

Russia's Policy of Peace Averted War Over Cuba, Khrushchev Says

Russia Arrests Alleged Espionage Agent; Accused of Giving Secrets To U.S., Britain

Moscow — (UPI) — The biggest Western spy case since the 1950 trial of U2 pilot Francis Powers appeared in the making today with the arrest of an alleged agent on charges of supplying Soviet secrets to the U.S. and British intelligence.

Tass, the official Soviet news agency, Tuesday night announced the arrest of "the spy O. V. Penkovsky" and linked him to two U.S. Embassy employees and British businessman Greville Wynne, who was arrested on espionage charges in Budapest last month.

It charged that Penkovsky delivered military and scientific secrets to Wynne, embassy employee Richard Carl Jacob, and an American second secretary identified only as "Karlsson."

Jacob, 26, Egg Harbor, N.J., was expelled Nov. 6 for allegedly "extracting espionage materials" from a letterbox in a Moscow apartment.

There is no Karlsson at the Embassy, only a Rodney W. Carlson, assistant agricultural attache, and the Soviets

have taken no action against him.

Tass charged that Penkovsky used the letterbox in the gateway of a house on Moscow's Pushkinskaya st. to pass on secret information to Jacob. At the time of Jacob's expulsion last month, the United States denied all charges of espionage.

Tass did not identify Penkovsky as a Soviet citizen, but it was assumed he was. It said he worked in the "Soviet state committee on coordination of scientific research work."

Arling Buildings Giving Way To Water

Arlington, Ore. — Buildings have started tumbling in this Columbia river city to make way for rising waters behind the John Day Dam.

Six buildings, including the venerable Hotel Vendome, were razed in recent days.

The community is being rebuilt in a higher area nearby that is being laid out as a model city.

It said he was "connected with British and American intelligence agencies and on their orders in 1961-62 gathered and handed them secret information about the U.S.S.R. on scientific, technical, political, and military questions."

Tass said Penkovsky admitted contacting Wynne, who it said "periodically came to the U.S.S.R. under the disguise of a businessman." Wynne was arrested Nov. 2. On Nov. 27, Soviet authorities announced he had pleaded guilty to espionage. His present whereabouts was not known.

Tass said Penkovsky was equipped with three miniature cameras, codes, secret inks, radio equipment, and a false Soviet passport to go underground in case of imminent exposure. In addition to the men named, it said he maintained contact with "some other officials of the

diplomatic representations of the United States and Britain."

The Powers case was the most publicized espionage trial involving an American ever held here. Powers, whose reconnaissance plane was downed over the Soviet Union, was sentenced to 10 years in prison and labor camp. But he was released early this year in exchange for Soviet Col. Rudolf Abel, who had been serving an espionage sentence in the United States.

Finance Office at Cottage Grove Looted

Cottage Grove — (UPI) — A bandit held up the Cottage Grove office of the City Finance Office Tuesday afternoon. The robber ordered persons in the office to the rear of the building and fled with about \$253.

American Paper Tiger Has Teeth, Chinese Warned

Moscow — (UPI) — Premier Nikita Khrushchev said today that the Soviet Union's policy of peaceful coexistence averted a nuclear world war over Cuba and warned the more belligerent Communist Chinese that the American "paper tiger" has atomic teeth.

He accused the Chinese of trying to prod the Soviets into conflict with the United States.

Khrushchev said that Soviet officers had manned the Soviet missiles in Cuba "which were ready for launching" but not used, sparing the world from a nuclear holocaust.

Then, in the most direct and high-level attack yet on Chinese policy, which holds that communism can triumph over capitalism only by inevitable war, he said the world has no choice but to survive through coexistence.

Trying To Provoke Clash

In rejecting Chinese charges that he had bowed to imperialism in the Cuban crisis, he said that "these people who call themselves Marxist-Leninists" apparently were trying to provoke a clash between the Soviet Union and the United States.

But Khrushchev was having none of this line, pointing out that the United States also had the capability of thermonuclear destruction.

The Soviet premier said Moscow will honor the agreements on Cuba so long as the United States does. But if American pledges are not fulfilled, he said "we shall be compelled to take such actions as may be required by the situation."

Talks To Resume

Even as he spoke in Moscow, it was disclosed at United Nations headquarters that U.S. and Soviet negotiators will resume talks on the Cuban crisis at the Soviet Embassy in New York this afternoon.

Khrushchev said "favorable prerequisites" have been created to end the Cuban crisis and that what is needed now is to "bring the negotiations to a conclusion."

In a broadcast and televised address he made to the Supreme Soviet, Khrushchev said that those who say the Cuban compromise was forced on the Soviet Union also should say the United States also was forced to settle by peaceful means.

Had Russia taken an "uncompromising position," he said, it would have helped "only the camp of madmen in the United States" to touch off world war.

The United States could not win such a war, he added. Has Nuclear Teeth

Again with an eye on Peking without specifically mentioning the Communist Chinese, Khrushchev said:

"Imperialism is no longer what it was... It may be a paper tiger, but people who call it that should know the paper tiger has nuclear teeth."

He said the missiles were supplied as a result of a "well founded alarm" from the Cuban government that "an attack was only hours away" on Oct. 23.

