

JET PLANE HITS PORTLAND HOMES

\$36 Million in General Fund at End of November

Most Earmarked For Special Funds

Salem—UPI—A cash balance of \$36 million was in the state general fund on Nov. 30, Legislative Fiscal Officer Kenneth Bragg said at the Biennial Tax Conference here Thursday.

He said about \$25.5 million was earmarked for special funds.

Bragg said, "There has been much talk recently of possible deficits, so I decided to check our present cash balance."

He said while budget deficits threatened, there was no shortage of cash.

He told legislators that monies within the fund could be shifted through inter-fund loans to make up for deficits, but the money must be paid back.

More Flexibility

"This gives us a buffer, and more flexibility," he said.

He told the 23 legislators and 72 others attending the conference that changes in the price of liquor would increase alcohol revenues from \$31.9 million to \$34 million next biennium.

He explained a 4-cent a pack tax on cigarettes would produce about \$18 million during the two-year fiscal period, and proposed income taxes would raise \$239.7 million during the biennium.

Bragg predicted a \$470 million budget during the 1965-67 biennium, up from the \$405.3 million called for the 1963-65 biennium by Gov. Mark Hatfield.

Four Persons Die In Oregon Taffic

By United Press International

A Portland man died when his car struck a pole in Lake Oswego today, bringing the state's toll since early Thursday to four.

He was Michael Holmes, 20. Three passengers were taken to the Oregon City Hospital for treatments of injuries.

Three died in traffic accidents in Oregon Thursday.

The victims were Charles Ovid Purdin, 84, of Portland; Patricia Purdy, 18, of Yamhill; and Mrs. Blanche McCullen, 48, of Bakersfield, Calif.

Multnomah county sheriff's deputies said Purdin was killed when he walked into the path of a car. The accident occurred near his home.

Miss Purdy was thrown from her car and crushed by it Thursday afternoon on a county road about two miles north of McMinnville. A tractor was used to free her. She died in a McMinnville hospital.

Mrs. McCullen died when her car went off U.S. Highway 97 into a water-filled irrigation ditch 10 miles south of Klamath Falls. Her 16-year-old son escaped by climbing out through a door.

ORDERED TO COURT

Salem—UPI—Walter Huss, director of Portland's Freedom Center, has been ordered to appear in circuit court here at 10 a.m. Monday to explain why no list of campaign expenditures has been filed with the secretary of state.

NEWS BRIEFS

ITEMS FROM AROUND THE GLOBE

COST OF LIVING UNCHANGED

Washington—UPI—The Labor Department reported today that the cost of living in November remained unchanged from the previous month. This helped factory production workers realize an approximate 1 per cent increase in buying power.

TALKS RESUME IN MARITIME DISPUTE

New York—UPI—Negotiators, working under a week end strike deadline and appeals by Labor Secretary W. Willard Wirtz, resume talks today in the maritime dispute that threatens shipping from Maine to Texas.

POPE'S MESSAGE TO BE HEARD SATURDAY

Vatican City—UPI—The traditional Christmas message to the world of Pope John XXIII will be broadcast Saturday at 11 a.m. (PST) on a direct nine-nation radio hook-up, the Vatican announced today.

SPEEDING TRAIN HITS TRUCK; THREE DIE

Okeechobee, Fla.—UPI—The Seaboard Air Line's Silver Star Passenger train smashed into a truck at high speed at a crossing Thursday night, killing two of the train's crewmen and the truck driver and injuring about 40 other persons.

YEMEN CREDENTIALS ACCEPTED

United Nations, N.Y.—UPI—The General Assembly accepted credentials of Yemen's revolutionary government, newly recognized by the United States, before adjourning its 17th annual session early today.



