

By FRANK JENKINS

Defense program news:
The heavy emphasis in President Eisenhower's new \$41 billion defense budget will be on air-atomic power and intercontinental missiles.

Of the approximate \$41-billion dollars planned to be spent in the next fiscal year, the army will get (in round figures) about \$9.4 billion, the navy will get about \$11.5 billion and the air force about \$18.1 billion. In addition, the department of defense as a whole will get about \$1.5 billion for advanced research projects.

That is to say:
We expect the bulk of our defense in the coming years will be in the AIR.

The army is low man on the totem pole. It will be held to its present manpower strength of about 14 divisions and will get only about half of what it wants for a five-year equipment modernization program.

Why?
It looks now like future wars will be fought elsewhere than on the ground.

The navy won't get the additional atomic-powered aircraft carrier it wants, but WILL be allowed an additional MISSILE LAUNCHING submarine to go with the nine now ordered or planned. These submarines launch MISSILES from under the surface of the water, where they will be hard to detect and hit.

As to the atomic-powered carrier, it is presumably reasoned that if a guided missile can track down and destroy a plane in the air it can track down and destroy an aircraft carrier much more easily.

Quite significantly, a big slice of the air force budget is earmarked for purchases of Atlas and Titan intercontinental ballistic missiles and for the first time an intercontinental ballistic missile unit—an Atlas squadron—will replace a PILOTED AIRCRAFT UNIT in the air force's strategic air command.

So—
It appears—
The job of defending ourselves if war should come will be carried on chiefly in the air—and the air is the domain of the air force.

War is changing.
In the old days we declared war on an enemy and the enemy then declared war on us—or vice-versa. We then put in months, or maybe years getting ready to fight.

In the future, it will be ON US when war starts, it will be ON US in a matter of minutes.

Dulles Aide To Testify

WASHINGTON (AP)—Asst. Secretary of State Roy Rubottom was summoned before a congressional committee today to face a demand for U.S. action to halt Cuba's postrevolutionary wave of killings.

Chairman Wayne Hays (D-Ohio) of the inquiring House Foreign Affairs subcommittee, said he wants to know "What the State Department is going to do to calm Castro down before he depopulates Cuba."

Fidel Castro led the revolution which deposed dictator Fulgencio Batista on New Year's Day.

Hays himself suggested tough U.S. economic measures against Cuba, short of sending in troops. He said they might include cutting off credit to Cuba or barring imports of sugar from the island.

"The United States cannot ignore mass murder now no matter where it is committed," Hays said. "This guy Castro is starting off in the same direction (as Batista), only worse."

But Rep. Alvin M. Bentley (R-Mich.), a member of the subcommittee, said he didn't know what the United States could do about changing the way justice is handled in a foreign country. He did express hope that Cuba's government would provide fair trials.

Impending Oil Strike Clouds Labor Picture

By THE ASSOCIATED PRESS

Hopes for an end to the nation's largest strike, involving 37,000 International Harvester Co. workers, faded today when negotiators recommended rejection of a proposed new contract.

The labor picture was darkened further by a forecast of widespread walkouts in the oil industry.

The Harvester UAW negotiating group recommended that a council representing rank and file

members reject settlement terms. Previously the negotiators had decided to pass the three-year agreement on to the council without recommendation.

A meeting of the council is scheduled for Friday. The strike has been in force for two months. The walkout involved the big farm implement firm's 25 factories, transfer points and depots.

On the debit side of the labor news, O. A. Knight, president of the Oil Chemical and Atomic Workers, with a membership of 105,000 in the oil industry, said widespread strikes are likely to develop early next week.

Knight's prediction came as federal mediators in Kansas City reported no progress in contract talks between the Sinclair Oil Co. and the union representing 9,500 of its workers.

Strike notices which expire at midnight Saturday have been filed with Sinclair and most of the 600 individual oil plants with which the union has contracts.

