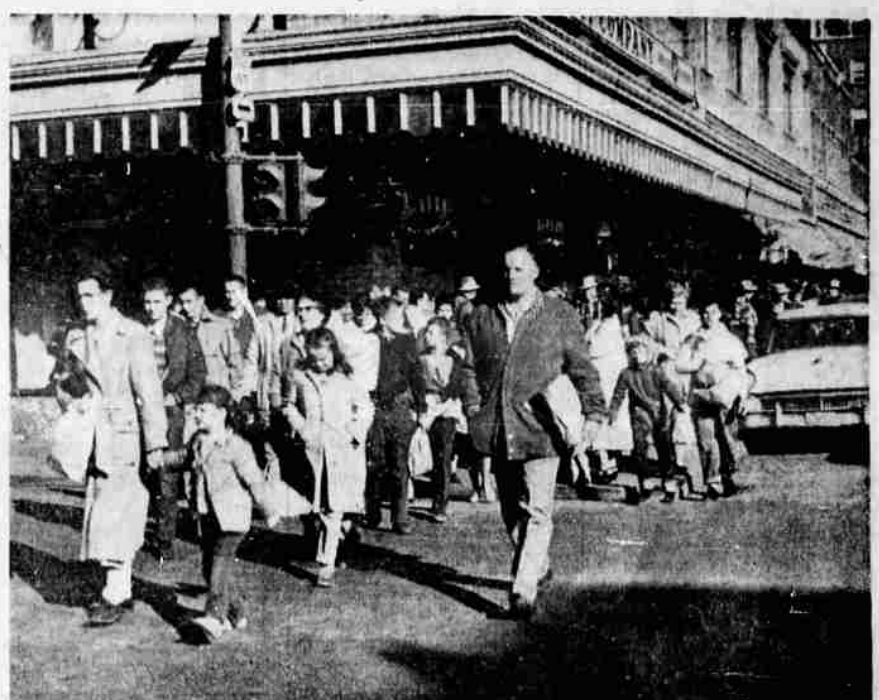




DESPITE LACK OF SNOW, the Christmas spirit was beginning to make its presence known as downtown streets are thronged with Christmas shoppers. Making the shopping tour, Herald and News photographer Don Kettler snapped a few pictures en route. Far left, Jo Ann Martin, daughter of Mrs. Mary Martin, 1934 Lowell, shops with her grandmother, Mrs. Mary Martin, 2245 Vine, and wistfully eyes one of those big beautiful bride dolls, hoping Santa Claus will catch the hint. Center, Cynthia Ann Riley, daughter of Mr. and Mrs. Oliver Riley, 210 North Rogers Street, shops for a suitable present for her mother, eyeing many choice items and mentally computing ability to buy. Far right, just a glimpse of the package-laden crowd that thronged the streets doing their Christmas shopping Saturday afternoon. Merchants report the tempo of Christmas shopping increasing sharply, with selections still good, but stocks depleting rapidly.



In The Day's News

By FRANK JENKINS
Dr. John F. Sly, reporting the other day to the Oregon Department of Planning and Development, made an attention-arresting statement, Oregon's tax spending, he said, is reaching a point that causes some concern.

He added:
Oregon's ratio of taxes to per capita income is the HIGHEST IN THE FAR WEST.

What to do about it?
In his report to the Development Department, Dr. Sly said there are only two ways to keep Oregon's tax burden in line with the tax burdens of states that are competing with Oregon for industrial development:
1. Cut costs of government.
2. Increase the state's economy so that it will be able to support a bigger tax total.

Perhaps, at this point, we'd better do a little explaining.
What does he mean by cutting costs of government? It's perfectly simple. He means SPENDING LESS. In a previous report to the Development Department, Dr. Sly pointed out that Oregon is known as a high level service state. That is to say, Oregon provides a lot of services to its people. He added that as long as this is true, Oregon will be a high level TAX state.

By increasing the state's economy, he means getting more industries to provide more jobs for more people WHO WILL PAY TAXES, thus widening the tax base and lightening the PER CAPITA tax burden.

This is his point:
If we permit Oregon's tax structure — especially as it bears upon business — to get out of balance with the tax structures of states that are competing with Oregon for industrial development, OREGON WILL SUFFER in the competition for new industries.
That's the long and the short of it.

Who is this Dr. Sly?
He is the director of Princeton University Surveys. He was hired by the Oregon Development Department to study Oregon's tax situation, with particular emphasis on its tax CLIMATE so that an intelligent conclusion can be reached as to whether or not Oregon is competitive, tax-wise, with other states that are seeking industrial development in competition with Oregon.

