

SEES TAX CUT

Ike Offers \$79,816,000,000 Budget, Predicts \$4 Billion Surplus

By THE ASSOCIATED PRESS
Budget at a glance
Budget estimates for year ending June 30:

	1960	1961
Income:	\$78,600,000,000	\$84,000,000,000
Outgo:	78,383,000,000	79,816,000,000
Surplus:	217,000,000	4,184,000,000
Yearend debt:	284,500,000,000	280,000,000,000

By FRANK CORMIER
WASHINGTON (AP)—President Eisenhower today sent Congress his election year budget and said it promises a \$4,184,000,000 surplus that can pave the way for a tax cut, possibly next year.

For the present, however, Eisenhower proposed raising more revenue. He said Congress should increase the federal gasoline tax by half a cent a gallon—to 4½ cents—and add a penny each to the 4-cent letter charge and the 7-cent air mail rate.

The President implied that unless Congress votes these and other revenue measures—and resists any urge to boost spending—the predicted surplus will melt away and with it, hopes of broadscale tax relief sometime after the November election.

For the 1961 fiscal year that begins July 1, Eisenhower estimated record revenues of \$84 billion dol-

lars. He called for spending of \$79,816,000,000.
This would produce the biggest surplus in 13 years—a margin of black ink which the President said should be used to reduce the record national debt of 292 billion dollars. He said a debt cut would

WASHINGTON (AP)—The fiscal 1961 budget proposes — Taxes: A ½ cent a gallon increase in gasoline tax. All other tax rates continued.
Postal: First-class postage boosted to 5 cents. Other unspecified increases.
Spending: Up \$1,400,000,000 from this year, to \$79,800,000,000. For defense, 41 billion dollars.
Income: Up \$5,400,000,000 to \$84 billion dollars, assuming record prosperity.
Surplus: About \$4,200,000,000, all to be used to reduce the 292 billion national debt.

counter inflation and spur savings needed to stimulate new economic growth.
Eisenhower said the projected spending level will permit small increases in both the military and foreign aid budgets, a major step up in space exploration and record outlays for water projects.
Although allotting 50 million dollars more for defense, the budget

proposes small cuts in purchases of missiles and ships and a big reduction in aircraft purchases.
Cuts in non-military programs generally were small and scattered.
Eisenhower asserted that if the fiscal blueprint can be translated into reality, the president and Congress to be elected in November will have an opportunity to cut taxes, assuming prosperity continues.
"Soundly conceived tax revision can then be approached on a comprehensive and orderly basis, rather than by haphazard piecemeal changes," he added.
Eisenhower did not say specifically that a tax cut should be considered in 1961. He merely pointed to this as a possibility during the two-year tenure of the Congress that will convene next January.
He also commented the legislators might prefer debt reduction to tax reduction.
In addition to a big surplus in fiscal 1961, the President is counting on a 217-million-dollar surplus in the current bookkeeping year. For the 12 months which end June 30 he estimated revenues of \$78,600,000,000 and spending of \$78,383,000,000.
The 952-page budget contained no major surprises, particularly since Eisenhower revealed the principal figures 11 days ago in his State of the Union message.

