

The Herald and News

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In The Day's News

By FRANK JENKINS

At a GOP fund-raising dinner in Washington last night, President Eisenhower said to the diners: "I'm not fighting to balance the budget just to claim that as an accomplishment. At this moment, we are engaged in a highly important battle for a sound dollar. This is a fight to promote an expanding economy and DOMESTIC prosperity."

He added: "This is a fight to make sure that a dollar earned TODAY will buy for the housewife TOMORROW an equal amount of groceries."

He was speaking, of course, about inflation, which feeds on unbalanced budgets. An "unbalanced" budget results when a government spends more than it takes in and borrows the difference. In the process of borrowing the difference, the money supply is increased. When the money supply is increased unduly, the result is that the value of money is depreciated. It takes more of it to BUY THINGS.

Webster defines inflation thus: "Disproportionate and relatively sharp and sudden increase in the quantity of money or credit, or both, relative to the amount of exchange business. INFLATION ALWAYS PRODUCES A RISE IN THE PRICE LEVEL."

I suppose most of us have said to ourselves at one time or another: "Well, after all, what's so wrong about that? Why not just go on printing MORE money? Paper is cheap. And . . . it isn't necessary to use TOO MUCH paper. Why not just raise the denominations of the bills?"

It sounds simple. But it isn't as simple as it sounds. Remember Webster's statement that INFLATION ALWAYS PRODUCES A RISE IN THE PRICE LEVEL. When that goes on too long, the wage-price spiral gets started. When the wage-price spiral goes on too long, this happens:

Our prices get so high that foreigners can undersell us. They can (and do) undersell us in the markets of the world, thus reducing or destroying our export trade. Not only that. When our prices get too high, foreigners can undersell us in our OWN domestic markets—unless we erect a high tariff wall, in which event we cut ourselves off from world trade and have to live on our own fat.

There are warning signs that that is already beginning to happen to us. For example: In 1957 (only two years ago) the United States produced 62.4 per cent of all the automobiles built in the world, and the rest of the world produced only 37.6 per cent. In 1958 (only a year later) the rest of the world produced 50.4 per cent of all the automobiles built and the United States produced only 49.6 per cent.

The source of these figures is the Automobile Manufacturers Association.

That isn't a pleasant picture because it means that A LOT OF JOBS HAVE MOVED FROM THE UNITED STATES TO THE REST OF THE WORLD.

We NEED these jobs.

Victory Plans Outlined By Eisenhower, Nixon

WASHINGTON (AP) — Senate Democratic Leader Lyndon B. Johnson of Texas said today "it is a little late" for President Eisenhower to talk about Republican responsibility in the monetary field.

At a Republican rally Monday night Eisenhower and Vice President Richard M. Nixon depicted the GOP as the defender of a sound dollar. They prescribed such dollars—and plenty of them—for Republican campaigners—for a 1960 Republican victory.

West Aides Worried Talks May Fail

GENEVA (AP) — Soviet Russia and the Western powers failed again today to make any progress toward an accord on Berlin. An American spokesman said "it is anyone's guess how much longer" the four power conference will continue.

The Western foreign ministers were reported deeply concerned that the conference, now in its fifth week, may collapse in failure without an agreement either on Berlin or a summit meeting.

Assistant Secretary of State Andrew H. Berling said "the attitude of the Western ministers is one of pessimism."

Secretary of State Christian A. Herter and French Foreign Minister Maurice Couve de Murville rate the danger of a breakdown greater than does Foreign Secretary Selwyn Lloyd of Britain, highly placed authorities said.

All three still hope that Soviet Foreign Minister Andrei Gromyko will get instructions from Moscow in a few days enabling him to make last-minute concessions.

But Herter particularly is now much less hopeful in this respect in view of statements made by Soviet Premier Nikita Khrushchev in an interview published in Hungary last week.

The Western ministers are about ready to toughen their conference tactics in dealing with Gromyko. They returned to another secret session at Herter's villa. They discussed the desirability of cutting the session short if the arguments developed the same positions that have been debated repetitiously for more than a week.

The prospect of a breakdown—which apparently all sides still hope to avoid—is blamed by Western ministers on the Budapest interview. In this Khrushchev said that if the Geneva conference now fails to reach agreement, agreement would be made at a summit conference, and if the Western governments refused a summit because of a foreign minister's failure, "then world opinion will see who is responsible for the collapse of the summit conference."

This was interpreted as a maneuver by Khrushchev to begin to pin the blame on the West for whatever failures grow out of the deadlock over Berlin.

Khrushchev gave answers on the Berlin dispute itself which went beyond anything Gromyko had been able to say here. Again, these answers, in the Western view, pointed toward a potential breakdown.

Kenneth Harder, 23, mineman IC, was working nearby. He was stripped to his shorts, grabbing a life ring and went to their aid. Together the two men held the boy until a Coast Guard launch could reach them.

