learned here today.