

Day's News

By FRANK JENKINS
In this space yesterday we asked HOW MUCH IS A BILLION DOLLARS? The generalized, broadly inclusive answer is that it is a LOT OF MONEY. So, today, it might be interesting to ask another question: WHAT IS MONEY?

The commonest definition of money is that it is a MEDIUM OF EXCHANGE.

Primitive man had no use for money. Nor did he do much trading. He ate the meat of the animals he killed. He clothed himself in their skins. He dwelt in a cave. In other words, he was a rugged individualist. He lived by his own efforts.

But, as time passed, primitive man began to discover that he could improve his standard of living by swapping what he possessed in surplus for what his neighbor possessed in surplus. It was thus that TRADE arose.

At first, trade in the world was all swap and barter. But, as trade grew, swapping and bartering became bunglesome and burdensome. It wasted too much time. Eventually, it occurred to some primitive cave man with a Phi Beta Kappa type of brain that a MEDIUM OF EXCHANGE would come in mighty handy.

How he got the idea is lost in the mists of antiquity. He may have noted that his neighbors were fond of stringing shells around their necks as ornaments. And . . . he may have known where there was quite a shell beach.

Anyway, shells were among the earliest media of exchange. Our own Indians, who came along eons after the earliest cave men, used shells as a medium of exchange. They strung them on threads and called them wampum.

It was thus that MONEY came into being. All kinds of things have been used as media of exchange. For centuries, CATTLE were used. The use of cattle as money is still shown in our language.

The word "pecuniary" (meaning having to do with money transactions) is derived from the Latin word "pecus," meaning "cattle." Cattle were perfectly good money. They had INTRINSIC value. If you didn't want to use 'em as a medium of exchange, you could EAT 'em. You could make leather out of their hides. Their horns made pretty good drinking cups.

For quite a period in our own West, beaver skins were used as money. They too had intrinsic value. You could make hats of their fur. In early colonial Virginia tobacco was used for money. It also had intrinsic value. If you didn't need it for money, you could smoke it or chew it.

One of the principles of GOOD money is that it must have intrinsic value — which is to say that it must be capable of being used for some purpose other than as a medium of exchange. Also it must be reasonably scarce, because if it becomes too ABUNDANT it depreciates in value. But it mustn't be TOO scarce.

That brings us around to gold, which for centuries has been the world's basic medium of exchange. Gold has INTRINSIC value. It is beautiful, which gives it value as ornaments. It is capable of being worked easily, so that almost ANYTHING can be made of it. It doesn't rust away. It resists acids. It can be beaten out fabulously thin for use as gold leaf. It is durable.

And, since the beginnings of trade and commerce, it so happens that gold production over the world has tended to increase about as fast as the volume of world trade and commerce has increased. Thus it has tended to be neither too scarce nor too abundant.

For all these reasons, gold has tended to become the IDEAL medium of exchange, the ideal basis of value for other things that are used as money (including paper with PROMISES written on it), the ideal medium for the settlement of international balances.

So, in these days, we have come to think of gold as MONEY. We have confidence in gold as money. We have confidence in paper money that is backed by gold. We have little confidence in paper money that isn't backed by gold.

Sale Of Club In Reno Denied

RENO (UPI) — A spokesman for Harold's Club Thursday denied reports that the seven-story casino had been sold for a reported \$16 million.

"The sale has not been completed," he said. "If and when the deal is closed, there will be an immediate statement."

Sales negotiations have been under way between the Smith family, which founded the club 25 years ago, and a group of prospective buyers from Lake Tahoe, Las Vegas and New York.

Weather

Klamath Falls and vicinity — Fair through Saturday. Low tonight 25-30; high Saturday 50-55.

High yesterday 51
Low last night 22
Precip. last 24 hours None
For year 5.19
Last year 5.44

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KLAMATH FALLS, OREGON, FRIDAY, DECEMBER 23, 1960

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Weather

Northern California—Fair today and tonight except overcast in Central Valley and locally elsewhere; cloudy Saturday with fog in San Joaquin Valley and rain in extreme north; little temperature change.

