

By FRANK JENKINS
From Washington:

President Kennedy's advisers have told him that instead of inheriting a budget surplus from the Eisenhower administration he faces a BILLION DOLLAR DEFICIT for the fiscal year that will end this coming June 30. Senator Mike Mansfield, Democratic leader in the senate, forecasts also a TWO BILLION DOLLAR DEFICIT for the fiscal year that will end on June 30, 1962.

President Eisenhower estimated in his January 16 budget message that the Treasury would wind up the 1961 bookkeeping year with a 79 million dollar surplus. The Eisenhower forecast for the 1962 fiscal year was a surplus of \$1,468,000,000.

More from Washington: Senator Mansfield's pessimistic assessment of the federal government's budget status follows Mr. Kennedy's dark picture (in his State of the Union message) of an economy beset by more than five million unemployed, a drop in national production and a widening gap in our international balance of payments.

Both Mr. Kennedy and Senator Mansfield found the Eisenhower budget estimates for the current fiscal year and the next year UNREALISTIC. Mansfield called the Eisenhower budget prediction for 1962 too rosy.

Hmmmmmmmmmm. Let's concede that in his budget message for the 1961 fiscal year and in his estimate of the budget surplus for the 1962 fiscal year he might have been just a trifle over on the rosy side.

After all, you know, there is a certain amount of politics in our system of government—and it was fairly good politics for an outgoing Republican administration to suggest that in view of the sound foundation that had been laid for it the incoming Democratic administration ought to be able to show a surplus in both years.

But—Might there not have been just a trifle of politics in Mr. Kennedy's dark picture, in his State of the Union message, of an American economy beset by more than five million unemployed, a drop in national production and a widening gap in our balance of international payments?

That tended to point out that he was assuming the burdens of the Presidency at a moment when the Republicans were leaving things in an awful mess—which could have been designed to make all the more brilliant whatever successes President Kennedy may have in straightening things out.

To an impartial observer, it looks like there may have been a little politics on BOTH SIDES.

Man Is Held For Killing

PROSSER, Wash. (AP) — A young Pasco carpenter has been charged with murder in the death of a Kennewick woman who was beaten unconscious and thrown into the Columbia River Monday.

Benton County Prosecutor Herbert Davis filed a first degree murder charge against 20-year-old Larry Haraghty in the death of Shirley Grover, 26, a lunch counter operator in a Kennewick bowling alley.

Coroner T. J. Albertowicz said an examination showed the woman was raped and had been beaten on the head. He said the body was dumped into the river from the edge of a Kennewick park. The body was found floating downstream Monday.

Police Chief O. C. Lincoln said Haraghty and the woman attended Columbia Basin Junior College together and were occasional bowling partners.

The woman was last seen leaving work at 12:30 a.m. Monday.

Ex-President Takes Mulligan

PALM SPRINGS, Calif. (AP) — Dwight D. Eisenhower — last month a chief of state-addressed himself today to his most serious current program: that grapefruit grove to the left of the first fairway.

His first California golf drive as a private citizen Wednesday slipped into citrus trees lining the emerald green fairway at the luxurious Eldorado Country Club.

"Take a mulligan," said his friend and golfing companion, George Allen. A mulligan is a second stroke—which doesn't count—which golfers allow themselves on the first tee.

Weather

Klamath Falls and vicinity — Occasional rain through Friday. Highs 47-53. Lows 38-43.

High yesterday	46
Low last night	32
Precip. last 24 hours	.15
Since Oct. 1	6.35
Same period last year	3.90

Weapons Inquiry May Be Ordered

WASHINGTON (AP) — A fresh congressional weapons inquiry was in the making today as Republicans assailed as political President Kennedy's statement he isn't ready to say if there is a missile gap.

Responding to a demand by Sen. Prescott Bush, R-Conn., chairman Richard B. Russell, D-Ga., said the Senate Armed Services Committee will call service chiefs of staff before it about Feb. 20 for questioning on the issue.

Senate Republican Leader Everett M. Dirksen of Illinois called on Secretary of Defense Robert S. McNamara to "tell the truth" about a Pentagon briefing of

newsmen which led to published reports there is no gap between American and Soviet missile strength.