He will appear before a joint session of the legislature early in January to discuss his report. He is an impressive character. He knows his subject. In talking with him, one gains the impression that he keeps his feet on the ground and his head out of the clouds.
He is PRACTICAL in his approach to the subject he has been hired to investigate and discuss. If the Oregon legislature gives heed to his advice and comes up with a tax program designed to accomplish the objectives he suggests — and if the people of Oregon support such a program — he will have earned his fee.

NATO Seeks End Of Internal Strife

PARIS (AP)—Reassured that the Western Big Three will stand fast against Soviet pressure on West Berlin, the North Atlantic Allies turned today to critical disputes within the alliance.

The agreement Sunday on Berlin by the foreign ministers "reaffirmed the determination of their governments to maintain their position and their rights with respect to Berlin, including the right of free access."

The statement rejected the Soviet proposal to give the East German Communist regime control of Allied traffic with West Berlin. In effect, the ministers ruled out suggestions that the West deal with the East Germans as agents of the Russians.

The three ministers — U.S. Secretary of State John Foster Dulles, French Foreign Minister Maurice Couve de Murville and British Foreign Secretary Selwyn Lloyd — gave no indication of what counterproposals they would make in reply to the Soviet note of Nov. 27.

But they said they were agreed on the basic issues to be covered in their replies. They said they would consult with the other NATO allies in the NATO Council meeting beginning Tuesday and then would formulate their notes to the Soviets.

Premier Nikita Khrushchev in the Soviet note said the Soviets were withdrawing from the four-power occupation of Berlin. He proposed that West Berlin, 110 miles behind the Iron Curtain, be made a demilitarized free city. The Russians said regardless of what was worked out for West Berlin, they were giving the East Germans control of all communications within the city in six months.

The Western refusal to deal with the East Germans apparently left no alternative but force to insure access to the city if the Russians go ahead with the transfer of communication controls. The Russians have said they would constitute aggression against East Germany and that Soviet troops would go to the satellite regime's aid in accordance with the Warsaw Pact.

West German Foreign Minister Heinrich von Brentano joined in the later half of the three-hour conference at the Foreign Office. West Berlin Mayor Willy Brandt also spent half an hour in the meeting, giving his views to the foreign ministers. Dulles told him after the meeting, "You don't need to be worried."

Today the Allies turned to trade and economic policy with a meeting of the 17-nation Organization for European Economic Cooperation. The OEEC includes all European members of the Atlantic Pact plus such neutral countries as Sweden, Switzerland and Austria.

ter of Mrs. Mary Martin, 1934 Lowell, shops with her grandmother, Mrs. Mary Martin, 2245 Vine, and wistfully eyes one of those big beautiful bride dolls, hoping Santa Claus will catch the hint. Center, Cynthia Ann Riley, daughter of Mr. and Mrs. Oliver Riley, 210 North Rogers Street, shops for a suitable present for her mother, eyeing many choice items and mentally computing ability to buy. Far right, just a glimpse of the package-laden crowd that thronged the streets doing their Christmas shopping Saturday afternoon. Merchants report the tempo of Christmas shopping increasing sharply, with selections still good, but stocks depleting rapidly.

Herald and News

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Pennsylvania Blast Kills Six

ALLENTOWN, Pa. (AP)—A gas explosion ripped the building apart, killing six people and injuring 20 others in a series of lesser explosions in a bar and restaurant.

The second blast was followed by a series of lesser explosions as leaking gas ignited in the streets around the hotel.

The operators of the hotel, actually a tavern with living quarters on the second floor, were Mr. and Mrs. George Andreasack. Mrs. Andreasack's timely warning to some 50 patrons probably kept the death toll down.

"I went to the cellar door after I smelled gas and when I opened it, the odor was very heavy," she said.

He parked and ran with his camera to the front porch of the 120-year-old Mountaineer Hotel, a good spot from which to see the spectacular fire. Others also had gathered on the porch, or near it, to watch.

Minutes later the second explosion ripped the building apart.

"I yelled to the patrons to put out their cigarettes and get out because I was afraid of an explosion."

Moments after the bar patrons left, the hotel was destroyed.

In addition to Kraft, the dead were William Gruber and Perry Miller, both 16, who had just left a nearby roller skating rink; William MacLean; Walter Leiger, 37, and Maynard Haebner, 39, all of Allentown.

The fire lasted three hours. Utility workers finally shut off the main valve to bring it under control.

The explosions and fire drove hundreds of residents from nearby homes. They were able to return several hours later when the gas accumulation had dissipated.

Investigations were launched by the Fire Department and the United Gas Improvement Co.

World News In Brief

(BY UNITED PRESS INTERNATIONAL)
NATO—Paris — Western Allies reject Soviet ultimatum on Berlin but will discuss German reunification at any time.