Mt. Shasta-Siskiyou area: Fair today; cloudy tonight; rain or snow likely Saturday; cooler Saturday.

Yule Party Cheers Nursing Home



THE BIG CHRISTMAS TREE was gaily trimmed and the packages were piled high at the Klamath Nursing Home Thursday afternoon when those who live at the home were guests of the Herald and News at a "Share Christmas" party. The tree was brought from the woods by Pete Hedberg and the hundreds of gifts that brought happiness to more than 40 men and women were given by residents of all parts of the Klamath Basin and distant points. The nursing staff with Mrs. Madelyn Brown, superintendent, helped Santa distribute the gifts from this tree in the recreation room of the home and a second tree in the women's cottage, where those too ill to be present were remembered. See your Sunday paper for full page of pictures on nursing home party.

Christmas came early this year for the folks who live at the Klamath Nursing Home when on Thursday afternoon the men and women who live there were guests of the Herald and News at a "Share Christmas" party.

This was a community-wide party, the kind of party made possible through the generosity of the many people who took the time to bake cookies, make candy, buy varied gifts, to wrap and to mark them and take them to the newspaper's newsroom.

For many days before party time, the gifts came in, came in overwhelming numbers, and by Thursday there were enough to insure each man and woman at the home more than one gift from Santa's pack.

The nursing staff, familiar with the needs of the men and women, personalized the gifts with names, and the hearts' desires of the guests were realized.

Gifts were piled about the decorated tree that nearly reached the ceiling in the recreation room. There were gay Christmas decorations elsewhere in the shining, clean room.

And promptly at 2 o'clock all was in readiness for the arrival of Santa.

But before sleigh bells announced he was coming, befeathered braves, young members of the Klamath Indian Tribe from Beatty, danced tribal dances to the beat of a tom-tom while jets from Kingsley Field Air Force Base flew their noisy patterns above the building. The young entertainers, Boy Scouts and Cub Scouts, trained by Jesse Kirk, also presented a skit on old Indian customs. The Madrigal group from Klamath Union High School, directed by Dale Hallack, sang Christmas music.

Gifts were passed to the guests by Santa and members of the nursing home staff. Santa also visited those in nearby cottages who were bedridden or otherwise unable to be present for the party.

Ice cream and cake, provided by the Herald and News, was served. When the party was over, not one man nor woman had been forgotten.

Testimony On Blaze Conflicts

NEW YORK (AP)—A naval court of inquiry has heard conflicting testimony on who was responsible for spilling the diesel fuel that led to the disastrous fire aboard the aircraft carrier Constellation.

The multimillion-dollar blaze last Monday gutted the giant flat-top, under construction at the Navy Yard, and killed 49 civilian workers.

The court convenes again today. Testimony Thursday at the second day of the open hearings at the Navy Yard dealt primarily with the whereabouts of the operator of the fork lift truck that apparently contributed to the cause of the accident.

Twelve thousand military and civilian personnel Thursday attended memorial services for the workmen who perished on the Constellation.

Among those addressing the gathering at a parking lot at the Navy Yard were Adm. Arleigh A. Burke, chief of naval operations, and Adm. R. K. James, chief of the Navy's Bureau of Ships.

According to one theory presented to the court, the diesel fuel on which the flames fed, spilled out when a fork lift, in removing a large trash container on the carrier's hangar deck, perhaps nudged a heavy steel plate which sheared off a valve from a tank of diesel fuel. The flammable liquid gushed out to lower decks and caught fire.

But the fork lift operator, LeRoy Davis, 46, of Brooklyn, testified Thursday that he was away from his truck for about 15 or 20 minutes at the time when this could have happened.

Another witness, William Brown Jr., a rigger, said he had seen the fork lift "5 to 10 feet, maybe more," from the trash bin when he noticed the spreading liquid.

But still another witness, recalled for additional testimony after Davis had left the stand, said he had seen Davis drive his lift right up to the bin.

