

Eisenhower Budget Hits Record Peacetime High; Predicts A \$1.5 Billion Surplus

WASHINGTON (UPI) — President Eisenhower will present a record peacetime spending budget of \$80.9 billion for fiscal 1962 today and strongly advised his successor against running the government "by credit cards."

In his final budget message to Congress, the outgoing chief executive predicted a \$1.5 billion surplus could be achieved in the fiscal year starting July 1—if postal rates are raised again, if the gasoline tax is increased, if business expands smartly.

He held out no hope of a general tax cut in the foreseeable future.

And he called for increased private, state and local spending on activities which now "require a disproportionate or wasteful expenditure of federal funds."

Will Be Revised

Eisenhower's budget will be revised by Kennedy after the new President takes office Jan. 20. The extent of these revisions is not

yet known, but Kennedy aides have been working in cooperation with the Eisenhower administration's Budget Bureau since November.

The new Eisenhower spending program, \$1.9 billion higher than the current year's estimate, contemplates:

—A \$1.4 billion rise in defense spending, with increased emphasis on missiles and defenses against missiles. This would give defense a peacetime high total of \$42.9 billion, biggest item in the budget.

—A \$250 million boost for foreign aid, raising the program to \$3.6 billion, with greater emphasis on efforts in Africa and Latin America.

Postal Rate Increase

—A \$195 million increase for space projects, for a total of \$965 million, more than double the 1960 figure, with hope of rocketing the first American into orbit this year.

—An improved economy, to provide added revenues to pay the increased federal bills.

—A postal rate increase of unspecified nature and a half-cent.

WASHINGTON (AP) — Your share of President Eisenhower's new spending budget is \$436.83.

That's the way the record outlay of \$80.9 billion works out when divided by 185.2 million — the estimated population next Jan. 1, midpoint of the 1962 fiscal year.

The total is \$3.79 higher for every man, woman and child than the per capita cost of this year's \$78.9 billion federal spending.

There will be about 3 million more Americans to share the load a year hence, but the budget total is \$2 billion higher.

A gallon boost in gasoline taxes to help balance the budget.

—Recognition of the so-called "dollar gap" in planning for U.S.

expenditures overseas.

Eisenhower hammered on the need for sound fiscal policies and on his confidence in America's economic position. He said he was proposing a balanced budget because a surplus is needed "in good times" to make up for inevitable deficits in recession years.

Money Left Over

With congressional cooperation, he said, there could be money left over in fiscal 1962 to make "an other modest payment" on the huge national debt.

"This budget, like each of the seven which I have previously sent to the Congress, reflects the conviction that military strength and domestic advancement must be based on a sound economy, and that fiscal integrity is essential to the responsible conduct of governmental affairs," Eisenhower said.

He said his estimates reflected "expected gains in the national economy and provide for carry-

ing programs forward in an efficient and orderly manner."

"If, however, we deliberately run the government by credit cards, imprudently spending today at the expense of tomorrow, we will break faith with the American people and their children, and with those joined with us in freedom throughout the world," the President said.

Here is how the Eisenhower budget for the government bookkeeping year that begins July 1 compares with estimated figures for the current (1961) fiscal year:

	1961	1962
Receipts	\$79,024,000,000	\$82,333,000,000
Spending	\$78,945,000,000	\$80,865,000,000
Surplus	\$79,000,000	\$1,468,000,000

Progress boosts postal rates by April 1. Congress ignored an Eisenhower proposal last year for a postal rate increase.

Without the postal rate hike, Budget Director Maurice H. Stans said, the Post Office would run a deficit of \$160 million April, May and June, topping this year's budget into the red if everything else goes as planned.

Stans also expressed at a news conference the administration's view that the Kennedy camp has been unduly negative about the business situation. "A few statements of confidence on the part of the next administration will do more for the economy than billions of dollars of fast spending," he declared.

"There are no deliberate anti-recession actions in this budget," Stans added, because they are unnecessary. He said the administration, like Kennedy's advisers, was assuming business would climb in 1961 to \$510 billion to \$515 billion, compared to a rec-

ord \$503 billion in 1960.

Democrats Skeptical

In submitting his 1962 budget last year, Eisenhower had fore-

WASHINGTON (AP) — This is where your federal tax dollar will go, under the fiscal 1962 budget:

National security, 37 cents.