(DULLES)—Paris — Dulles taking care of health but still dynamic in meeting with Allies.

(POPE)—Vatican City — Pope John XXIII formally creates 23 new cardinals including two Americans.

(PROGRAM)—Washington — Eisenhower and GOP congressional leaders meet at White House on President's 1959 legislative program.

(MIDEAST)—London — Possibility of Communist-led uprising in Iraq brings Mideast to crisis point again.

(WEATHER)—New snowstorm swirls into East, cold keeps grip on South.

(SLAYINGS)—El Cajon, Calif. — Search pressed for 16-year-old youth in slaying of mother and four children.

(EASTERN)—Miami — Machine-gunners promise quick vote on pact expected to end their strike against Eastern Airlines.

(NEWSPAPERS)—New York — Federal mediation chief tries to work out agreement in newspaper strike.

Moscow Radio Levels Blast

LONDON (AP)—Moscow radio charged the foreign ministers of the Western Big Three with ignoring the Soviet proposal to make Berlin a demilitarized free city.

The broadcast was the first brief Soviet comment on the foreign ministers' statement in Paris Sunday that their governments would not be forced out of West Berlin and would not do business with the East German regime.

The Soviet radio said the Western communists "bears witness to their unwillingness to allow any change in the abnormal situation in Berlin."

"In essence, it gives no reply to the Soviet proposals."

This was followed by a fresh promise in Pravda to defend Communist East Germany from aggression.

"The Soviet Union will not be hampered by irresponsible threats made by certain Western windbags who declare they will hold a 'clear road' to Berlin with troops and tanks," the party organ said.

GOP Plans Battle For Senate Control

WASHINGTON (AP)—A group of 10 Republicans who rate themselves as liberals voted unanimously today to undertake a fight for control of the Senate leadership of their party.

Their spokesman, Sen. George D. Aiken (R-Vt.) announced that they decided to present "a full slate of candidates at the Senate Republican conference in January which will be representative of the Republican party as shown by the voters in the last election."

The action posed the prospect of a fight with Sen. Styles Bridges of New Hampshire, chairman of the Senate GOP Policy Committee, and Sen. Everett M. Dirksen (R-Ill.), who apparently is Bridges' choice to succeed Sen. William F. Knowland (R-Calif.), as Republican floor leader.

It also raised the possibility that Bridges himself may seek the floor leadership if it appears Dirksen might be in danger of losing.

Bridges has been quoted as saying that if it is necessary to avoid a fight he will step in and take over the leadership.

Since Bridges is the senior Republican, most congressional observers feel it would be difficult to defeat him.

Aiken said the group did not endorse any candidates today, but will do so when it meets again Dec. 30.

One of those at the meeting was Sen. Thomas H. Kuchel of California. Several of those present back Kuchel for the post of Republican whip. The others who participated were Sen. John Sherman Cooper (Ky.); Sen.-elect Kenneth B. Keating and Sen. Jacob K. Javits of New York; Frank Carlson (Kan.); Clifford B. Case (N.J.); Sen.-elect Hugh Scott (Pa.) and Sen.-elect Winston L. Prouty (Vt.) and Sen. Prescott Bush (Conn.).

Aiken said all those at the meeting are strong supporters of President Eisenhower, but when asked if the White House had given them any encouragement, he said: "We haven't heard a peep from the White House, but we would welcome some encouragement from there."

He also said the movement had not been discussed with Vice President Richard M. Nixon.

There will be 32 Republicans in the new Senate.

Congressmen Say Budget Will Balance

WASHINGTON (AP)—Republican congressional leaders predicted today at a conference with President Eisenhower today that the administration will send Congress a balanced budget calling for spending about 80 billion dollars next year.

Spending of that size would compare with an estimated \$79,200,000,000 in the fiscal year which started July 1.

Sen. Styles Bridges (R-NH) gave newsmen the new \$80-billion-dollar estimate after he and other GOP leaders had conferred with Eisenhower more than 2½ hours on the administration's 1959 legislative program.

Bridges' estimate appeared to dash Eisenhower's hopes for a general reduction in spending. But Bridges predicted that the budget Eisenhower will send to Congress next month will be balanced.

"Prospects in the current fiscal year are for a deficit of about 12 billion dollars."

Bridges is chairman of the Senate Republican Policy Committee. He said that of the \$80-billion-dollar estimated total for the new year, the administration goal is to keep defense spending at about this year's calculated level—\$40,800,000,000.

But Bridges added there has been no final decision in that field. Bridges said none of the budget figures presented to the GOP leaders is in final form.