The Sinclair contract is the only one negotiated on a nationwide basis in the oil industry by the union but it usually sets the pattern for other contracts on a plant-by-plant basis. The union has asked for a wage hike of 25 cents an hour or 21 cents an hour plus fringe benefits. Sinclair has not offered a wage increase. The average wage now is \$2.71 an hour.

In other labor disputes, the nation's longest strike involves 13,000 employees in seven plants of the Pittsburgh Plate Glass Co. Federal mediators are meeting in Philadelphia with representatives of the company and the United Glass and Ceramic Workers Union in efforts to end the strike, which started last Oct. 6.

Seniority rights and incentive pay are believed to be the major issues in dispute. Wages are not involved.

In Los Angeles, 1,000 supermarkets have been closed since Jan. 1 by a strike-lockout. The strike is by the Retail Clerks Union and the lockout by the Food Employers Council, representing the store operators, in retaliation.

The strike-lockout has idled 16,000 persons and has changed the shopping habits of housewives. They do their marketing at 4,500 grocery stores not affected by the walkout.

The clerks have demanded a wage benefit package totaling \$2.5 cents hourly spread over a five-year contract. The employers offer a 50-cent package offer. The clerks were paid \$2.30 hourly under the old contract.

In the Harvester settlement, a company spokesman said the strike cost the union about \$2,600,000 in wages. A union spokesman estimated the UAW strike fund has paid about one million dollars weekly in strike benefits.

Demos Given Committee Assignments

WASHINGTON (AP)—Sen. Lyndon B. Johnson (D-Tex.) held a busy day today on the Senate party organization.

With Johnson in full command as majority leader, Democrats parceled out their committee assignments Wednesday. Republicans are expected to have their assignments completed in time for approval by the Senate on Saturday. That would permit organization of individual committees next week.

In an agreement with Sen. Styles Bridges of New Hampshire, chairman of the GOP Policy Committee, Johnson won Senate approval of enlarging some of the important Senate committees and revamping their party ratios to conform with the new lineup of 64 Democrats and 34 Republicans.

Johnson's assignment of his party members appeared to reward some of the Democratic freshmen who supported his successful effort this week to compromise the fight over the Senate's filibuster rule.

One of these, Sen. Robert C. Byrd of West Virginia, got two major committee places, on Appropriations and Banking, an almost unprecedented attainment for a freshman. Sens. Thomas J. Dodd of Connecticut and Gale McGee of Wyoming, who supported Johnson's compromise, also drew Appropriations Committee assignments.

The Appropriations Committee, which handles all of the money bills, was enlarged to 27 members, more than a fourth of the Senate's total of 98.

Other Democrats added to the group included Sens. Alan Bible of Nevada, Estes Kefauver of Tennessee, A. S. Mike Monroney of Oklahoma and John Stennis of Mississippi.

Sen. Frank Church of Idaho, a strong Johnson backer, won a coveted place on the Foreign Relations Committee. Other party vacancies on that group were filled by Sens. Albert Gore of Tennessee and Frank Lausche of Ohio.

Sen. Eugene J. McCarthy of Minnesota, formerly a member of the House Ways and Means Committee, won a place on the tax-handling Finance Committee. McCarthy opposed Johnson's rules compromise. Sen. R. Vance Hartke of Indiana, who backed Johnson, and Sen. Herman Talmadge of Georgia, also won places on this committee.

Red Rehashes Moscow Plea

UNITED NATIONS, N.Y. (AP)—Dep. Premier Anastas I. Mikoyan renewed Soviet demands today for a summit meeting to ease East-West tensions.

The Kremlin's No. 2 man said the Soviet government still feels the leaders of the four big powers must meet before real progress can be made.

He declined to suggest when such a meeting would be held, but said it "cannot be sidestepped much longer."

Mikoyan made his remarks at a news conference.

U.S. Revises Timber Value

PORTLAND (AP)—The Interior Department today revised the appraised valuation of the Klamath Indian Reservation.

Under a reappraisal the value was placed at \$90,791,123. Sen. Richard L. Neuberger in announcing the reappraisal earlier this week had placed the figure at \$89,486,358.