Soviets Aim Peace Dart At Kennedy

MOSCOW (AP)—Foreign Minister Andrei Gromyko declared today that the Soviet Union is ready to improve its relations with the United States after the inauguration of President-elect John F. Kennedy.

Gromyko told the Supreme Soviet, the Soviet Union's Parliament, that his government hopes U.S.-Soviet relations after Kennedy's inauguration will revert to the state they were in during the administration of Franklin D. Roosevelt—a hope previously expressed by Premier Khrushchev in a cable last month congratulating Kennedy on his victory.

Khrushchev was on the platform as Gromyko reviewed the international situation and Soviet foreign policy for the joint session of the Supreme Soviet. A speech on foreign policy had been expected from the premier also, but the deputies wound up their four-day session and headed for home after a brief discussion and unanimous endorsement of the policy outlined by Gromyko.

Gromyko's review—lasting an hour and 45 minutes—was a rehash of previously stated Soviet positions. He gave no indication that Soviet policy would be modified to improve relations with the United States.

Once more he blamed the "Eisenhower-Nixon administration" for the present state of U.S.-Soviet relations and the failure of the Paris summit conference.

He called again for a special summit session of the U.N. General Assembly in the spring on disarmament and attacked the Western powers as "opponents not only of disarmament but also of control over disarmament." He claimed that all neutral states now support the Soviet demand for speedy complete disarmament.

Open Tonight

Most stores will be open until 9 o'clock each evening this week through Friday for the convenience of Christmas shoppers.

TOY PROJECT IN TROUBLE

Operation Santa Claus is in trouble! The project, sponsored by the Moose Lodge, to secure toys for children who would have none otherwise has collected only a few toys in the Christmas barrels and the lodge finds it has only 150 small toys to cover a list that includes 385 youngsters.

Unless a lot of youngsters are to go without toys of any kind this Christmas, the public will have to rally to the support of this project.

Those who want to help provide a toy for a youngster of the community for Christmas are asked to take the toy to 1010 Main Street, the Moose Home.

The barrels have already been picked up from the stores, and the toys should be taken directly to the Moose Home. They will be wrapped and distributed Christmas Eve.

Operation Santa Claus is appealing to the community for urgent last minute support!

Governor Will Take Senate Seat

CHEYENNE, Wyo. (AP)—Gov. Joseph J. Hickey, first Democrat to become Wyoming's governor in more than a decade, announced Thursday he will take over the Senate seat left vacant by the death of Republican Keith Thomson.

Hickey, 49, said he will resign shortly, and that Secretary of State Jack Gage will serve the remaining two years of the governor's term.

Thomson died of a heart attack at Cody, Wyo., Dec. 2, little more than a month after he was elected to the Senate seat now held by Democrat Joseph C. O'Mahoney. Thomson, 41, was completing his third term as U.S. Representative.

O'Mahoney is retiring after serving nearly continuously in the Senate since 1933.

28 Taken From Ship

NORFOLK, Va. (AP)—Four crewmen from a commercial tug joined engineer John Richard aboard the stern section of the broken American tanker Pine Ridge today as a destroyer sped the 28 other survivors toward Norfolk.

The crewmen were placed aboard the tanker by small boats from the tug—a sharp contrast to the ticklish operation Thursday by which the 28 were lifted from the bobbing hulk by helicopter.

Richard, 36, of Wilmington, Del., remained aboard to protect the owner's salvage rights.

Coast Guard ships and planes resumed their search for the eight crewmen still missing from the Pine Ridge. Among them is the master, Capt. Clark Snyder, 44, of Havertown, Pa.

Three survivors of the broken tanker had volunteered to return to assist in towing operations but the ship's agents told them not to go aboard.

The ship's owner is the Keystone Shipping Co. of Philadelphia.

Chief Justice's Daughter Is Wed

HONOLULU (UPI)—Virginia Warren, daughter of Chief Justice Earl Warren, and TV moderator John Daly honeymooned in Hawaii today after a candle-light church wedding Thursday in San Francisco.