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FISCAL FACTS

Altogether, the document included 79 legislative proposals, these being the most important: —Increase postal rates by 544 million dollars a year. This was 150 million more than was requested, and refused, in 1959.
If Congress again bypasses higher rates, as seems likely, spending will be increased by a like amount since postal revenues are used to reduce the department's demands on the Treasury.
—Boost the gas tax to 4½ cents a gallon until June 30, 1964, when the rate would revert to 3 cents. This would produce an extra 500 million a year to speed construction of superhighways—a program handled through a trust fund outside the budget.
Congress last year boosted the tax from 3 cents to 4 cents for a 21-month period beginning last October and is expected to resist the new request.
—Increase the tax on aviation gasoline to 4½ cents a gallon, from 2 cents, and establish a new 4½ cent tax on jet fuels. These actions, also requested in 1959, would add 72 million dollars to revenues.
Eisenhower also asked that aviation taxes go into the general fund, instead of the highway trust fund.
—Postpone a scheduled June 30 cut in corporate income and excise taxes. Unless this is done, Treasury revenues would drop at least 3½ billion dollars a year.
—Increase the national debt ceiling temporarily. Eisenhower said the prospective surplus plus cash on hand will permit cutting the debt to 280 billion dollars by the end of fiscal 1961. However, he said seasonal borrowings next fall will make necessary a temporary increase in the ceiling.
The permanent ceiling is 285 billion dollars and a temporary lid of 285 billion expires June 30.
—Remove the 4½ per cent interest ceiling on money borrowed for more than 5 years. Eisenhower already has submitted a special message renewing this 1959 request but congressional Democrats have shown little enthusiasm.
Here are the spending plans Eisenhower blueprinted for major programs:
Defense outlays will inch upward by 50 million dollars to \$40,995,000,000. Aircraft purchases will be cut out by 642 million dollars to six billions. Missile procurement will drop by 21 millions to \$3,479,000,000. Funds for the new ships will be seven millions lower at \$1,644,000,000.
Money is requested to begin work on three new Polaris missile submarines and to buy some equipment for three more now in the planning stage. This brings to 15 the number of Polaris subs built or planned.
Also on the fiscal 1961 schedule is a new aircraft carrier, but without the nuclear power plant the Navy wanted.
—Atomic energy programs will cost an estimated \$2,689,000,000—about the same as this year. A cut in uranium purchases will be offset by "substantial increases for research and development."
—Space exploration outlays will be increased by 275 million dollars to 600 million.
—Foreign aid spending is pegged at \$3,450,000,000, a boost of 100 million. Military assistance represents \$1,750,000,000 of the total. The rest is economic and technical aid. But his total request, for 1961 and future years, was \$4,175,000,000, including two billion for military aid.
—The Army Engineers and Bureau of Reclamation will spend a record \$1,210,000,000 on flood control, navigation, irrigation and power projects. This is 116 million dollars more than this year and includes 18 millions to start work on 42 new projects.
—Interest on the national debt is estimated at \$9,585,000,000. Eisenhower said the 200-million-dollar increase over this year reflects rising interest rates which, he implied, will level off if the forecast surplus materializes.
—Commerce and housing is the only broad category to show a drop. Estimated spending is down by 293 millions to \$2,709,000,000. However, the postal rate request of 544 million more than accounts for this.
—Labor and welfare spending will rise by 128 millions to \$4,569,000,000. The largest increases are for medical research and hospital construction.

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WASHINGTON (AP)—Here's where Uncle Sam's budget dollar goes in fiscal 1961:

National security—37.1 cents.
Interest on debt—12 cents.
Veterans—6.9 cents.
Agriculture—7 cents.
All other—11.3 cents.
Here's where the budget dollar comes from:
Individual income tax—52 cents.
Corporation tax—28 cents.
Excise taxes—11 cents.
Other—9 cents.

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In The Day's News

By FRANK JENKINS

This is the day on which the President of the United States sends to the congress his annual budget message. Of the budget (for the fiscal year 1961) that President Eisenhower has just submitted, he says:
"This budget is a test of our resolve, as a nation, to allocate our resources prudently . . . to maintain the nation's security . . . to extend economic growth into the future without inflation."

Comment:
If YOU, as an individual, fail to allocate your resources prudently (that is, to provide for your fundamental needs, such as food, clothing and shelter) YOU WILL GO BROKE.
The same goes for nations.

The budget, the President says, provides revenues of \$84 billion and expenditures of \$79.8 billion, leaving a surplus of \$4.2 billion.
Comment? Let's let Dickens' Mr. Micawber provide it:
"Annual income twenty pounds, annual expenditure nineteen, nineteen six, result happiness. Annual income twenty pounds, annual expenditure twenty pounds ought and six, result MISERY."

The President adds:
"This surplus should be ADDED TO DEBT REDUCTION, which I believe to be a prime element in sound fiscal policy for the nation at this time."

Comment:
If YOU go adding to your debt and NEVER PAYING OFF anything, you will wind up in the bankruptcy courts.
The same goes for nations.
It just takes longer.

A final word of advice:
In considering Ike's budget recommendations, apply to them the same logic you use when considering your personal or your family budget. When you think of a NATIONAL budget, you get confused. The figures are TOO BIG to be understood.