Interest on debt, 11 cents.

Veterans, 6 cents.

Agriculture, 6 cents.

Paying off debt, 2 cents.

All other, 18 cents.

And this is where the budget dollar comes from:

Individual income tax, 55 cents.

Corporate taxes, 25 cents.

Excise taxes, 12 cents.

Other receipts, 8 cents.

fusing to raise postal rates. Lower corporate profits cut tax revenues and further bit into the surplus.

Eisenhower's optimistic appraisal of the economy was backed in a statement by Treasury Secretary Robert B. Anderson. The cabinet member said that even though industrial production and employment declined in calendar 1960 the economy would "advance to markedly high levels" this year and the budget was pegged accordingly.

The incoming Kennedy administration and Democrats in control of Congress disagree or at least are skeptical about any such rosy outlook. Their own viewpoints will temper final action on spending and tax proposals.

Other budget proposals:

Finances: Extend corporate and excise tax rates beyond their scheduled reduction or termination on July 1; provide "equitable taxation" of cooperatives; temporarily raise the temporary debt

limit of \$293 billion scheduled to expire June 30.

Government Reorganization: Establish a new department of transportation; strengthen the position of chairman of the Interstate Commerce Commission, Federal Communications Commission, and National Labor Relations Board; put civil water resources functions under consolidated control.

Civil Defense: Enact legislation to require "appropriate (radioactive) fallout shelters in certain new private construction where the federal government provides some form of financial assistance."

Labor and Welfare: Extend coverage of unemployment compensation system to three million additional workers; extend coverage of Social Security's old-age and survivors insurance system to federal civilian employees and to physicians; broaden the existing voluntary federal-state programs of medical aid for the aged.

In The Day's News

By FRANK JENKINS

As required by law and custom, outgoing President Eisenhower sends to the congress the following budget estimates for the fiscal year of 1962, which will end on June 30, 1962: 18 months hence:

Income	\$82,333,000,000
Expense	\$80,865,000,000
Surplus	\$1,468,000,000

For the current fiscal year, which will end on June 30, 1961, approximately five months hence, he forecasts income, expense and surplus as follows:

Income	\$79,024,000,000
Expense	\$78,945,000,000
Surplus	\$79,000,000

(According to law and custom, incoming President Kennedy won't submit a budget of his own this year. But he will suggest piecemeal changes in the Eisenhower budget.)

Some more figures, based on these estimates:

At the end of this current fiscal year, which comes on June 30, the national debt will be \$284,900,000,000.

At the end of the NEXT fiscal year (which will come on June 30, 1962) the national debt will be \$283,400,000,000.

Which is to say:

At the 1961 rate of 79 million dollars a year, it would take us 3,075 years to pay off our national debt.

But—

At the rate of the 1962 fiscal year (which is estimated to yield a surplus of \$1,468,000,000) it would take us only about 195 years to pay off our national debt—assuming, of course, that in these intervening years we didn't get extravagant and run up a big deficit.

So—

WE'RE MAKING PROGRESS. If we could keep on doing as well as the HOPEs we may be able to do in 1962, we could be out of debt in less than 200 years.

In conclusion, in order to keep our spirits up and our faith in the future alive, let's fall back on Mr. Micawber's recipe for happiness, as set forth in Dickens' immortal David Copperfield:

"Annual income twenty pounds, annual expenditures nineteen, nineteen six, result HAPPINESS. Annual income twenty pounds, annual expenditure twenty pounds ought and six, result MISERY."

Red Forces Move Ahead

VIENTIANE, Laos (UPI)—Five days of rocket strikes by Laotian government pilots in U.S.-supplied planes have failed to halt the advance of pro-Communist forces in the strategic Plain of Jars region, informed sources said today.

Reports from the region said the Pathet Lao rebels were continuing to push into government territory from the plain, which has been in rebel control for some time.

Pro-Communist units were said to be especially active in the Nam Nhip Valley where they drove government forces out of Ta Viang four days ago. Ta Viang is 20 miles south of Xieng Khouang.

Government TB training planes, all obsolete American models, strafed and rocketed rebel positions in the Ta Viang stronghold Sunday to try to keep the Reds from consolidating their gains.