They plan to stay until after the holidays when they will return to New York to make their home.

Daly, 46, appeared nervous at the Congregational rites. But Virginia, 32, was the traditional radiant and calm bride as her father, former California governor and vice presidential candidate in 1948, gave her away.

WARNING

SALEM (AP)—The governor's office warned motorists today that the 78-hour Christmas holiday last year claimed nine lives.

Kennedy Appoints Economic Adviser

Oil Leases Are Studied

SALEM (AP)—Atty. Gen. Robert Y. Thornton said Thursday his office is in the process of studying the submerged or tidal land oil and gas lease laws of other coastal states in the nation.

The aim, he said, is to come up with a law for Oregon in this field.

Thornton said, there are two main aims: protection of Oregon's scenic coast line and the protection of the state's economic interest.

Shell Oil Co. recently asked for a lease to drill for oil on 600,000 acres of submerged lands in Oregon — all state-owned tidelands and an additional 50,000 acres of submerged Columbia River land.

The Shell proposal drew opposition from other oil companies. Texaco and Richfield sent representatives to a state Land Board meeting prepared to protest against any grant of a lease without competitive bids.

Gov. Mark Hatfield, chairman of the Land Board, invited these companies to submit any material they wished for consideration in the formation of a lease law. He also said earlier that there would be no leasing without competitive bidding.

Three Injured Seeking Plane

ASTORIA (AP)—Three men were injured Thursday in an attempt to locate a plane which crashed into the ocean off the Oregon coast.

They were members of a nine-man team, which included Air Force and Coast Guard members and five scuba divers from Tillamook. They set out Wednesday from Tillamook in a 36-foot boat. They were planning to try to locate an F-102 Air Force jet plane that crashed off Manzanita on Dec. 14. The pilot bailed out and was rescued.

The engine of the search boat conked out Wednesday morning. The Coast Guard Cutter Yoonca answered their call for help and took them aboard Wednesday night. On Thursday morning, the search crew got its boat repaired and headed for Tillamook Bay.

Committee Will Discuss Rogue River Dam Issues

SALEM (AP)—The Committee on Natural Resources Tuesday will look at proposals to build a dam on the Lower Rogue River Basin—and discuss the state's position.

"This could develop into one of the hottest potatoes in the natural resources field in Oregon," said Dan Allen, executive secretary of the committee. The chairman is Gov. Mark Hatfield.

Allen said the Water Resources Board will outline its stand on power development on the Lower Rogue at the meeting. It has opposed it.

The power potential of the Cooper Canyon site, about 12 miles downstream from Agness and 23 miles upstream from the coast, has often been discussed. A dam at the site was suggested in a U.S. Bureau of Reclamation report. Such a project would back water up the Rogue to within 13 miles of Grants Pass.

The newest suggestion was reported after some 50 persons met last week at Grants Pass and formed the Josephine County Public Utility District. The Coos-Curry PUD also was reported interested in the projects along with other PUD or potential PUD groups in the area.

The Water Resources Board two years ago said it opposed any power development on the Lower Rogue Basin.

Don Lane of the board said he had received no proposal for a dam at the site and had no notice that any application for a dam there had been filed with the Federal Power Commission.

PALM BEACH, Fla. (AP)—President-elect John F. Kennedy today chose Dr. Walter W. Heller, University of Minnesota economist and tax scholar, to be chairman of his Council of Economic Advisers.

Heller, 45, was with Kennedy when he announced the appointment at a news conference.

In a discussion with newsmen, Heller said there has been a business recession for six months. He said the economy has been lagging for 3½ years.

Heller said he favors a policy of exploring the idea of adjusting taxes to economic conditions. While he did not say so specifically, Heller apparently was endorsing the idea of a possible tax reduction in times of recession.

Heller is head of the economics department in the University of Minnesota's School of Business Administration. He served for six years as tax adviser to Minnesota Gov. Orville L. Freeman who will be in the Kennedy Cabinet as secretary of agriculture.