And—
The politicians take pains to confuse you even more. They tell you the more you spend AS A NATION the more prosperous you will be AS AN INDIVIDUAL. They quote big names — such as Lord Keynes — to prove their point.
Don't let the politicians lead you off into the wild blue yonder in your thinking.
Remember this:
When the politicians need more money, they merely reach into your pocket — and the pockets of 180 million others — and TAKE OUT WHAT THEY NEED.
YOU HAVE TO WORK FOR WHAT YOU GET.
That's quite different.

In conclusion:
You and I know that if, year after year indefinitely, we go on spending more than we earn, we'll wind up in very hot water.
You can bet your bottom dollar that if the government of the United States, egged on by the politicians, goes on indefinitely spending more than it takes in, it too will wind up in very hot water — and it will drag us, or maybe our grandchildren, into the hot water along with it.
History leaves no doubt on that point.

Snow Sweeps Midwest Area, Closing Roads

By THE ASSOCIATED PRESS
A blustery snowstorm swept into the Midwest today from the West, leaving a heavy blanket of white across areas from the eastern Colorado plains to the Mississippi Valley.

The storm, which dumped up to a foot of snow in parts of Colorado, curtailed travel, blocked roads and closed many schools. The Weather Bureau posted warnings of hazardous driving conditions.

The storm was blamed for at least nine deaths, eight of them in accidents on ice-slicked and snow-covered highways. Five were reported in Colorado and three in Illinois. One woman froze to death in Amarillo, Tex.

Heaviest snow during the night, two to four inches, was in southern Iowa and extreme northern Missouri. The fresh falls made a total four to eight inches on the ground. The snow moved into southern Wisconsin, lower Michigan, northern sections of Illinois and Indiana and headed northeastward.

Snow diminished westward from Iowa and Missouri, with light falls from Kansas into the Dakotas, Montana, Wyoming and Colorado. Strong winds caused much drifting in some areas.

Strong northerly winds fanned cold Canadian air southward across the plains, with temperatures dropping in the Dakotas and Montana southward through Colorado and northern New Mexico and Arizona. It was below zero in some areas, with the mercury near zero to about 10 in most of the snow-covered sections.

In Colorado, two main highways, U.S. 24 and U.S. 40, were blocked by huge drifts and many rural roads were blocked.

Up to nine inches of snow fell over the weekend in the Texas Panhandle. Ice-slicked roads in Texas, Oklahoma and New Mexico.

Britons Stage Marches Against Anti-Semitism

By THE ASSOCIATED PRESS
Thousands of Britons who fought nazism and Italians who lived under fascism demonstrated yesterday against anti-Semitism.

The month-long wave of swastika smearings that began in West Germany and spread around the world seemed fading — as many Jewish leaders predicted it would. Only a few scattered incidents directed at Jews were reported over the weekend.
Widespread inquests into the swastika displays—whether hooligan exhibitions or symptoms of an organized revival of nazism—have brought forward nothing conclusive.
A British Sunday newspaper, the Empire News, said it had proof the anti-Semitic outbreaks in West Germany were inspired by Soviet agents to discredit Chancellor Konrad Adenauer's government. British officials declined comment.
There have been anti-Semitic displays in Britain, too, but the newspaper did not suggest these were inspired by the Reds. Home Secretary Richard A. Butler has said the British outbreaks could be "largely attributed to irresponsible hooliganism."
Waving banners reading "We

Herald and News

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FRENCH test area is shown in the shaded area of this newspaper. The nuclear tests are expected between now and the beginning of March.

French Plan Atom Blasts In Sahara Desert Areas

PARIS (AP)—France is expected to explode her first atomic weapon in the Sahara any day. A successful blast will put France in the nuclear weapon club restricted so far to the United States, the Soviet Union and Britain.

The French Defense Ministry warned planes flying over the African desert to stay clear of certain areas beginning today.