Returning pilots reported the insurgents were constructing air strips at Ta Viang, using a number of trucks.

For the first time, the Laotian pilots reported a direct hit—one of the planes knocked out a truck with a rocket.

Weather

Klamath Falls and vicinity — Partly cloudy with patchy morning fog Tuesday and a few light showers. Highs 45-50; low tonight 18-24.

High Sunday 43

Low last night 18

Precip. past 24 hours 0

Since Oct. 1 5.60

Same period last year 1.69

Herald and News

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AF Radar Sea Tower Collapses; 27 Missing



AWARD WINNERS at the annual dinner of the Klamath Reservation Jaycees Saturday night were, left to right, Hiroto Zakoji, Key Man Award; Dale Williams, Jaycee of the Year; William T. (Tim) Hess, Outstanding Young Farmer; Bill Norval, Junior First Citizen and Mrs. Flavia Yates, Senior Citizen. The awards were presented at the dinner in the Masonic Hall, with more than 200 in attendance.



DIGNITARIES and Jaycee officials participating in the sixth annual Reservation Jaycee award dinner Saturday night seated at the head table were, left to right, Mr. and Mrs. Irwin Crume, Mr. and Mrs. Layton Hoback, Dr. Cliff Robinson, speaker, Mr. and Mrs. John Plouffe, Mr. and Mrs. Ron Harrison, Mr. and Mrs. Luther Sherier and Rev. F. Simard. Plouffe was master of ceremonies of the event. Harrison is president of the Reservation Jaycee chapter.

Six-Story-High Platform Topped By Winter Storm

NEW YORK (AP) — Cryptic underwater sounds hinted today there may be survivors trapped beneath the sea in compartments of a storm-wrecked Air Force radar tower.

NEW YORK (AP)—Battered by a howling winter storm, an Air Force radar tower collapsed and disappeared with 27 men aboard in heavy seas 80 miles southeast of New York City Sunday night.

Rescue ships and aircraft raced to the scene, but found no survivors from the six-story-high structure that was part of the Air Force's early warning system.

The first hint that the 14 Air Force men and 13 civilian workers were in trouble aboard the structure—called a Texas Tower—came at 7:15 p.m. when a Navy ship picked up a distress signal.

The vessel, the "Talk-17," a Navy ship that supplied the tower, was only 12 miles away when it received the "May Day" SOS.

For 10 suspenseful minutes, the ship—fighting high winds and 35-foot waves—maintained radar and radio contact with the doomed tower. Suddenly, the tower's radar image disappeared.

There were two life boats at the tower and searchers hope survivors were able to escape.

The aircraft carrier Wasp, accompanied by two destroyers, was about 80 miles from the scene. The big flat-top took charge of rescue attempts as Coast Guard cutters and other ships joined the search.

Two Coast Guard planes and helicopters from the Wasp managed to take to the air early today when visibility — diminished by driving snow and sleet—lifted somewhat and snow turned to rain.

But flares dropped into dark storm-tossed waves showed only a few traces of the \$20-million tower. The Wasp reported finding

"the worst tide situation in 25 years."

In the Pacific Northwest, snow-melting rains in the mountains of western Washington posed a flood threat and Army ducks took 30 persons from homes in the upper Skokomish River Valley.

The rains Sunday touched off dirt slides that demolished three homes and blocked a state highway.

Bad weather cancelled plane flights in Palm Beach, Fla., Sunday and led Vice President-elect Lyndon Johnson into an unscheduled third day of conferences with President-elect John F. Kennedy.

Meanwhile, President Eisenhower, returning for his last week in the White House, motored 60 miles from Maryland's Camp David to

Washington along snow-slick highways. The January thaw in the Midwest also brought problems. An Army reserve unit training near Buffalo, Minn., struggled to extract a pair of 50-ton tanks from 6-foot deep mud.

The forecast for today indicated continued rain, snow and sleet in the Northeast. The Weather Bureau warned another day of hazardous driving in the area.

Cold moved in on the heels of the storm early today, dropping the temperature to 7 below zero at Caribou, Maine.

Rain was expected for the Northwest again today, adding to the flood threat as the Snohomish and Stillaguamish rivers in Washington were reportedly only a few feet from flood level.

