

## In The Day's News

By FRANK JENKINS  
Let's talk today about an always interesting subject. The subject I'm referring to is GOLD. Gold has interested mankind as long as history has been written.

Why talk about it now?  
Well, something is happening. The U.S. Treasury's gold stock is shrinking. As of Tuesday of last week, the Treasury had about 204 billion dollars worth of the yellow metal on hand. That is about 200 million dollars worth LESS than it had only six weeks ago. In one day, May 12, the U.S. shipped ten million dollars worth of gold abroad.

In all of 1958, two billion, 300 million dollars worth of gold moved out of the United States to other countries. That is a record movement for one year.

As of now, the money situation is safe enough.

According to law, the Treasury must have enough gold to cover at least 25 per cent of the money supply. Last year, there was enough on hand to cover 47 per cent. As of NOW, there is only enough to cover 42 per cent.

But—  
The trend is DOWNWARD. If this down-trend continues, something will have to be done about it.

Why the down-trend?  
The experts put it this way: International trade accounts for the shift of gold. The United States has been IMPORTING large amounts of goods and services (foreign automobiles are the most interesting item.) At the same time, there has been a big drop in our EXPORTS of goods and services.

The drop is continuing.  
Why this situation?  
It's perfectly simple. American goods and services are getting COSTLIER. They are getting costlier because our costs of production are rising. As our costs get higher and higher, foreigners are enabled to undersell us. They are able to undersell us here in our own domestic markets (note the rising volume of foreign automobile sales) and they are also able to undersell us in world markets.

Hence the drop in our exports.

Why are our prices rising?  
Inflation lies at the root of it. There are two major causes of inflation:

1. Government deficits.
  2. The wage-price spiral.
- This fact states us in the face: If government goes on spending more than it takes in and borrowing the difference and if the wage-price spiral goes on spiraling, the time will come when we will price ourselves out of the markets—both at home and abroad.

That would be bad.

It would mean that FAR FEWER JOBS will be available in America.

Year Given For Fraud

BOSTON (AP)—John J. Shimkus of Worcester, Mass., was sentenced in U.S. District Court Monday to a year in jail on mail fraud charges. The prosecution said he parlayed a puzzle contest into a large dollar racket.

Asst. U.S. Atty. Arlyne F. Hassett told the court the racket worked this way: Shimkus mailed circulars announcing a contest with \$1,800 in prizes and a \$3 registration fee. The first contest was so simple everyone had the right answer. Then came another contest to break the ties.

Shimkus then started a contest agency at Putnam, Conn., and sent letters to contestants saying they could buy the correct answers from the agency.

This produced another tie and another contest. In the end, Miss Hassett said, each contestant paid about \$50 in fees.

With the last tie-breaking contest went a certificate asking contestants to swear they had received no outside help, on penalty of disqualification.

Nomination Of Strauss Wins Senate Group Okay

WASHINGTON (AP)—Lewis L. Strauss' nomination to be secretary of commerce won Senate committee approval today by a 9-8 vote.

The committee action sends the nomination on to the Senate with a recommendation for approval. A Senate vote may come later this week.

It is more likely, however, that Senate consideration will be delayed until next week.

Three Democrats on the Commerce Committee joined with six Republicans to vote in favor of Strauss' nomination. Eight Democrats voted against confirmation.

Sen. Warren G. Magnuson (D-Wash.), the committee chairman, announced the outcome after a closed meeting that climaxed 15 days of stormy hearings on President Eisenhower's choice of Strauss for the Cabinet post.

The committee division was in doubt until just before today's meeting when Sen. Frank J. Lausche (D-Ohio) announced he would vote for confirmation.

He was the third Democrat to come out in favor of confirmation.

Sen. John O. Pastore (D-R.I.) and Strom Thurmond (D-SC) said earlier that they would vote to approve Strauss' appointment.