Board Revokes KU Principal's Job



SHRINERS HOSPITAL for Crippled Children will receive the proceeds from the annual Shrine dance. Presenting the check to George Dugan, marshal of Hillah Temple, are dance committee members, left to right, Harlan Dexter, Stu Balsiger, Gus Vlahos, Gracie Sanders and Don Phelps. Co-chairmen for the event, held recently at the Klamath Auditorium, were Dex Elliott, Dexter Harlan and Gus Vlahos.

Carlson Loses Position After 6 Years On Desk

Charles T. Carlson, principal of Klamath Union High School for the past six years, lost his job by a majority vote of the board of directors of School District 2 in the high school cafeteria last night.

Harold Ashley, clerk of the combined high school and elementary school boards, said Carlson was

Edward L. Stonebreaker, a teacher of senior literature and composition at Klamath Union High School for the past three years, resigned verbally at the meeting of the high school board last night.

He said his resignation resulted from the demotion of Carlson. He and other high school teachers were incensed over the action, Stonebreaker said.

A general meeting of high school teachers took place in the high school this morning. Stonebreaker did not attend and could furnish no description of matters discussed.

However, board members told Stonebreaker his resignation must be written before they will accept it as his contract has been renewed for the coming year.

He said he probably will accept a teaching offer at a high school at Lake Oswego, Oregon.

criticized in the past for not maintaining discipline and for an incidence of vandalism on or near the campus.

Carlson will have the option of accepting a lesser administrative position or of becoming a classroom teacher. He is an experienced science teacher.

Arnold Gralapp, superintendent of city schools, said he wants to delay comment on the demotion until after a meeting of the school board with its attorney to discuss legality of their action. The closed meeting was scheduled for noon today.

Carlson said he is unsure whether he will leave the school system.

CHARLES CARLSON

dan cast the lone vote in Carlson's favor. Members Noel, George Filcraft and John Voth voted against renewing his contract as principal. Chairman of the board E. D. Hickman abstained from voting.

The demotion did not come as a surprise to Carlson. Criticism from parents and from school officials had been mounting during the past year.

At a closed meeting January 25 members of the board discussed an accidental shooting involving a 15-year-old boy who was carrying a pistol in a notebook. They also discussed general disciplinary problems at the school. And they indicated that they would discuss personnel matters more thoroughly at subsequent meetings.

Sometime before the shooting incident, board members and townspeople were provoked when a mother who was waiting in her car on the school grounds for her young son to come from a high school dance was accosted by a youth who was not a KUHS student.

USN Launches New A-Sub

GROTON, Conn. (UPI)—The nation's first Polaris missile submarine, the George Washington, was launched today. President Eisenhower said "it will add greatly to our ability to preserve the peace."

The destructive potential of the new submarine is so great that the President, in a message read by Treasury Secretary Robert G. Anderson, said "it is my prayerful hope that this ship will be always ready but never used."

The launching constituted a record for nuclear powered submarines. The George Washington, built by the Electric Boat Division of General Dynamics Corp., hit the water 14 months after design specifications were approved by the Navy.

Wilfred J. McNeil, assistant secretary of defense who delivered the principal address, said the sub, "with its Polaris missile, is the first naval weapon system to be specifically designed for strategic employment against land targets and adds an entirely new dimension to our naval power."

Knowing the tremendous destructive potential of the lethal cargoes that will be carried by these submarines, no attacker could hope to escape retribution, even given the advantage of striking the first blow.

Passage Seen On Works Bill

WASHINGTON (AP) — A bill appropriating \$1,177,252,000 to finance federal public works programs during the year beginning July 1 headed for House passage Tuesday.

Members of the Appropriations Committee called for separate votes on two amendments, adopted tentatively last Friday, which caused the bill to exceed President Eisenhower's budget recommendation by \$575,000.

The committee had proposed adherence to Eisenhower's budget total, but reshuffled project allocations to provide for beginning of planning or construction on 49 new flood control, navigation and reclamation projects.

In all, the bill provides funds for planning, construction and operation of 354 water projects.

By agencies, it apportions 864 million dollars to the Army Engineers, 253 million to the Bureau of Reclamation, 32½ million to the Bonneville Power Administration, 15 million to the Tennessee Valley Authority and \$2,000,000 to the Southwestern Power Administration, \$735,000 to the southeastern power administration.

World News In Brief

By THE ASSOCIATED PRESS
GENEVA — Western ministers expect to learn soon whether Khrushchev willing to withdraw threat to Berlin to get summit conference.

WASHINGTON — Eisenhower and Nixon prescribe a sound dollar to achieve 1960 Republican victory.

WASHINGTON — Supreme Court clarifies controversial rulings on state session laws, congressional investigations.