MISSILE BASES—With completion of complexes at Plattsburg, N.Y., Air Force Atlas ICBM bases now stretch across the nation. The above map shows location of the bases, both operational and training, in 11 states. (UPI)

Cellar Club Owner Seeks Reinstatement Of Dancing Permit

The new owner of the Cellar club, Main and Bartlett sts., appeared before the Medford city council last night to seek reinstatement of the dance permit which City Manager Robert Duff revoked earlier this week.

After considerable discussion, Councilman R. L. Van Sickle moved that a council committee be appointed to meet with the owner, Richard Barnett, to discuss the situation.

The dance permit revocation, which had been recommended by the city police department, was allowed to stand.

Duff told the council there was "nothing personal" in the permit revocation and that he had respect for Barnett and his plans for operating the upstairs restaurant.

"However, there have been a number of incidents involving the club on the police reports recently. These incidents are growing more serious all the time," Duff said.

The revocation was triggered by an altercation at the restaurant last Saturday night in which a man and a woman were knocked down a flight of stairs. The woman had to be hospitalized.

Barnett told the council he was "not happy" about the bohemian clientele his place was attracting. But he assured the group that he was "trying to change the image" of the club and begin to cater almost exclusively to teenagers.

In making his motion, Van Sickle said he "did not like to penalize the new owner for the record of the previous owner." Barnett assumed the operation late in November.

The restaurant opened last summer, there have been 11 different incidents reported to police. Two of those occurred since Barnett became owner.

The council split 4 to 4 on Van Sickle's motion. Mayor John W. Snider broke the deadlock, voting in favor of the proposal.

Snider announced today the appointment of Councilmembers Dick Travis and Joe Hosick, together with Van Sickle to the committee to meet with Duff and Barnett.

The committee, chaired by Travis, will act as an advisory group to the city manager.

All homes on city streets are automatically considered in the contest, Burton and Powers said. Homeowners living in out-of-the-way places may call the Jaycees to be sure their Christmas lighting is judged.

Contest judges will be James Dunlevy, Bill Singler, Dick Walsh and Dick Travis. Prizes are on display at radio station KSHA.

The Eagle Point lighting contest is open to all residents within a five-mile radius of Eagle Point. Judging will take place Sunday, and three prizes will be awarded.

FIRE HAZARD

Portland—UPI—The Christmas tree in city hall came down today because it was ruled a fire hazard.

WEATHER

FORECAST: Valley fog and occasional drizzle tonight and Saturday. Possibility of a little afternoon clearing in vicinity of Ashland. Fair and mild above fog. Low tonight 30-35. High Saturday 38-43, except 32-36 above fog.

Highest Yesterday Temp 39
Lowest This Morning 34

Our Skies Tonight

Pres. to 10 a.m. Today, Trace
Sunset today 4:42 p.m.
Sunrise tomorrow 7:27 a.m.
Winter begins tomorrow at 12:15 a.m.
as the sun rides low as it enters the Sign of Capricorn.
Moonrise tomorrow 3:18 a.m.
New Moon Dec. 26

PROMINENT CONSTELLATION

Orion, rises 6:12 p.m. and will be high in south at midnight.

Decision Marks Real Start on Striking Power

Communique Ends Nassau Meeting

Nassau, Bahamas—UPI—The United States and Great Britain agreed today to assign nuclear bombers now, and Polaris-equipped submarines later, to a combined nuclear force within NATO.

The historic arrangements, representing the first real start on multilateral nuclear striking power under NATO direction, were announced by President Kennedy and Prime Minister Harold Macmillan as they ended their three-day meeting here.

To replace the abandoned Skybolt missile program, the United States will provide its Polaris missiles, at production cost, but without nuclear warheads, to the British when they have submarines capable of using these weapons.

Seen by 1970

It was expected that the first Polaris missiles would not be turned over to the British for actual use until about 1970, because time will be needed for construction of the nuclear submarines.

To start on development of a multilateral nuclear force, Kennedy and Macmillan agreed to subscribe to NATO immediately Anglo-American units now in existence from the U. S. strategic forces, including the Strategic Air Command, United Kingdom Bomber Command and from tactical nuclear forces now in Europe.