Department officials explained he had not had access to the complete breakdown in the reappraisal and so had unknowingly added up an incomplete list.

In February, 1958, the tribal property was appraised at \$119,738,029.

"Since then, however, cash distributions have been made which amount to more than \$1,000 for each tribal member," a department announcement said.

Also since then ponderosa pine prices have dropped about 15 percent, contributing to the decrease in appraised value. The department said three firms made the new appraisal and all had lower totals than the original appraisal.

Herald and News

KLAMATH FALLS, OREGON, THURSDAY, JANUARY 15, 1959

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MONEY donated by Klamath Falls residents who had Christmas trees removed by members of the Klamath Falls Loyal Order of Moose for a Twelfth Night bonfire is to be divided among six local organizations in units of \$25 each. A total of \$164.45 was collected. Expenses totaled \$14. These are heads of the groups to benefit by the distribution of the cash. Left to right are Mrs. Naomi French, Camp Fire Girls; John Pedersen, Klamath Falls Gospel Mission; V. M. Caley, governor Klamath Falls Lodge LOOM for Boy Scout Troop 99 sponsored by the Moose; Capt. Charles Kendall, Salvation Army; Mrs. Harriett Brotherhood, Girl Scouts and Paul Campbell, YMCA.

GOP Leaders, President Ready To Back Orb Slate

WASHINGTON (AP)—President Eisenhower and top Republican spokesmen appeared today with a fighting defense of the administration's space, missile and security programs.

Key leaders in the new and heavily Democratic Congress already have promised searching and critical investigations into all phases of the Eisenhower defense policies and programs.

Vice President Richard M. Nixon has indirectly invited such an investigation, and expressed to fellow Republicans confidence that the programs will stand up under the scrutiny.

Both the President and the new Republican Senate leader, Everett M. Dirksen of Illinois, defended the programs publicly Wednesday.

Eisenhower told a National Press Club luncheon that this country had "made remarkable progress" in the field of long-range missiles.

As to the Soviet's accomplishments in this field, he said "It was not as if we were behind in certain phases, we would indeed be a little stupid, because they have been working at it for many years, and our urgent work in this field on the long-range missile has started only something like four years ago."

Eisenhower commented that he thinks it shows a lack of sense of balance "to disturb ourselves too much that we have not yet caught up with another great power and people with great technical skill in a particular item."

He said this country must have a balanced military program and be ready to meet any attack without knowing when, where or how it can start, and he where to respond instantly.

"I think we are," he said. "We have made very remarkable progress."

About the time Eisenhower was speaking, Dirksen replied in the Senate to Sen. Stuart Symington (D-Mo.), who said Monday the administration is trying "to lull people into a state of complacency not justified by the facts."

Symington was secretary of the Air Force under former President Truman, and has been a frequent critic of defense policies.

Good news for those drawing unemployment compensation was received this morning by Guy Barker, manager of the Klamath Falls office of the state employment service. However, there was a possibility that it was not really quite as good as it looked.

"Effective immediately, all benefit checks shall be delivered to clients in the usual manner," said the telegram, which was signed by R. F. Baxter, state supervisor of unemployment benefits.

It was Baxter who had advised Barker by an earlier wire, received Wednesday, that no checks dated January 13 or later were to be issued to claimants until solution of the current controversy over whether Howell Applying or David O'Hara is secretary of state.

The secretary of state must sign all warrants withdrawing funds deposited with the state treasurer.

The explanation offered today by the State Unemployment Compensation Commission in Salem for Baxter's reversing himself indicated that no final solution has been found to the problem, however. The commission said it would be able to pay this week's jobless benefits by using its own funds, for which the secretary of state's signature is unnecessary.

However, if the new order will only affect this week's checks, this will help only those persons whose "report day" is Friday. Sufficient checks, dated prior to January 13, were already on hand locally to pay claimants through Thursday of this week.

Unemployment compensation claimants are paid weekly. Approximately 180 report each day of the five-day week.