WASHINGTON — Soviet Union's Deputy Premier Koslov seeking meeting with Eisenhower, tour of major U.S. cities.

DES MOINES — Tuller, new general secretary of American Baptists, outlines group's immediate projects.

Weather

FORECAST—Klamath Falls and vicinity: Variable clouds with a few light showers in the afternoon, but mostly clear at night; some storming in the Cascades. Highs 60-65; lows tonight 38-44.

High yesterday	71
Low last night	34
Precip. last 24 hours	0
Since Oct. 1	5.41
Same period last year	16.68

Northern California—Cloudy with a few scattered showers along the coast north of Eureka; otherwise fair tonight and Wednesday. Northwest winds 12-25 miles an hour, Point Arena northward.

Secret Talks Held By West

PARIS (UPI) — The United States, Britain and France were holding secret talks today about a growing crisis in the North Atlantic Treaty Organization arising from Gen. Charles de Gaulle's plans to give France atomic great powers.

News that the talks were underway was disclosed today in London by a spokesman for the British Foreign Office. He said the talks were "about problems of common concern." But authoritative British sources said they concerned the question of stationing nuclear weapons stockpiles on French soil.

These were the developments in the crisis:

—The western Big Three foreign ministers plunged into an emergency secret meeting at Geneva "on matters outside the Big Four conference," an apparent reference to the situation over the French nuclear bases.

—Supreme Allied Headquarters in Paris was reported considering pulling out some 200 atomic bomb-capable American fighter-bombers from French airfields.

—A French attempt to win in domestic for the Paris government's desire to impose its view on NATO strategy was shouted down by voice vote at the current Atlantic Congress in London.

—Gen. Pierre Billotte, a former French defense minister, said the present trouble was touched off because Washington and London thus far have not answered a memorandum of last September which outlined De Gaulle's ideas.

Rubber Firm, Union Concur

CANTON, Ohio (AP)—The United Rubber Workers and the B. F. Goodrich Co. today reached agreement to end a 35-day-old strike of 650 men still are very close to being forced out of business by a lack of logs.

The agreement, subject to ratification by local unions, followed an all-night negotiating session here.

In Akron, the union said the Goodrich workers will begin returning to their jobs immediately instead of delaying until after ratification voting, which usually requires at least a week.

Details of the new two-year master contract and five-year pension and insurance agreement between the union and Goodrich were not immediately available.

The agreement is expected to hasten an end to the URW strike against Firestone Tire & Rubber Co. The Firestone strike of 18,000 workers in eight cities began simultaneously with the Goodrich walkout at midnight April 15. The union and Firestone are negotiating in Cleveland.

Involved in the Goodrich agreement, and also in the Firestone negotiations, are the union's master contract provisions on every thing except wages and a separate welfare pact covering pensions and life and health insurance.

Rose Festival Opens Today

PORTLAND (AP) — The Portland Rose Festival opened today. It was cool, dad.

About 55 degrees to be exact, and it was wet too, what with frequent showers. It did not slow down the Portlanders much, though.

They opened the 13-block-long Festival Center in the South Park blocks with amusement rides whirling gaily, the gardens, exhibits and other attractions in place.

There will be stage plays, entertainment acts, band concerts, jazz shows and bands for nighttime street dancing at the Festival Center.

Six Canadian warships were scheduled to arrive later today. Twenty U.S. Navy vessels are expected in port Wednesday. All will tie up along the harbor wall in downtown Portland for the rest of the week. They will be open to public inspection at certain hours.

High school bands from Sidney, Neb.; Weiser, Idaho; Culver, Ore.; Proctor, Minn.; and Milwaukee, Ore., will parade through the streets in scattered sections of the city throughout Wednesday.

The Festival Center will be open daily from 11 a.m. to midnight. There will be barbecues there, sponsored by the Junior Chamber of Commerce.

Wednesday night will come the selection of the Festival Queen. The ceremonies will be in Multnomah Stadium, starting at 8 p.m.

That will be the only nighttime show at the stadium. The usual nightly attractions were not scheduled this year because of the Centennial Exposition. The queen will be selected from 11 girls, each put forward by one of the city's high schools.

The annual climax of the Festival will come Saturday, when the floral parade is presented.

The weather man was not encouraging in his forecast. The best he could see was a few bursts of sunshine in the next two days. He warned there also would be showers with continuing cool temperatures.

Timber Shortage Averted

By TOM STIMMEL
A pending disaster to Klamath County's income—involving a potential loss of 1,500 jobs and seven million dollar payroll—appears to have been averted at almost the last minute.

The disaster threatened the county's independent lumber industry, whose 12 companies do not have enough timber to mill and sell.

The disaster was neither remote nor theoretical. Right now four timber companies employing about 650 men still are very close to being forced out of business by a lack of logs.