Their joint communique, a separate document from their nuclear defense statement, covered a broad range of topics including:

Cuba—"A satisfactory resolution of this crisis might open the way to the settlement of other problems outstanding between the West and the Soviet Union."

Berlin—"They reaffirmed their desire for a 'solid and enduring settlement which would insure that Berlin remains free.'"

Sino-Indian conflict—"They promised special consideration of new assistance to India and expressed the hope the current situation would lead to reconciliation of Indian-Pakistan differences."

Congo—"They agreed to continue trying for 'equitable integration' of the Congo, and supported the Belgian proposal for 'a fair division of revenues' in the Congo."

Seek Test Ban Pact

Disarmament—"They reaffirmed their intention to press for a nuclear test ban agreement with the Soviet Union."

The communique was completed in final draft this morning after Macmillan received overnight approval from the British cabinet for the nuclear weapons plan.

At the outset of the Big Two meeting, which began here late Tuesday, the British were unhappy about the U.S. decision to abandon the costly Skybolt program. Britain had counted upon the Skybolt as the primary weapon in its independent nuclear striking arm.

Joint Enterprise

Kennedy offered to continue the Skybolt development program as a joint enterprise. This would have cost each country about \$100 million. The United States already has \$375 million invested in Skybolt to about \$25 million for the British.

Macmillan turned down the offer because of uncertainty about final cost of the program and date of completion, plus doubts about the ultimate success of the weapon.

Spokesmen for both sides said Macmillan and Kennedy considered the Nassau meeting "the most important and constructive" of their six conferences.

FUNDS ALLOCATED

Portland—UPI—Oregon has been allocated more than \$5.5 million under the new Area Redevelopment Administration and the accelerated Public Works program, an ARA officer said Thursday.

U.S. Britain Will Assign Nuclear Bomber To NATO



CUTS FREEWAY RIBBON—Gov. Mark O. Hatfield, assisted by Miss Oregon, Martha Louise Wyatt, Jacksonville, (left), and Sportsfair Queen Joan Callaghan, Eagle Point (right), snipped a red ribbon about 2:45 p.m. yesterday and opened the new 15.4-mile section of Interstate 5 freeway through Medford. A crowd of more than 100 persons witnessed the event. In a dedicatory address, Hatfield reiterated his plea for increased attention to safety on public highways.

Note of Warning on Bonds for Highways Given by Hatfield

A note of warning that the state can "no longer afford to engage in bonding" to finance future highway construction in Oregon was marked yesterday by Gov. Mark O. Hatfield.

The warning was issued in the governor's address at ceremonies opening the new 15.4-mile section of Interstate 5 freeway through the valley.

More than 100 persons, including a host of state, county and city officials and other dignitaries, gathered for the ribbon-cutting ceremonies near the Barnett rd. interchange.

Hatfield Introduced

Glenn L. Jackson, chairman of the state highway commission, introduced Hatfield as a man "who has brought a new image to the state of Oregon."

The governor said that of the three major construction projects in the state—Highways 42 and 197 and the Astoria bridge—about 45 per cent of the total costs will go toward payment of interest on bonds.

"The new legislature will be under tremendous pressure from various areas in the state who want new construction on a bonded basis," he said. "The requests may amount to as much as \$400 million."

He urged the citizens of Oregon to back the legislature in opposition to further bonding for highway construction.

Calls for Changes

Hatfield called again for three specific changes in Oregon driver laws because "we have not met the challenge in traffic safety."

He said he would ask the next legislature for a speed limit in conjunction with basic rule laws, for authorization for arrest on probable

Seven Residences Set in Flames by Exploding Craft

Debris Rained On School Yard

Portland—UPI—An Air National Guard jet fighter fell into a residential neighborhood near here Thursday, setting seven homes afire and raining debris on a school yard where children were playing.