Weather

FORECAST—Klamath Falls and vicinity: Partly cloudy through Friday. Low tonight 25-30; high Friday 42-52.
High yesterday 37
Low last night 29
Precip last 24 hours 0
Since Oct. 1 2.20
Same period last year 8.28
Normal for period 5.74

CRATER LAKE

High yesterday 41
Low last night 22
5 a.m. today 32
No new snow
Snow depth 33
Last year 104
Roads through the park and to the rim were open and bare with no chains needed, the rangers reported this morning. Weather apparently was similar to that in Klamath Falls—overcast skies, occasional sprinkles of rain and no wind.

Gen. Marshall Has Stroke

PINEHURST, N.C. (AP)—Gen. George C. Marshall, 78, suffered a mild stroke at his home here early today and was taken to Womack General Hospital at nearby Ft. Bragg.

Gen. Marshall has been in poor health and confined to his bed for several months.

Col. G. M. Powell, chief surgeon at the hospital, said the general's condition was satisfactory, that he was resting comfortably, and there had been no complications from the stroke.

Marshall, army chief of staff during World War II and later secretary of state, fell ill upon awakening at his winter home this morning.

Powell was summoned and decided to remove the veteran soldier-statesman to the Army hospital for observation.

Shortly afterward the Army's Walter Reed Medical Center at Washington and Maj. Gen. Howard M. Snyder, President Eisenhower's personal physician, were notified.

Jobless Pay Off, On Again

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Reich Reassured West Stands Pat

WASHINGTON (AP)—The United States has reassured West Germany that it is standing pat

for the time being, at least — on the policy of seeking German reunification through free, all-German elections.

Official statements, however, did not rule out the possibility of future revision of this policy.

The West German government of Chancellor Konrad Adenauer sought more information after Secretary of State John Foster Dulles told a news conference that free elections were the "natural method" but not the only possible way of merging the two parts of Germany into a single nation again.

This was interpreted as meaning that the stand for free elections might be modified if some other practical means to reunification opened up in prospective negotiations with the Soviet Union.

It is understood that various new ideas relating to the German problem are under discussion in the State Department, even though all in the end could be discarded.

West German Ambassador Wilhelm Grewe and Herbert Wilmann, top-ranking emissary from the German Foreign Office, conferred with Dulles for an hour Wednesday.

Grewe then issued this statement, saying that it had Dulles' full approval: "The secretary reaffirmed that it is the policy of the United States government to seek reunification of Germany through free elections. As the secretary said yesterday at his press conference, there are various theoretically possible methods, but reunification of Germany by free elections is the natural method and the formula agreed to (by the Western powers and the Soviet Union) at the summit conference in 1955."

Since the summit meeting, however, the election plan has opposed the Soviet Union and insisted on direct negotiations between the East and West German government on reunification.

State Department press officer Lincoln White also issued a statement saying, "There is no change in the United States position of support for free elections as the best and most logical method of

achieving a true and workable reunification of Germany."

While both of these declarations stated emphatically what the present policy is, neither of them ruled out the possibility of moves toward the merging of East and West Germany through some other formula if that can be done.

The Soviets are advocating a German settlement which would demilitarize and isolate that nation as a buffer zone in central Europe.

Rebel Leader Makes Threat To Uncle Sam

HAVANA (AP)—Fidel Castro, defending the execution of persons the Cubans call war criminals, declared today that if the United States sends Marines to Cuba "200,000 gringos will die."

The rebel chieftain made the statement to a crowd which surrounded him in a hotel lobby as he was heading for a Rotary Club luncheon. The reported toll of executions by order of revolutionary courts has risen to 195.

It was not made clear how the suggestion that the United States might send Marines to Cuba came up.

However, Asst. Secretary of State Roy Rubottom was summoned before the House Foreign Affairs subcommittee in Washington to face a demand for U.S. action to halt the executions.

Rep. Wayne Hays (D-Ohio), the subcommittee chairman, suggested tough measures short of sending troops, such as shutting off U.S. credit or barring Cuban sugar.

Castro said the executions are not understood in other countries.