The crisis appeared blackest only yesterday, when independent operators met to see what they possibly could do about it. Like an ancient movie on television, the hero and villain had wrestled to the very edge of the cliff. Something had to happen.

Something did happen, as dramatically as the blare of a distant bugle assures the TV hero that the United States Cavalry is on its way.

The cavalry charge, in this case, occurred on the floor of the U.S. Senate. There Sen. Carl Hayden (D-Ariz.) assured Sen. Richard Neuberger (D-Ore.) yesterday afternoon that the U.S. Forest Service would get enough money to process additional timber sales in Klamath Basin—and keep our lumber mills operating.

A telephone call from Neuberger's administrative assistant in Washington interrupted the independent timber operators' meeting with the heartening news. It means that the forest service now may

prepare sales of an additional 140 million board feet of timber from four adjacent national forests.

This timber should keep the mills going and their employees working.

A shortage of timber was not unexpected. It is caused by the lengthy process of terminating the Klamath Indian Reservation—a source of considerable timber.

Basin operators have been cutting something like 90 million board feet from the reservation each year. Most of that timber is lost for probably three years by termination proceedings. Some of it can be recovered from the remaining timber (about 18 million feet), leaving a shortage of 72 million feet.

Operators have been trying to get timber from other sources to take up the slack. The principal sources are the forest service and the Bureau of Land Management.

The BLM, which operators yesterday praised for its cooperation, raised its expected cut about six million feet a year to do what it could. But most of the available timber is managed by the forest service.

The need here magically turned into money. The forest service has the timber, but to sell an additional 40 million feet this year and an extra 100 million feet next year—the amount operators say they need—required an appropriation of \$47,000 to prepare and process additional sales.

That money, from a national budget of 77 billion dollars, isn't very much. But it appears hard to get. The issue involves national politics. President Eisenhower la-

beled the Democratic Legislature a "Spending" Congress and Congress decided to show the President by hacking such items as extra requests for \$47,000.

"If you'd move your decimal point a few places and ask for 500 million dollars, somebody would listen to you," the operators were told.

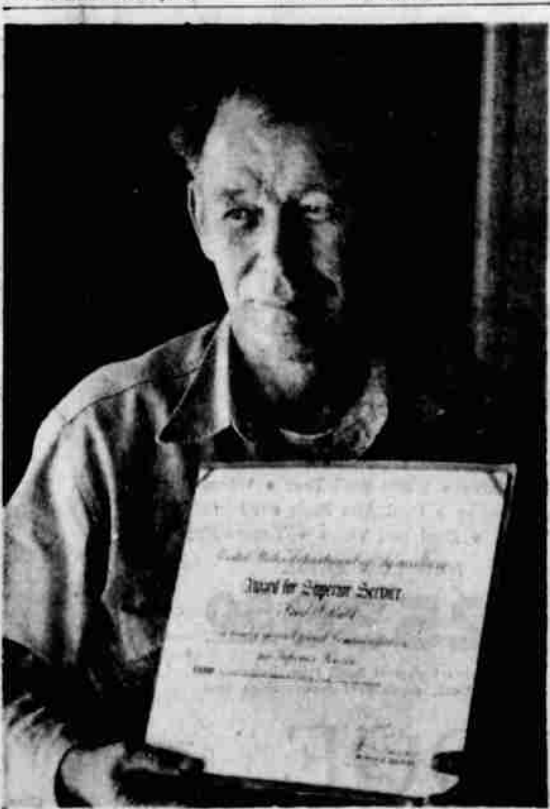
The last chance was to get the Senate Appropriations Committee to add the \$47,000 in its budget approval. Last Friday the committee refused to do so.

That brought about the emergency meeting, at which Rollin Central of Klamath Lumber and Box president. The county court and the mayor were there, and so was Wayne Gaskins, a representative of Western Forest Industries Association.

Gaskins advised the lumber operators to write their Senators, their Congressmen and to the Bureau of the Budget, which initiates administration appropriations.

"For every dollar the government invests," Gaskins told the small group, "it gets back 30. And remind them that we're not going to rape the forests. We're following sustained yield principles and we're harvesting a crop."

The call from Neuberger's assistant relieved the pressure. He said the \$47,000 temporarily could come from an already agreed-upon figure of \$2,000,000 which is to provide for additional forest service timber sales throughout the country. The \$47,000 is extra, and is to be repaid "in supplemental appropriations." Hayden was quoted as assuring Neuberger.



A YEAR AGO Fred S. Bubba, an employee of the Farmers Home Administration, raced from his car to help rescue the Gail Osborne family of five persons whose car had plunged into "A" Canal. Word of the rescue reached Washington and on May 26 this year, Secretary of Agriculture Ezra Taft Benson awarded Bubba this citation for heroic action. The award was made in Washington, and includes a pen and cash as well as the certificate Bubba is holding. A skin diver, Benny Starr, also participated in the family rescue.