Only two persons received minor injuries. Three of the homes were extensively damaged.

A six-man Air Force team from McChord Air Force Base at Tacoma, Wash., headed by Col. J. J. Rutgers, began an investigation into the cause of the crash and the extent of damage.

Information Officer Capt. Arthur Kearney said the pilot's statement indicated that the plane caught fire during a practice landing approach at Portland Air Force Base.

The plane crashed into the suburban Parkrose area just east of Portland.

Residents fled their homes as the F-89 tore a large hole in the yard of one home and flaming debris struck the houses.

The plane's pilot, Capt. James R. Alley, 27, of Portland, and the radar observer, Lt. John R. Loacker, 21, also of Portland, parachuted into a field a quarter of a mile away.

Kearney said the pilot and radar observer ejected "at about 600 feet and that's cutting things pretty short."

"There was one big explosion," said Mrs. E. W. Anderson, whose home was across the street from the crash. "Then there were lots of smaller explosions while it was burning." The Air Force said the craft carried no live ammunition.

The series of explosions after the crash accounted for burns to one fireman and a minor cut to a woman bystander.

Two boys playing at Prescott Elementary School fled in terror when they heard the whine of the jet. Wreckage punctured holes in the school roof and fell where the boys had been playing.

"I heard this terrible noise and then there was a big red light and fire was everywhere," recalled Mrs. Eve Berry. "I was scared, very scared."

Mrs. Anderson said her "whole house was like a ball of fire. Red was everywhere. I naturally thought it was an atomic bomb."

(Picture on Page 2A)

Christmas Donations Said Falling Short

Christmas donations to Salvation Army kettles and through the mail are falling short this year, according to Al Dumas, chairman of the Salvation Army Christmas effort.

Mail donations are nearly \$2,000 short of last year, he said.

Because several organizations that formerly gave baskets are not giving them this year, the basket load is heavier for the Salvation Army. Canned goods have been received from various groups, Hedrick Junior High school, and the Junior Red Cross.

However, Dumas said, this does not fill the need for the 350 baskets being prepared.

Those wishing to participate in the Christmas effort may call the Salvation Army at 773-7335.

Insurance Firm Goes Broke Following Storm

Hillsboro—UPI—The 70-year-old Pioneer Mutual Insurance Co. of Hillsboro has become a victim of the Columbia Bay storm.

The firm was placed in receivership Thursday. It said claims exceeded assets by more than \$131,000.

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Jackson County Will Receive \$80,515 From Highway Commission for Roads

Allocation of \$3.7 million for county road construction was made Thursday by the Oregon State Highway Commission at its meeting here.

The funds, which go to all 36 counties in the state, include \$2.2 million in federal money, with the remainder split between county and state matching monies.

The federal money comes from the 1964 federal-aid secondary highway funds. The allocations were computed in accordance with a formula using 1960 census figures and 1962 county road mileages.

The funds will be made available to counties immediately, the commission said.

Federal money was allotted as follows:

Baker \$36,257, Benton \$45,787, Clackamas \$148,780, Clatsop \$39,831, Columbia \$44,780, Coos \$76,418, Crook \$35,387, Curry \$36,332, Deschutes \$40,178, Douglas \$103,813, William \$25,608, Grant \$31,565, Harney \$35,993, Hood \$35,875, Jackson \$80,515, Jefferson \$32,371, Josephine \$46,846, Klamath \$68,057, Lake \$35,326, Lane \$154,055, Lincoln \$45,882, Linn \$82,500, Malheur \$65,796, Marion \$129,955, Morrow \$34,842, Multnomah \$224,108, Polk \$50,449, Sherman \$24,968, Tillamook \$44,352, Umatilla \$75,278, Union \$34,991, Wallowa \$33,089, Wasco \$37,868, Washington \$132,019, Wheeler \$22,478, and Yamhill \$37,507.