The device set off will be atomic, not a more powerful hydrogen-bomb weapon.
Airliners flying over the Sahara — mostly French and British — were warned to stay clear of a zone around Reggan in central Algeria. The site is about 600 miles from the Mediterranean coast and about the same distance from the Atlantic.
Planes flying over the rest of the French Sahara were advised to remain above 10,000 feet, avoid certain other areas and keep in radio contact with French authorities.
The French announcement gave no time limit for the regulations, saying only that they would be in force "for the months to come."
The French have pushed determinedly ahead with development of an atomic weapon despite intense opposition to the Sahara tests from independent African nations and two resolutions by the U.N. Assembly opposing the Sahara tests.
Ghana, Tunisia and other African nations expressed fear the French explosions would contaminate African areas with dangerous radioactivity. The French gave assurance that radioactivity would be confined to a small area.
American and British officials have expressed the opinion privately that the Soviets might use French testing of a nuclear weapon as a pretext for resuming test explosions of their own.



PRIME MINISTER KISHI

Cities To Ask Liquor Slice

PORTLAND (AP)—The 1961 Oregon Legislature is going to be asked to give cities a bigger cut of state liquor revenues.

The League of Oregon Cities executive committee said Sunday after a two-day meeting here that the league will call for an increase to 15 per cent. The municipalities' share of net profits now is 10 per cent, or about 1½ million dollars annually.

League officials said cities need the additional \$700,000 a year the increase would bring to meet liquor law enforcement costs.

The executive committee said the Legislature also will be asked to change the state's annexation laws a bit.

Among those attending the weekend meeting were the league president, Mayor Loren McKinley of Tillamook, Corvallis City Manager John Porter and mayors Ed Harns of Springfield, Russell Bonesteel of Salem, John Snider of Medford and Lawrence Slater of Klamath Falls.

Life Term Con Marks Birthday, Likes Jail Life

SAN QUENTIN, Calif. (AP)—Tony Di Tardo was 85 Sunday and cried happily when his fellow convicts presented him with a cake with 85 candles.

Sentenced to life in 1920 in the slaying of his wife, Di Tardo has no interest in leaving after 40 years behind bars.
"I'll turn down every offer of parole," he told prison mates who helped him blow out the candles. "Here I am and here I'll stay."
He lives in a private cell in the hospital block because, guards say, he keeps his radio turned up so loud.

Quoth The Raven 'Nevermore'-Poe

DETROIT (AP)—Edgar Allan Poe, 25, had the sort of experience his poet namesake might have written about — a horrible few minutes.
Poe was in a tavern when two men held up the place. One put a pistol against Poe's head and said: "I will kill this man unless you will do as you're told."
The men fled with about \$207, leaving a shaken Poe.

LOOK OUT FOR KERNELS

RALEIGH, N.C. (UPI)—The North Carolina Supreme Court said Thursday it is up to the consumer to watch out for kernels in his breakfast cereal. The court threw out the damage suit of C. Robert Adams who charged he broke a tooth on a kernel in his cereal.

protest against nazism" and "The blood of millions cries out," thousands marched through London's half-deserted streets Sunday. The long column paraded silently to the West German Embassy, where a delegation delivered a letter describing the manifestation as a reflection of British public opinion "which holds anti-Semitism in abhorrence."
Rallies against anti-Semitism, with youth movements of various political parties taking part, also were held in several Italian cities. The biggest were in Turin and Florence, where hundreds paid tribute at memorials honoring the victims of fascism and nazism.
In New York City, two six-footers were charged Sunday with attacking a party of six Jews—including two women—in a diner. The melee broke out after the young men reportedly made anti-Semitic remarks. The two, Peter Askland, 22, and Anthony Huskins, 27, said in court they would file counter charges of assault against the Jews.
The row was in Queens County, Long Island, where three self-styled admirers of Hitler were charged with treason last week.



"JOE" WATCHES fellow swimmers splashing happily in dead-of-winter at the heated KUHS natatorium, used evenings and Saturdays by local residents under auspices of the YMCA. Joe, local symbol for Worldwide YMCA Week, will appear during the week in other pictures and articles outlining the organization's service.

Prime Minister Arrives To Sign US-Japan Pact

TOKYO (AP)—Prime Minister Nobusuke Kishi will perform one of the most important acts of his political career Tuesday when he signs in Washington a new security treaty binding Japan and the United States.

His fight for the treaty reveals something of the man. Since assuming the premiership in February 1957, he has weathered storm after storm.