Reservation Jaycees Pick Five For Service Awards

Presentation of awards to Klamath Reservation Jaycees was the highlight of the sixth annual distinguished service awards banquet in Masonic Hall, Chiloquin, Saturday night.

Principal speaker for the event was Dr. Cliff Robinson, Klamath County superintendent of schools.

Honored at the banquet were Hiroto Zakoji, Jaycee Key Man; Dale Williams, Jaycee of the Year; William T. Hess, Outstanding Young Farmer; Bill Norval, Junior First Citizen Award, and Mrs. Flavia Yates, PTA Senior First Citizen Award. Making the presentations were Ron Harrison, president of the Reservation Jaycees; Irwin Crume, Luther Sherier and Cordelle Hoback.

In his talk, "A Time of Opportunity," Dr. Robinson outlined the human values that could make this world a better place in which to live. "We have now learned how to be cremated together—isn't it time we learned to live together?" he asked.

Dr. Robinson outlined the requirements of the type of individual that is needed to fulfill his responsibilities to mankind. He listed:

He will be a person who is willing to accept changing conditions. Since everyone of us is constantly subjected to a rapid tempo of change in almost every facet of life, it is imperative that we adapt ourselves to changing conditions if we are to lead useful and healthful lives.

He will be compassionate. That is, will be compassionate in things other than materialistic.

He will be tough. Here, Dr. Robinson pointed out the necessity of being tough morally as well as physically. He also pointed to the necessity of achieving individuality — not necessarily of being a rugged individual—but a person who thinks and acts according to the dictates of his own conscience after intelligent examination of an issue.

The responsible citizen will be dedicated. He will examine the rights, privileges and responsibilities of living in a democratic society as he has never examined them before. He will believe in our form of government and our institutions.

Jaycee President Ron Harrison presided at the dinner, which had John Plouffe as master of ceremonies. First vice president of Reservation Jaycees is Bill Norval and second vice president is David Northup. Dr. R. I. Kerwood is secretary and Dale Williams is treasurer. Plouffe was 1959 president.

Harrison lauded Zakoji and Williams for their contributions to Jaycee work and special activity the past year. Presentation of the Young Farmer Award was made by Irwin Crume, who was 1959 winner, and the Junior First Citizen Award was made by Luther Sherier, 1959 winner. Presentation of the PTA Senior Citizen Award was made by Mrs. Cordelle Hoback.

Harrison expressed the appreciation of the Jaycees to people of the community who had contributed time, effort and money to the programs of the Jaycees. John Heilbronner extended birthday greetings to the Reservation unit and presented a large birthday cake. He also presented to Harrison several birthday greetings and a copy of the book "Young Men Can Change The World," the Jaycee story.

Quake Strikes

TOKYO (AP)—A mild earthquake was felt in downtown Tokyo for one minute today, but no damage or injuries were reported.

The tremor struck at 4:20 p.m. Officials said it was centered in the Pacific off Chiba Peninsula (east of Tokyo).

Castro Forces Trigger Attack On Rebels

Nazi Style Pickets Throwing Target

BOSTON (AP)—An angry crowd estimated by police at 10,000, hurling eggs and tomatoes Sunday ripped a swastika off George Lincoln Rockwell, self-styled "fuhrer" of the American Nazi Party, and routed an attempt by him and four "storm troopers" to picket a downtown movie.

In Chicago, a group of pickets wearing armbands and calling themselves the Fighting American Nationalists were escorted away from a Loop theater by police after a scuffling with patrons. Police dispersed a crowd estimated at 200.

Both theaters were showing the same film, "Exodus," a story of the Jewish migration to Israel and the establishment of the Jewish state.

Rockwell, of Arlington, Va., and his companions, were led away through a side door of the theater, taken to a police station in protective custody and later placed aboard a New York-bound plane. No charges were placed against them.

At Boothbay Harbor, Maine, old-time vaudeville and radio comedian George R. (Doc) Rockwell, a close friend of the late Fred Allen, identified the American Nazi leader as his son, a former Maine artist and publisher.

"He gets off on these things every so often," the father said. "Mounted police and foot patrolmen battled the Boston crowd for more than an hour to rescue Rockwell and his companions. Rockwell's shirt was torn in the scuffling.

