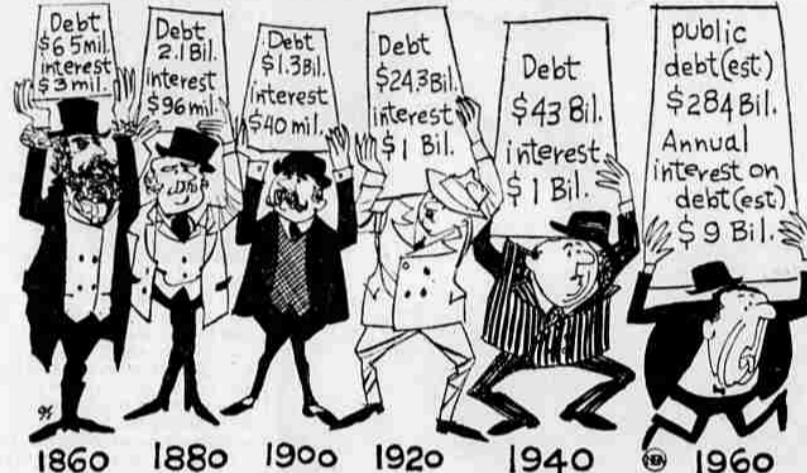


BUDGET ESTIMATED—In conjunction with President Eisenhower's budget message to Congress, the Bureau of the Budget estimates the fate of the tax dollar for the fiscal year 1961. This chart shows where the dollar will come from and where it will go.



A HUNDRED YEARS IN THE HOLE—The nation's public debt of \$65 million a century ago seems almost infinitesimal compared with today's. A decade later, as a result of the Civil War, it was over the \$2 billion mark. Sketch above shows the debt history in 20-year intervals. After the Civil War high, it declined, on the average, until boosted by World War I. A whittling down of about \$8 billion during the '20s was nullified by the depression and the beginning of World War II. Today, the government is spending as much for interest alone as the entire national budget in 1940. The debt is currently running at \$291 billion, but hopes are that it will wind up around \$284 billion at the end of the fiscal year.

FCC Plan Given Okay By Networks

NEW YORK (AP)—The three major television networks have reacted favorably to a suggestion by the head of the Federal Communications Commission that a half hour every weekday night be devoted to purely cultural programs.

FCC Chairman John C. Doerfer put forth his proposal Thursday in a speech before the Radio and Television Executives Society. Doerfer suggested that the three networks and their affiliates alternate each week in setting aside 30 minutes—from 7:30 p.m. to 8 p.m., Monday through Friday—for programs consisting solely of information, education and culture.

Dr. Frank Stanton, president of Columbia Broadcasting System, said Doerfer's idea "makes a lot of sense and deserves prompt and serious consideration."

He added, however, that CBS would first get the reaction of its affiliates "since the plan cannot be effectuated without their full cooperation."

The National Broadcasting Co. said in a statement that Doerfer's plan "deserves thoughtful study and we intend to evaluate it carefully."

The American Broadcasting Co. said Doerfer's proposal "is very provocative and ABC plans to give it careful study both as a network and in consultation with our owned and operated stations and our affiliates."

ABC added that it already had increased its public service programming "and plans even more broadcasts in this area during the next year."

The FCC has been holding public hearings stemming from disclosures of quiz show rigging and payola for song plugging. Charges at the hearings have included the assertions that both radio and TV shows lack balance and too often are overweighed with "murder, mayhem and mediocrity."

For more than 30 years the FCC has carefully avoided any effort to shape the contents of broadcasting programs in view of legal prohibitions against censorship in this field.

U.S. Holding Door Open For China Negotiations

WASHINGTON (AP)—The United States is holding the door open for Red China to participate in a global disarmament program—it negotiations ever reach that point.

Officials acknowledge that inspection stations on Red Chinese territory would be essential to make any arms control plans effective. This need, in turn, could some day force this country to take a new look at its policy of non-recognition of Communist China.

This country has negotiated informally with Red China on other matters without recognizing the Communist regime, and officials said their present stand has no bearing on recognition. But the issue could be raised either by the Red Chinese or on their behalf by the Soviets in connection with working out any disarmament agreement. Recognition might be presented as the price of Red China's participation.

The link between Red China and disarmament was brought to the fore Thursday by statements in Peiping and Washington.

In the Chinese capital, Foreign Minister Chen Yi declared that his country would not be bound by any disarmament agreement reached without its formal participation or without the signature of its delegates.

In Washington State Department Press Officer Lincoln White said that if substantial progress is made toward controlled disarmament during the forthcoming negotiations at Geneva, "then it would be logical to consider participation in such a disarmament program by other countries including Red China."

Negotiations reopen in Geneva March 15. Ten nations will take part—five Allies and five Communist countries. They include the Big Four—the United States, Britain, France and the Soviet Union—but Red China is not among them.

Already under way at Geneva are negotiations among the United States, Britain and the Soviet Union looking toward a ban on the testing of atomic weapons. Such a ban, assuming it included underground tests, would have to be supervised by worldwide network of stations equipped to detect sneak explosions of atomic weapons.

Experts have decided that at least 180 stations would be required to police an agreement to prohibit atomic test explosions.

Of the total possibly a score would have to be set up on Red Chinese territory to make the prohibition effective.

Thus, if the nuclear talks are successful, the issue of Red China's participation might arise well in advance of any more extensive agreement concerning arms reduction and control. In that event, officials said, the same policy would apply as far as the United States is concerned. "That is, at some advanced point Red China would be invited to adhere to the agreement."

Officials said the Red Chinese issue would not necessarily arise if the Geneva negotiations produced only a partial ban on test explosions above ground or in the water. Such blasts of atomic devices create widespread radioactivity which could be detected with relatively few stations, even though the explosions were set off in the interior of Communist China.