Supporters say his tenacity is reminiscent of his courage in defying wartime Premier Gen. Hideki Tojo's orders to resign because of a difference in views.

Kishi, then munitions minister, thought Japan should surrender after the fall of Saipan.
Born Nov. 13, 1896, in Yamaguchi prefecture, southern Japan, Kishi was one of 10 children of a government official named Sato. He changed his name upon adoption at 15 into the Kishi family. Kishi's younger brother, Eisaku Sato, is finance minister.

Kishi graduated from Tokyo University in law in 1920 at the top of his class. He first attracted attention when he led a group of officials of the Commerce and Industry Ministry in opposing a 10 per cent salary reduction for all government officials.

By 1941 Kishi had a Cabinet post, the Commerce and Industry portfolio in Tojo's government.
For his wartime activities Kishi was jailed three years, but never tried, as a war crimes suspect. When released he got a job from Aichiro Fujiyama, now foreign minister who is with Kishi in Washington.

Kishi's time in prison has not made him anti-American. Since his entry into politics in 1952, Kishi's main foreign policy theme has been the need for friendship with the United States.
He was elected to the House of Representatives, rose in influence in conservative groupings that have now become the Liberal-Democratic party, and became its

secretary general in 1955.
He was elected party president, and hence premier, when Tanzan Ishibashi resigned in 1956 because of poor health.
Kishi requested the existing U.S.-Japan security treaty be drastically revised when he visited Washington in June 1957. While it was under negotiation he fought off attack after attack against the American alliance, both from elements within his party and from leftists who want Japan neutralized.
The result is a new pact of indefinite duration capable of being terminated after 10 years upon one-year notification by either side. It requires prior consultation with Japan before U.S. forces can be deployed from Japanese bases for combat purposes or before nuclear weapons can be brought into Japan.
It authorizes the stationing of U.S. forces in Japan. The pact requires that America defend Japan, but not that Japan come to America's aid if American territory is attacked.
Kishi has formed three cabinets, patched up repeated intra-party squabbles, and won elections in a manner that has made him one of the most durable prime ministers of Japan.

Natatorium Remodeling Halts YMCA Swim Class

The now-defunct, after-school swimming program at the Klamath Union High School natatorium was a good illustration of how the YMCA attempts to perform a public service.

The popular swim program died this month only because the natatorium is being overhauled. New dressing rooms are under construction and a modern chlorinating system will be added.

When construction is complete, local YMCA Secretary Paul Campbell hopes to arrange again with the high school board of education for pool use. But that will have to wait until next fall.

The program got started in October and gained momentum steadily. More than a thousand swimmers made use of the pool during that period. Average attendance per week was 200.

One of the most noteworthy features of the program was a period for the physically handicapped Monday evenings. A trained volunteer instructor and therapist, Mrs. Ruth Tribe, directed the class. She was assisted by other adults. All instructional time was volunteered.
The accent was on youth, but adults were given special swim

periods, too. An instructional swim period for adult women, handled by Mrs. Phyllis Goakey, followed the period for the handicapped on Monday evenings. Adult men swam Thursday evenings. The period was especially popular with Oregon Technical Institute students.
Two successive swim periods were reserved for families each Friday evening, supervised by Bruce Galloway, associate YMCA secretary, who coordinated the entire swim program.
Even KUHS students made good use of the pool in off-school hours when they otherwise could not have. Youngsters interested in keeping fit for action next summer with the local competitive swim team were given several periods for practice, as were members of the KUHS synchronized swim team.
Other instructors and supervisors who volunteered time were Dick Wyatt, Ella Redkey and Mrs. Kay Sine.
The YMCA, to secure use of the pool, agreed to insure adequate supervision and maintenance. The Y also decreed that the program would be open to all other local organizations. The Y was responsible for program coordination.

Weather

FORECAST—Klamath Falls and vicinity: Mostly cloudy with a few light snow flurries tonight; partly cloudy Tuesday. Highs 24-32; lows tonight 5-15.
High Sunday 39
Low last night 26
Precip. past 24 hours02
Since Oct. 1 1.71
Same period last year 2.20
Low in area, Chiloquin 21
Chemoilt 16

Northern California—Clearing to-night and fair Tuesday, but considerable high clouds in north; little change in temperatures.