A truck bearing 16 other Rockwell followers was intercepted by police before it arrived at the theater and was ordered out of

Pope Names 4 Cardinals

VATICAN CITY (AP) — Pope John XXIII and members of the College of Cardinals met in secret consistory today to elevate Archbishop Joseph E. Ritter of St. Louis, Mo., and three other prelates to the Roman Catholic Church's princely ranks.

Promptly at 9:30 a.m. the warning announcement of "executive orders"—all out—was sounded, and the massive doors of the Vatican Palace's Consistorial Hall were closed on the pontiff and the cardinals in Rome.

Cardinal Ritter received his biglietto at the Pontifical North American College. Two Latin American archbishops elevated today — Jose Humberto Quintero of Caracas, Venezuela, and Luis Concha Cordoba of Bogota, Colombia—were notified at the Pontifical Latin American College.

The fourth new cardinal is Msgr. Giuseppe Ferretto of the Vatican Curia, the secretary of the Pontifical Commission for Latin America.

Killer Winds Hit Atlantic Coast; Snow, Freezing Rain Chock Roads

HAVANA (UPI) — A government force of 30,000 men, believed led personally by Premier Fidel Castro, was reported battling heavily-armed rebels in the Escambray Mountains of central Cuba today to keep the insurgents from cutting the island in half.

Reliable sources said Castro was throwing a full force against the estimated 4,000 rebels led by Maj. Evelio Duque to block a reported plan to land an "opposition government" somewhere in eastern Cuba.

Both sides were reported to have suffered casualties, but no figures were available.

The all-out effort followed several days of "softening up" of the rebel stronghold in Las Villas Province by a massive array of artillery, mortars, bazookas and other weapons, the sources said. Peasants were moved out of the bombardment area beforehand.

The government force was believed one of the most formidable assembled by the Castro regime from Russia and other Communist bloc nations, and the hundreds of militiamen and soldiers who have received special training "somewhere in eastern Cuba."

There were reports that at least 1,000 men with heavy equipment had landed somewhere in southern Cuba and had succeeded in linking up with Duque's forces.

By United Press International

Gale-force winds with killer strength hurled winter back onto the North Atlantic Coast today. Along the New Jersey coast, rescuers fought rain sleet and fog in a massive air and sea search for 28 persons who vanished when a lonely Air Force radar platform toppled into the ocean 65 miles offshore.

The tower, part of the nation's early warning defense system, collapsed Sunday night under winds that brought death as they lashed inland with snow and freezing rain.

On land up to four inches of snow along with freezing rain choked highways from Washington, D.C. into southern New England. Three traffic deaths in metropolitan New York were attributed to the storm.

State police in New York, New Jersey and Connecticut urged motorists to avoid unnecessary trips. Rain also made highways from Florida through the Carolinas treacherous and a rain drenched curve near Rameur, N.C., was blamed for a two-car collision that took five lives.

Across the nation, ocean waves surging atop steadily rising tides threatened 30 coastal homes in the Ventura, Calif., area.

About 200 volunteers battled through the early morning hours to construct 10-foot seawalls and officials sought to have a disaster area declared.

Officials said the rising waters were apparently touched off by an earthquake that rocked Los Angeles Friday night and termed it

UN Officials Negotiating Congo Truce

LEOPOLDVILLE, The Congo (UPI) — United Nations officials negotiated today for the withdrawal of pro-Lumumba troops from northern Katanga province in an effort to defuse one of the more explosive situations in the Congo.

Reports from Stanleyville, capital of Oriental province and seat of power of the supporters of deposed Premier Patrice Lumumba, said Gen. Victor Lundula had agreed to talk about pulling his forces out of Manono.

About 600 of his soldiers moved into the town, in northern Katanga, last week and proclaimed a new state. Katanga provincial President Moise Tshombe sent armed reconnaissance planes against them on strafing missions Thursday.

The United Nations got Tshombe to stop the aerial attacks while they tried to talk Lundula into getting the troops out.

Ethiopian Gen. Mangasha Iyasou, chief of staff of U.N. forces in the Congo, flew to Stanleyville Saturday and was reported to have won preliminary agreement from Lundula and Communist-educated Antoine Gizenga, once Lumumba's right hand man.