Lausche said that rejecting the nomination could only be justified by evidence showing clearly that Strauss was "either dishonest, or incompetent, or disloyal to his country."

He added that, on the basis of the testimony taken at committee hearings, he was unable to conclude that opponents of Strauss have established "that the appointment made by the President should be repudiated."

Sen. Mike Mansfield of Montana, Acting Democratic Leader, said he expects a majority vote of the 17 members will send the controversial appointment to the Senate for action later. Mansfield said that action may come late this week.

Strauss has been accused by Sen. Clinton P. Anderson (D-NM) of following a "pattern of deviousness and deceit" in his relations with Congress while he was chairman of the Atomic Energy Commission. Strauss has denied this.

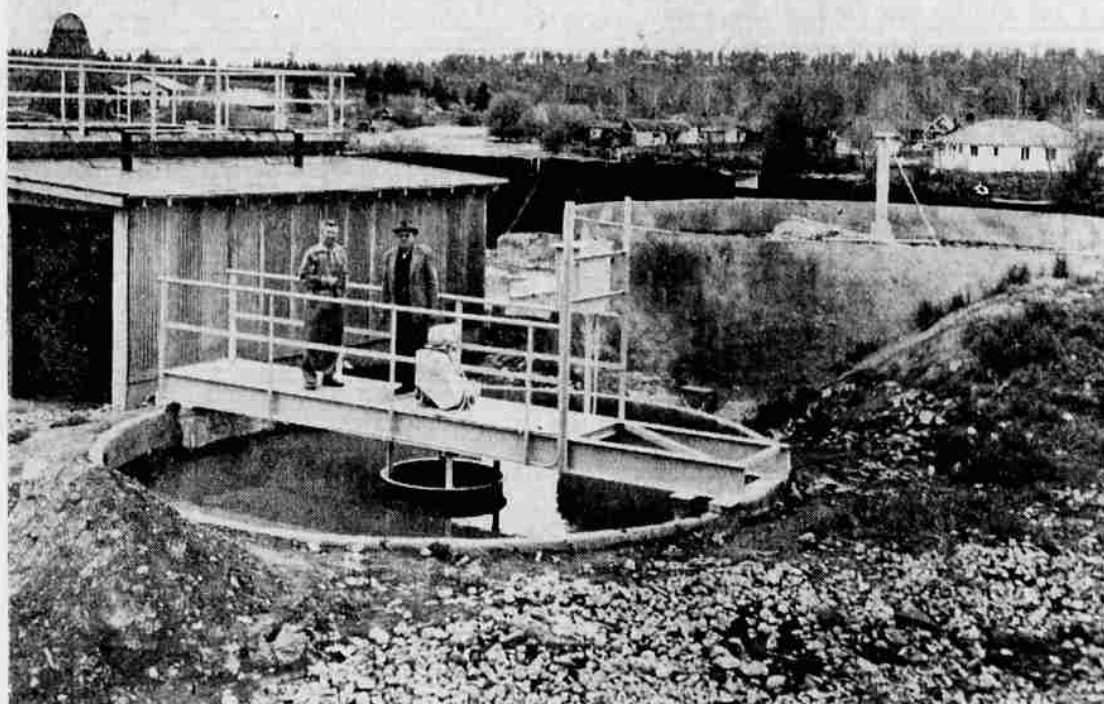
# Herald and News

Price Five Cents—14 Pages

KLAMATH FALLS, OREGON, TUESDAY, MAY 19, 1959

Telephone TU 4-8111

No. 6398



A NEW SEWAGE DISPOSAL PLANT has been put into operation in Chiloquin this spring which is large enough to service a population much greater than the city has at present. Lloyd Peters, city recorder, left, and Bill Lorenz, right, are standing on a walk over the final clarifier. The tall



THE LAYING OF SEWER LINE in West Chiloquin is just about finished. Jeske Brothers Construction Company is doing the work. Shown here is a part of the crew inspecting the excavation work. The other sections of Chiloquin were completed earlier. Observing the work in the 12 foot trench are construction men and city officials. —Photo by Otto Ellis

## World News In Brief

ATLAS—Cape Canaveral—Second combat-type Atlas ICBM blows up only minute after launching; Polar is shot also fails.