"We sent our arms there and placed our rockets just to avert aggression and that's why we pulled them out," he said. "That's it in a nutshell."

Khrushchev ridiculed suggestions that the Soviet Union had chosen Cuba as the jump-off point for war against the United States. He labeled the charges a "malicious fabrication."

Would Have Used Missiles

"Had we wanted to start war against the United States we would not have agreed to dismantle the rockets installed in Cuba which were ready for launching for action," he said. "We would have brought them into play."

"We did not do that because we had no such aims." Russia pulled out its missiles and nuclear-capable jet bombers at a demand from President Kennedy, who warned that the United States was ready to use whatever force was necessary to enforce its decision.

Khrushchev warned that the Cuban crisis is not yet over and "it is not in the interests of peace to tarry" in ending it.

He said Russia's coexistence policy headed off a thermonuclear holocaust when the crisis was at its height, and said "all sensible people profoundly welcome this triumph of reason."

At this point in history, he said, mankind faces "either peaceful coexistence or devastating war and there is only one alternative: Peaceful coexistence."

Stocks Weaken At Closing Bell But Still Close Up

New York — (UPI) — Stocks weakened just before the final bell today but still managed to close higher.

Electronics, although below their best levels, featured the advance with IBM up roughly 6 1/2%, Motorola and Beckman around 2 apiece, and RCA, Cenco and Texas Instruments up approximately 1 each.

Steels also did well with U.S. Steel, Lukens, Jones & Laughlin, and Youngstown Sheet up a point or more.

Ford rose nearly 3/4 in a firm auto section. Kodak and Du Pont advanced more than 1 in a mixed chemical group.

Among the blue chips, Goodyear and General Electric rose about 1 each.

DOW JONES AVERAGES

New York — (UPI) — Dow Jones final stock averages: 30 industrials 647.33, up 2.17; 20 railroads 138.26, up 0.91; 15 utilities 127.12, up 0.89 and 65 stocks 226.66, up 1.10. Sales today were about 3.76 million shares compared with 3.7 million shares Tuesday.

Today's prices on selected stocks:

Allied Chemical	41 1/2
Alum. Co. Am.	33 3/4
American Air Lines	18 1/2
American Can	45 1/2
American Motors	14 1/2
A. T. & T.	114 1/2
American Tobacco	32 1/2
Anacosta Copper	41 1/2
Armco	31 1/2
Bendix Corp.	29 1/2
Bethlehem Steel	29 1/2
Chrysler Corp.	31 1/2
Coca Cola	84 1/2
C.B.S.	44 1/2
Columbia Gas	23 1/2
Continental Can	44 1/2
Crown Zellerbach	47 1/2
Crucible Steel	18 1/2
Curtis Wright	18 1/2
Dow Chemical	38 1/2
Du Pont	23 1/2
Eastman Kodak	100 1/2
Pirestone	32 1/2
Ford	43 1/2
General Electric	74 1/2
General Foods	36 1/2
General Motors	43 1/2
Georgia Pacific	43 1/2
Greystone	31 1/2
Gulf Oil	39 1/2
Homestake	43 1/2
Idaho Power	31 1/2
I.B.M.	303 1/2
Int. Paper	28 1/2
Johns Manville	41 1/2
Kennecott Copper	86 1/2
Lockheed Aircraft	53 1/2
Martin	22 1/2
Merck	79 1/2
Montana Power	33 1/2
Montgomery Ward	34 1/2
Natl. Biscuit	42 1/2
New York Central	15 1/2
Northern Pacific	36 1/2
Pac Gas Elec	31 1/2
Penney J. C.	43 1/2
Penn RR	13 1/2
Perma Cement	14 1/2
Phillips	52 1/2
Procter & Gamble	73 1/2
Radio Corporation (xd)	57 1/2
Richfield Oil	40 1/2
Safeway	45 1/2
Santa Fe	24 1/2
Sears	73 1/2
Shell Oil	38 1/2
Socony Mobil Oil	57 1/2
Southern Co.	50 1/2

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Foreign Briefs

FOUR GUARDS HURT IN PRISON RIOT

Plymouth, England — (UPI) — Four guards were injured in a 30-minute riot at Dartmoor prison 15 miles from here, according to officials.

They said one of the guards was hospitalized. Thirty of 90 prisoners in a mailbag workshop began fighting over work given them in the most serious riot in the top security prison since the "mutiny" of 400 convicts in 1932, according to one officer.

SOVIET REPUBLIC CRACKS DOWN ON NARCOTICS

Moscow — (UPI) — The Soviet Central Asian Republic of Kirghizia has started a crackdown on illegal narcotics traffic.

A Dec. 9 issue of the newspaper Soviet Kirghizia that reached here Tuesday said a new decree provides prison sentences of up to 15 years for dealers in illegal narcotics. It was one of the few times the Communist press has alluded to the existence of a narcotics problem in the U.S.S.R.

WAR DANGER GROWS IN MIDWEST

The Aviv, Israel — (UPI) — Dangers of new Midwest fighting grew today as a result of Premier David Ben-Gurion's threat to strike deep into Syria if Syrian attacks on Israeli border settlements continue.

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