"We are trying those who killed 20, 30 or 40 persons," he said, "and they ask us to be humane."

Advisers from Oriente province said five former military men were executed by a firing squad at Bayamo and five other followers of Batista were executed at Holguin.

In a diatribe against North Americans, Castro said: "They sent bombs (to Fulgencio Batista's government). They sent a military mission. The Americans are guilty of this. They are guilty of concessions. Americans are responsible."

"We are more democratic than President Eisenhower," Castro continued. "We are more democratic than John Foster Dulles. There is more liberty here than in the United States. There is no country in the world with more liberty than Cuba."

The rebel leader, Fidel Castro, said the executions will continue, regardless of world opinion about the summary justice accorded captive followers of ex-President Fulgencio Batista who are adjudged major war criminals.

"We have given orders to shoot every one of these murderers," Castro declared Wednesday night.

Some convicted prisoners are getting prison terms. A few are being freed. A tribunal at Santiago Wednesday provisionally freed five—three civilians and two military men.

Commissioner Appointment Due

SALEM (AP)—Gov. Mark Hatfield said today he would appoint a new state tax commissioner in a day or two to succeed S. W. Horn.

He said that Horn, an appointee of ex-Gov. Robert D. Holmes, has resigned.

The governor already has appointed Dean Ellis, a Tax Commission lawyer, to succeed Samuel B. Stewart. The third commissioner is Carl Chambers.

Ellis took his oath Wednesday, and was elected chairman, succeeding Chambers.

General Vows To End Crisis

PARIS (AP)—President Charles de Gaulle opened the first National Assembly of the Fifth Republic today with a pledge to work toward a political solution in Algeria through universal suffrage.

De Gaulle's generalized message, read to the Assembly by its president, Jacques Chaban Delmas, clearly implied more elections or referendums in the troubled North African territory where a rebellion has raged for four years.

A prerequisite to the expression of universal suffrage, De Gaulle said, was the pacification and economic transformation of Algeria.

Following De Gaulle's brief speech, newly named Premier Michel Debre presented to the packed chamber the program of his new government—a program supporting the Western Alliance but clearly demanding a bigger voice for France.

The deputies stood respectfully while Chaban Delmas read De Gaulle's statement.

De Gaulle called for the Assembly to put aside the bickering that weakened the old Fourth Republic and finally brought about its downfall.

"A rigorous putting in order of our affairs is absolutely necessary in all those areas which touch upon our national destiny," De Gaulle said.

The assembly was to get its first chance to discuss government policies after 7½ months of De Gaulle's one-man rule before Debre calls for a vote on his program.

Governor Seeks Building Program Within \$299 Million State Budget

SALEM (AP)—Gov. Mark Hatfield said today that he hopes to be able to include a building program for institutions and colleges within the 299 million dollar state budget.

The budget, prepared by ex-Gov. Robert D. Holmes, included only 23 million dollars for buildings. Almost all of this amount is for a research center at the Medical School in Portland.

Hatfield said that his finance director, Freeman Holmer, is busy trying to prune down the recommended appropriations in the budget. Holmer hopes to prune these by 10 million dollars, and use that money for buildings.

The Board of Control and Board of Higher Education want 30 million dollars worth of new buildings.

Hatfield said he would have his recommendation by Feb. 15.

He said he is concerned, however, that the Legislature might pass the Holmes tax program before his program is ready.

Hatfield added that his revenue program would be prepared by his Tax Commission.

Asked if he favors Holmes' recommendation that the building program be financed by a bond issue to be submitted to the people, Hatfield said:

That has to be considered as one of the possibilities, but I'm not ready to accept it as the only answer. Sig Underander (state treasurer) has grave reservations as to how such a bond issue might adversely affect the state's credit.

"But something has to be done about buildings because of the dire need for them."

World News In Brief

United Press International
GERMANY—Washington — President Eisenhower has invited Russia to put forward "honest, peaceful" suggestions on German reunification.

CUBA—Havana — Executions of "war criminals" in Cuba were resumed.