AFL-CIO — Washington — AFL-CIO lines up solidly behind steel union wage demands, accuses White House aide of favoring steel companies.

STEEL—New York — Steel contract talks resume today with AFL-CIO urging union to fight for its wage demands.

## Report Says Dulles Fading

WASHINGTON (AP) — Former Secretary of State John Foster Dulles was reported today continuing to grow weaker in his fight against cancer and pneumonia.

The State Department said he was being given pain killers and was generally comfortable.

The medical bulletin was the third in two weeks to report a weakening of Dulles' condition.

Dulles was reported to be conscious but sleeping much of the time because of the pain-killing drugs which are being administered.

Lincoln White, State Department press officer, denied at a news conference reports that Dulles was in a coma.

Dulles' friends expect he may lose his fight for life within a matter of days. Doctors attending him regard it as impossible to forecast how long he may last now that his cancer is in an advanced stage.

Members of his family have gathered in Washington and are frequent visitors at his bedside.

The former secretary of state took a turn for the worse Friday after an attack of pneumonia.

## Marge Truman Has Second Son

NEW YORK (AP)—Mrs. Clifton Daniel, daughter of former President and Mrs. Harry S. Truman, gave birth to her second son today.

The maternal grandparents were unable to be present here because Mrs. Truman underwent surgery in Kansas City, Mo., Monday for removal of a breast tumor.

The baby was delivered by Cesarean section at 8:45 a.m. in Doctor's Hospital. He weighed 7 pounds 3 ounces. No name has yet been selected.

## Work Nearing Completion On Chiloquin Sewer Lines

By DARLENE WOLFF

CHILQUIN—Laying of the sewer lines in east Chiloquin has been completed and work is nearing an end on the west side where less rock has been encountered than had been predicted.

The new sewage disposal plant was completed in March and is of adequate size not only for the city's existing population but to service as many homes as there are vacant lots in the area served by the city water system, or approximately 10 times the size of the current population.

In 1928 the city installed a limited sewer system which accommodated part of east Chiloquin. During the past year a small section in the northeast part of town was served and the remainder of the \$33,000 spent went to enlarge the lines of the southeastern section of town.

Delegated was \$20,000 to complete and enlarge the sewage disposal unit on the east bank of Williamson River just north of the B and M mill. The remainder of the \$53,000 bond money will go to enlarge the lines on the west side and to build a river crossing for the pipes.

For the first time in the city's history, a sewer service charge has had to be made. A charge of \$3 per month will be in effect for every one of the water users whose lines connect with the sewer lines, and every home within 200 feet of the line must be connected within six months after service is opened. Mrs. J. B. Rice, beautician and barber, was the first resident to pay the charge. The money will go to operate the sewage plant and to maintain the system.

Interest and payments on the bonds will come from the connecting charges which vary in amounts according to the lineal footage of each piece of property.

William Wales Jr., city engineer, has done the field work and the drawing of plans.

Jeske Brothers Construction of Eugene has the current contract on the lines on the west side of the river and also the recently completed south city lines.

William Lorenz, Chiloquin, has had the contract for the completion of the sewage disposal plant and for the river crossing which will be made directly across from the plant in the near future.

WASHINGTON (AP)—President Eisenhower advised Congress formally today of plans to help Britain and France develop atomic weapons and submarines.

The President submitted agreements this country signed with those two nations May 7. The pact will go into effect automatically in 60 days unless vetoed by both the Senate and the House.

The agreement with Britain, the only other Western nation now producing atomic weapons, provides for U.S. assistance in the military application of atomic energy.

Details are not being made public.