General budget problems and defense spending got top priority at Eisenhower's White House conference with GOP leaders.



Forecasters See No End To Bitter Cold In East

United Press International
Fresh snows swept out of the Southland and the Northeast today. Weathermen forecast no major break in the bitter weather cloaking much of the nation.

The brunt of the Eastern storm moved out into the Atlantic Ocean Sunday night, but deposited moderate snowfall amounts along its flanks from northern New Jersey to southern New England.

Earlier, the storm slammed into Dixie, dumping six inches of snow at Richmond, Va. It left one to four inches from northern South Carolina to southeastern New England.

As the cold snap stretched well into its second week, readings plunged to zero or below as far south as Fayetteville, Ark. During the night, freezing temperatures ranged through Georgia and northern Florida.

However, a warming trend in the northern plains created a reversal of the usual weather pattern. Great Falls and Cubank, Mont., each recorded 35-degree readings at midnight, while along the Gulf residents of Mobile, Ala., and New Orleans shivered in 29 and 33-degree temperatures, respectively.

The Southland's cold wave was felt during the night from Texas to northern Florida, where at least five deaths have been attributed to the icy temperatures.

Oswego, N.Y., was pelted with four inches of snow Sunday morning, boosting the total that has fallen in that snow-crippled city in the last eight days to 35 inches.

Skies cleared during the afternoon, and highway crews made the most of the reprieve to clear Oswego of snow and a foot and one-half layer of ice in the streets.

"It looks like we're pulling out of it," an official said. No snow was predicted for the city today.

About an inch of snow fell on Chicago, bringing the accumulation to 11 inches in the past week. Temperatures fell below zero during the night for the sixth day of zero or sub-zero readings in the city this month.

U.N. Ho-Hums To Close; Deadlocks Mark Meet

UNITED NATIONS, N.Y. (AP)—The 1958 United Nations General Assembly was distinguished mainly by East-West failure to agree on any major issue.

The 13th session dragged to a close on a general note of frustration. Delegates noted deadlocks on outer space, nuclear tests and other political questions overshadowed by the cold war.

The end came at 11:57 o'clock Saturday night after these developments:
1. A resolution declaring that the Algerian people had a right to independence failed to obtain the required two-thirds majority. The vote was 33-18, with 28 abstentions. This killed any chance for U.N. action this year toward ending the four-year-old rebellion of Algerian nationalists against France.

2. The Assembly approved 53-9, with 19 abstentions, a resolution to set up an 18-nation outer space study committee. But the Soviet Union announced it won't take part in its work.
The Assembly will reconvene Feb. 20 to discuss independence for the Cameroons, African territories under British and French trusteeships since 1946.

The session opened amid two international crises. It wound up without taking action on either.

The Formosa crisis was taken out of the U.N. orbit when Warsaw talks began between the U.S. and Red Chinese ambassadors.

U.N. action on the Middle East was limited to a progress report by Secretary General Dag Hammarskjöld. Interest centered on a U.S.-British troop withdrawals and political developments in the troubled area.

Disarmament failed to cause much of a stir; attention focused on the Big Three nuclear talks in Geneva.

The proposal for a U.N. standby force, put before the emergency Assembly session last August by President Eisenhower, wound up on the shelf.
The United States succeeded again in getting the Assembly to shelve the question of Red China's membership.



SHOOTING HOURS:		
OREGON		
December 16		
OPEN	6:57	CLOSE 4:37
CALIFORNIA		
December 16		
OPEN	6:56	CLOSE 4:35



A STICKY ACCIDENT occurred on East Main Street near South Sixth Street early this morning when the front wheels on this southbound asphalt truck jackedknifed and sent the vehicle sprawling across the street, blocking the northbound lane of traffic and sidewalk, city police said. Ralph E. Hanson, 813 Pine Street, driver of the truck, was cited for having inadequate emergency brakes. Police are continuing their investigation of the accident. It took more than an hour's joint effort by police and firemen to clear the hot asphalt off the street. Police reported that the wheels gave way because the spring shackles were broken.

Polar Probers Tent Sighted

LONDON (AP)—A Soviet search pilot today found a tent less than two miles from the wreck of a Belgian plane in the Antarctic but saw no trace of four missing explorers.

The Belgians, with only enough food to last until Tuesday, had left a note in the plane four days ago saying they were setting out on foot over treacherous icy wasteland to a supply depot 80 miles away.

Radio Moscow said Soviet polar pilot Viktor Perov had spotted the tent in Queen Maud Land and landed there. He found the tent empty and no one about.

Perov searched the area for 25 minutes and then took off again to look for the missing men from the air.
The Belgians said in their note that they had food enough to last until Tuesday.