DEFENSE—Washington — New defense budget will place heavy emphasis on air-atomic power and intercontinental missiles.

PRESS—Washington — Eisenhower says he doesn't mind meeting the press now and again.

OSCARS—Hollywood — Motion Picture Academy repeats announcement banning Communists and uncooperative witnesses from getting Oscars.

Hatfield said that 43 bills, carrying out the recommendations in his inaugural address, are being prepared and will be introduced soon.

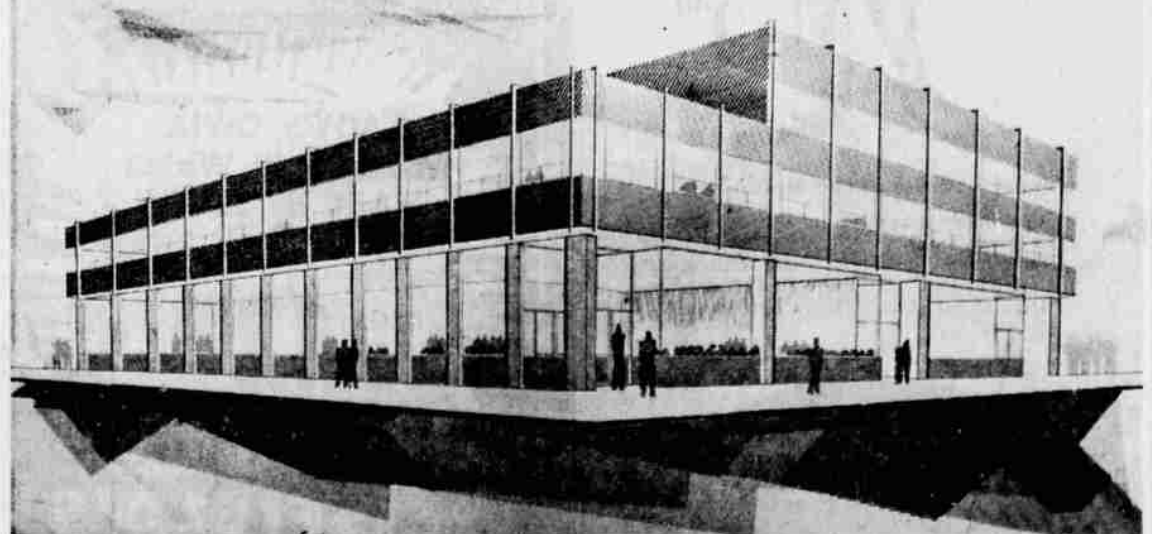
The legislative interim committee on highways introduced its bill today to increase the 6-cent a gallon gas tax to 7 cents. The committee and the Highway Commission say the increase is needed to provide enough state money to match federal highway grants.

Rep. Norman Howard (D-Portland) introduced a bill to make the state fire marshal independent of the insurance commissioner. This was recommended by Gov. Hatfield.

The Legislature was proceeding at full steam to solve its finance problem. Joint Ways and Means subcommittees began Wednesday to hear testimony from staff agencies about their budget requests.

A bill to permit peoples' utility districts to issue revenue bonds without a vote of the people was introduced by Sen. Ben Musa (D-The Dalles). A vote still would be required before issuing general obligation bonds.

Both houses met briefly this morning. Afternoon sessions are not being held in order to give more time to hold committee meetings.



ARCHITECTS' RENDERING of the improvements to be made to the First Federal Savings and Loan Association building, 540 Main Street, and the building it owns immediately to the south was made by Morrison and Howard, architects, 203-05 Williams Building. Bids for the remodeling have been invited and will be opened in the office of George W. McIntyre, president of First Federal Savings and Loan Association at 2 p.m. on Tuesday, January 20.

When completed, this project will nearly double the facilities of the savings and loan operation. Plans call for complete remodeling of the lobby, addition of a directors' conference room, employees' lounge, expanded offices and larger bookkeeping department. Unusual exterior treatment will be the use of colored porcelain enamel facing on the second and third levels.