The United States agrees to sell France a quantity of enriched nuclear fuel for use in development of an atomic-powered submarine. At present that project has not progressed beyond plans for a land-based prototype propulsion plant.

The pact with Britain provides for: Transfer of nonnuclear parts of atomic weapons and atomic weapons systems; provision of special materials for research, development and production of military facilities; and furnishing certain other atomic materials and byproducts.

## Weather

FORECAST—Klamath Falls and vicinity: Variable clouds with a few afternoon showers Wednesday; partial clearing tonight; continued cool. Highs 58-63; low tonight 25-30.

High yesterday 52  
Low last night 26  
Precip. last 24 hours 0.05  
Since Oct. 1 5.06  
Same period last year 14.80

Northern California — Fair through Wednesday except possibly a few showers near the border; slowly rising temperatures. Coastal winds northerly to northwesterly. 10-20 miles an hour, north of Point Arena.

CRATER LAKE  
High yesterday 52  
Low last night 14  
5 a.m. today 27  
New snow 3  
Snow depth 54  
Last year 102

Skies were partly cloudy this forenoon but it was a nice morning in the park. Roads are free of snow and no chains required. Skiing conditions wet.

WASHINGTON (AP)—Former New York Gov. W. Averell Harriman has applied for permission to enter Communist China as a newspaper correspondent.

Harriman now is touring the Soviet Union as a private citizen. He would represent the North American Newspaper Alliance in Red China.

The State Department said it has taken the request under advisement.

# Ike Won't Attend Summit If Russians Set Deadline

GENEVA (AP) — The United States has warned the Soviet Union that President Eisenhower will refuse to attend a summit conference if Soviet Premier Nikita Khrushchev sets some new deadline for a Communist squeeze play on West Berlin.

Informants said the American warning was prompted by a suspicion that Khrushchev would try such a move if the Big Four foreign ministers' conference turns out to be what he considers a failure.

U. S. Secretary of State Christian A. Herter told Soviet Foreign Minister Andrei Gromyko in plain words at a dinner party a few nights ago what the U. S. reaction would be.

Khrushchev originally set a May 27 deadline for the Western Allies to end their occupation of West Berlin and said that on that date he would give the East German Communists control of the Allied supply routes to West Berlin.

He later postponed the deadline indefinitely. Should he revive it and hand over traffic control to the East Germans, this would raise the danger of a Berlin blockade. The United States reportedly is determined to reject any summit conference held under a Soviet threat.

Gromyko assured Herter that

the Soviet Union had no ulterior motives in proposing a peace settlement now with divided Germany.

Herter reminded Gromyko of the May 27 deadline and said that the existence of any deadline made it difficult to believe that the Soviets did not have hidden purposes.

Gromyko said he was sorry that Herter had mentioned the date of May 27. He himself had not planned to bring it up in Geneva except possibly at the end of the conference. To Herter, that sounded as if it might be a veiled hint of a new threat.

Thereupon Herter told Gromyko that anyone who thought the President of the United States would go to a summit conference under duress or threat of a cut-off date had better forget it.



CHRISTIAN HERTER  
... Lays it on the line

## Reds Gobble India Enclave

SRINAGAR, Indian Kashmir (AP)—Red China apparently has gobbled up a tiny Indian enclave 70 miles within the border of Tibet.

Menser, a mere dot on the sprawling land mass of western Tibet, has about 300 residents who by agreement paid the government of Kashmir \$30 a year rent for the land they occupied.

But Kashmir has been able to collect the rent only twice since 1949, and Peiping has not replied to Indian protests.

Even before the Tibetan revolution this year, Red China generally avoided committing itself to ownership of Menser, whose allegiance to India reaches back into the misty history of Tibet-Kashmir relations.

Meanwhile, the Hindustan Times in New Delhi reported that Communist Chinese troops have occupied two more pockets of Indian territory on the borders of western Tibet.