Board Decision Due Shortly On Application For Power

SALEM, Ore. (AP)—The Oregon Water Resources Board is expected within a few weeks to render a decision on Pacific Northwest Power Co.'s application for a preliminary permit to build High Mountain Sheep Dam on the Snake River.

The board Tuesday completed hearings on the application. A state preliminary permit only would give the firm a priority over other companies for construction of a dam on the site. An application to build the dam would have to be filed later.

Some 22 witnesses appeared at the hearing. The project, if approved, would cost 250 million dollars. The dam would be 690 feet high. Fishing interests and public power proponents opposed it.

Arthur Porter, Portland General Electric Co. vice president, said if PNP does not get permission to build the project, it would be "forced to turn to smaller and higher cost projects to serve customers."

The company, owned by four private utilities, also has asked the Federal Power Commission for a license. If it gets it, the company could proceed without a state license. The Idaho Power Co. did that on a project upstream from the Mountain Sheep site.

The dam would be 50 miles south of Lewiston, Idaho, and just above the mouth of the Salmon River. The proposed Nez Perce Dam, whose construction by the federal government is favored by public power groups, would be just below the mouth of the Salmon, a principal spawning stream.

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Emissary Called Home From Cuba

WASHINGTON (AP)—The United States summoned Ambassador Philip W. Bonsal home from Havana today, less than two weeks after he returned to his post.

There were strong indications of official exasperation at indignities authorities feel America has suffered at the hands of Fidel Castro.

The big question remained, what can Washington try next to change the course of the bearded Cuban premier without hurting its relations with the other psychologically sensitive Latin American states?

Diplomatically, Uncle Sam was in the unhappy shoes of the visitor being kicked in the shins by a small boy of the family while not daring to lift his fist in reprisal.

Bonsal was expected to arrive in the late afternoon. Secretary of State Christian A. Herter said Thursday the career diplomat was being returned for "consultations." He had returned to Havana on Jan. 10 after a month of similar consultations.

The new move falls short of a break in relations with the Castro regime. But U.S. officials made plain they are in no hurry to send Bonsal back. The Havana embassy meanwhile will be tended by the No. 2 man there, Daniel M. Braddock.

The new low in U.S.-Cuban relations was struck Thursday after Castro went on a radio-TV broadcast. The Spanish ambassador became so outraged at Castro's allegations of criminal ties by his embassy that he stormed the broadcasting studio. Castro kicked him out of Cuba, and he too leaves there today.

U.S. authorities viewed Castro's attack on American Embassy activities as even more severe. Herter told the Senate Foreign Relations Committee, according to Chairman J. W. Fulbright (D-Ark.), that Castro was "very insulting to the American ambassador, the American government and the American people."

American officials said the Castro broadcast came on top of:

1. Repeated attacks on the United States by Castro-run newspapers and radio stations.
2. Attacks on Vice President Richard M. Nixon, who recently said in Florida that the Castro regime is not creating an attractive climate for U.S. investment in Cuba.
3. Attacks on Bonsal, who has been applauded in public appearances in Havana by Cubans who don't share Castro's view.
4. Absence of any diplomatic reply to a U.S. note of Jan. 11 protesting what Washington said was illegal seizure of U.S. property in Cuba, in violation of Cuba's own laws. A Castro newspaper thumbed its nose at the U.S. protest in its columns.

Mart Believes Tax Slash Would Boost Business

NEW YORK (UPI)—Those golden sixties have turned to lead for the stock market.

Gold is a precious metal, connoting high price. Lead is base and connotes cheapness. So goes the market into the 12-cent-a-pound category instead of the \$35-an-ounce line the experts had predicted.

Wall Street is trying to decide whether this change has stemmed from anti-inflationary activities or from lack of a tax cut promise.

It could be both, say the experts.

Market men recall that in their election year, the British slashed taxes all along the line. The result was a business boom that more than made up in revenue for the loss from taxes.

They had anticipated a cut here this year, possibly small, but a cut nonetheless. They had hoped the corporation taxes would be allowed to drop from the present 52 per cent rate to the 48 per cent before the "temporary" rise was ordered in Korean War days. They had anticipated at least a token personal income tax reduction.

Wall Street believes that a tax cut would have stimulated business as it did in Britain.

The London Financial Times, speaking of our budget, said it should have the effect of curbing rather than stimulating business activity.

The newspaper believed the President was thinking more in terms of the national debt than in the influence the budget would have on business.

"But in whatever terms the President thinks of his action," the Financial Times said, "its practical effect will be to reduce slightly the level of economic activity in the United States."

Market men reason that the budget itself isn't the cause of the stock market's recession. They point out it was no surprise because the President in his State of the Union message announced he planned on a \$4.2 billion surplus. His views on gasoline taxes and postal increases were known. So were most of the other items in the giant budget.

Over in Britain where taxes were cut, the outlook is rosy for 1960. Experts in all lines are predicting big things ahead—and they aren't hedging on the second half of the year as are the American economists.

In Britain, the experts look for a rise in housing. Over here they anticipate a decline from last year's figure.

Of more importance, British companies are planning on expansion. In the last quarter of 1959 more factory plans were approved than in any quarter since early 1956, London reports.

According to the London Finan-

FILES FLIGHT DEATH SUIT

NEW YORK (UPI)—Mrs. Lillian R. Greenwald of Chicago filed suit Thursday for \$2,500,000 damages for the death of her husband in a plane crash. The husband, Herbert Greenwald, 53, was killed in the American Airlines plane that crashed into the East River, near La Guardia Airport, in February, 1959.

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