Kennedy called Heller one of the country's most distinguished economists "with interests in the public policy problems facing the United States."

Kennedy said Heller "is eminently qualified to conduct the larger responsibilities that I envisage for the Council of Economic Advisers."

Kennedy went on to say that he intends "to return to the spirit" of the full employment law of 1946, under which the council was set up.

Kennedy kept at the task of job-filling in the midst of family preparations for Christmas and after announcing Thursday his resignation from the U.S. Senate, effective immediately.

To his Massachusetts seat Gov. Foster Furcolo is appointing a successor suggested by Kennedy, his old friend, Benjamin Smith II, former mayor of Gloucester.

Kennedy sent his letter of resignation to Furcolo and also notified Vice President Richard M. Nixon, presiding officer of the Senate and his Republican opponent in the presidential election.

Heller, who conferred with Kennedy last week, is regarded as an authority on public finance. He has served for six years as tax adviser to Minnesota Gov. Orville L. Freeman, picked by Kennedy to be secretary of agriculture.

Kennedy's headquarters said he expects to fill an important position during the day but declined to specify the job in advance.

The chairmanship of the three-man Council of Economic Advisers is held in the outgoing Eisenhower administration by Dr. Raymond J. Saulnier. The council keeps the president posted on economic matters.

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The board in its 1959 report on Rogue River development said the best use was "only for domestic, livestock, municipal, irrigation, industrial, mining, recreation, wildlife and fish life purposes and the waters of the Lower Rogue River Basin are hereby so classified."

A newspaper, The Oregonian, said editorially that the proposal is for a "high, high dam at Cooper Canyon which would convert the wild and beautiful Rogue River into a 131-mile lake, flooding the Illinois to the falls, and the Rogue to Robertson Bridge, 13 miles below Grants Pass."

Will Resign

SALEM (AP)—C. F. Feike, state director of vocational rehabilitation, announced Thursday he will resign Feb. 28 because of health and other personal reasons.

He has been with the department 21 years. Feike now is on part-time sick leave.

HST Claims MacArthur Wanted Bomb

NEW YORK (AP)—Former President Harry S. Truman says that Gen. Douglas MacArthur wanted to A-bomb China and eastern Siberia during the Korean conflict, MacArthur terms Truman's assertion "completely false."

Both men are in New York. MacArthur resides here and Truman arrived Wednesday to spend the holidays with his daughter and son-in-law, Mr. and Mrs. Clifton Daniel.

An official at the hotel where the former president is staying said Truman would accept no call until morning.

The controversy was touched off by Truman during a television interview last Saturday night in Chicago. The transcript of the interview became available Thursday.

Irv Kupcinet, a Sun-Times reporter, moderator of the program, had asked Truman if, when he was president, he had been under pressure to unleash the atomic bomb during the Korean War.

He said Truman replied: "Yes, MacArthur wanted to do just that. He wanted to bomb China and eastern Russia and everything else."

MacArthur issued a statement Thursday night denying this.

"Any statement such as that attributed to Mr. Truman that I advocated the use of atomic bombs in the Korean War is completely false," MacArthur said.

"The records are available and will show that atom bombing in the Korean War was never discussed either by my headquarters or in any communication to or from Washington."

"The allegation that I contemplated or even considered action against Siberia or areas not directly within the field of operations is equally fantastic. . . ."

"We did not need the atom bomb here any more than we did in the war against Japan," added the former supreme commander of Allied forces in the South Pacific.

Truman relieved MacArthur of his Far East post in 1951.

The tree, which was provided by Georgia-Pacific Corp., was cut on Little Full Creek Tree Farm east of Springfield in Lane County last October.

Shooting Times

OREGON	
December 24	7:00 a.m.—4:40 p.m.
DECEMBER 25	
December 25	7:00 a.m.—4:40 p.m.
CALIFORNIA	
December 24	7:00 a.m.—4:30 p.m.
December 25	7:00 a.m.—4:30 p.m.