The paper said Peiping's troops entered Uttar Pradesh of Garhwal and Bari Hoti Plateau. Uttar Pradesh is Prime Minister Nehru's home state.

Earlier, Nehru said Red troops apparently occupied two other small areas of Uttar Pradesh, and indicated they would be asked to withdraw. Both areas are inaccessible from India during the winter.

## Police Lose Belgium King

LOS ANGELES (AP) — Belgium's King Baudouin gave his police escort the slip Monday night and disappeared for three hours.

Motorcycle police and carloads of newsmen were escorting the 28-year-old bachelor monarch from Los Angeles to his Beverly Hills hotel. His car turned down a side street.

The officers and reporters reached the hotel and found they had escorted only themselves there. They waited nervously until Baudouin and his party strode into the lobby early today, laughing.

Where had he been? The King wouldn't say.

But a U.S. State Department employee who had been in Baudouin's limousine said the King had been driven past the homes of film stars—just like another tourist.

"After all," he said, "even a King is entitled to a little fun."

The President's attendance under such circumstances would be impossible, Herter emphasized.

As the Big Four talks moved through their second week, the Western leaders were considering a bid by Gromyko to break up their package plan for a German settlement and remove four points from it for discussion.

It was expected that the Western ministers would agree to talk about these points but that they might seek to exact some price from Gromyko in return. And they were reported determined to avoid the impression that they were scrapping the rest of the package program, which Gromyko rejected in his strong speech to the conference Monday.

In a private conference with British Foreign Secretary Selwyn Lloyd, Gromyko echoed a suggestion of Khrushchev that neutral troops might be called in to police a free West Berlin.

A Western official gave this account of that talk: "You have rejected the Western plan on Berlin," Lloyd said. "Now, what are the possibilities for an agreement?"

Since the Soviet Union wants a treaty with divided Germany, U.S. officials see no prospect for serious negotiations.

## Ideas Sought By Pentagon

WASHINGTON (AP) — The Pentagon has issued a list of things it wishes somebody would invent.

Something that would enable a soldier to jump over a mountain, for instance.

Or a quick method of fixing a broken transatlantic cable.

Or an altimeter that would work 100 miles up.

The list of 28 new problems for the nation's inventors was issued by the military Monday through the National Inventors Council, a Commerce Department agency which is a clearing house for military inventions.

The list has been issued, revised and updated from time to time since the council was set up in 1940. The council has winnowed several hundred thousands of responses, ranging from the sublime to the ridiculous.

The likely ones it sends to the Pentagon which decides whether they're usable. The military then negotiates directly with the inventor for the use of the idea.

Of the mountain-jumper for soldiers, the council said: "The device must provide excellent stability and be sufficiently responsive to control that the wearer may use it to assist in his movement over rough terrain while carrying normal combat equipment of the infantry."

The Army has been working on such a rocket belt for some time, but apparently a more ambitious one is needed.

## May 17 To 24 Is SA Week

Salvation Army Week is May 17 through May 24.

Work of the SA is far reaching. In Klamath Falls a many faceted program is carried on under the direction of Capt. M. Lewis Kendall, corps officer.

Many hours a month are devoted to counseling individuals and families; hundreds of meals are arranged for annually; religious services are held, used clothing is repaired and distributed and volunteer women workers raise money through various means to provide layettes for needy families, new clothing for children and gifts to patients in hospitals and the Klamath Nursing Home. This group is known as the League of Mercy.

Mrs. Nora Brown directs the work of 41 women volunteers and Mrs. Maxine Pfeiffer helps distribute the gifts.

## BULLETIN

WASHINGTON (UPD) — President Eisenhower today signed legislation liberalizing pensions under the railroad retirement act and increasing unemployment insurance benefits for railroad workers.



HANDWORK is made and sold to provide funds for charitable work by women volunteers of the Salvation Army. Center, Mrs. Nora Brown instructs Mrs. Dorothy Stone, left, and Betty Crank, right, on an article to be made.