Sen. Styles Bridges, R-N. H., challenged as a "shifting of position to avoid the facts" Kennedy's repudiation of these reports at a news conference Thursday.

Dirksen said in an interview he is writing McNamara asking if a press briefing was held and whether the secretary wants to say that reporters were wrong in quoting a Pentagon spokesman as saying there was no missile gap.

"When you deal with missiles as President Kennedy did and make them the burden of your campaign and the center of the security section of your platform, you excite the apprehensions of the people," Dirksen said.

He added: "If President Eisenhower was right in saying there is no missile gap, then the Democrats don't owe him an apology, but they owe one to the American people."

Bridges, who heads the Senate Republican Policy Committee, said in a statement that during the election campaign Kennedy had contended there was a growing gap. Bridges noted that a Pentagon spokesman—who Kennedy conceded was McNamara—had said Monday there was no such gap.

"Mr. Kennedy, apparently, has felt the need to squelch the canard of the Pentagon in order to avoid discrediting the recent campaign tactics of the Democratic party," Bridges said. "Is this shifting of position to avoid the facts to be a hallmark of the new administration?"

LEOPOLDVILLE, The Congo (AP) — President Joseph Kasavubu today appointed a new government for the Congo, replacing the regime of commissioners established by Gen. Joseph Mobutu's military coup four months ago.

Mobutu himself was out of the capital during the frantic political maneuvering that preceded the announcement, but there was every indication the new regime will have the army's support.

The prime minister in the new provisional government is Joseph Ileo, Kasavubu's original choice for the post when he fired Patrice Lumumba and set off the internal political split that has brought the Congo to the brink of civil war.

Kasavubu said the government will stay in office until a parliament representing the whole country can be called. He set no time for this parliament to meet.

The government change apparently resulted from the flurry of talks attendant on the U. N. Security Council's current Congo debate and from the Kennedy administration's seeming willingness to consider a formula for the Congo that would include Lumumba's release from prison.

By turning the administration back to the politicians, Kasavubu apparently hoped to give a more representative basis to the government and to demonstrate that party leaders are competent to run the country.

The new government takes office today.

HONG KONG (AP) — Refugees arriving from Communist China say the twin specters of disease and sabotage stalk the land.

Hunger, malnutrition and famine in some areas have undermined the people's health and morale, they say, and passive but crippling sabotage is setting in.

Responsible Western experts here still see no sign of a mass uprising or revolution in the making. They say the Chinese Communists have taken drastic measures to stave off disaster.

Apparently trying to give their underfed, overworked people a breather, the Peiping regime has abandoned in all but name the "great leap forward" campaign on which it had pinned its hopes of overtaking the West in industrial and agricultural production.

Peiping also has started paying out large sums of precious foreign exchange—estimated at up to \$200 million worth—to Australia and Canada for food for its hungry millions.

Refugees, streaming out of China in increasing numbers, paint a harrowing picture. This picture probably is colored by emotion, but the stories they tell are being repeated too often these days to be disregarded.

The people of China are desperate, they say. Food has always been short under communism but never this short. And rationing is being cut lower and lower.

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A TRAIN TOUR of Southern Pacific Company facilities here was the bounty that second graders at Merrill Elementary School in the county school district and Conger Elementary School in the city received Wednesday noon as winners of the annual oral hygiene contest. The contest was sponsored by the Klamath Dental Society in cooperation with the Klamath County Health Department. The youngsters and their teachers were shown here just as they were about to board the train.

Back-Door Spending Hit In Drive By Two Solons

WASHINGTON (AP) — Chairman of two powerful House committees have teamed up in a drive to curb federal back-door spending estimated to run into billions of dollars annually.

Back-door spending is the congressional term applied to Treasury withdrawals under authority of laws which do not make direct appropriations. Instead, they permit expenditures through contract authorizations, public debt transactions and other means. It is used largely in connection with housing, highway and subsidy programs.

In the second session of the 86th Congress last year, back-door spending obligated \$4,164,000,000 of federal funds for which no direct appropriations were made.

Heading the movement to curb the practice are Reps. Howard W. Smith, D-Va., chairman of the Rules Committee, and Clarence Cannon, D-Mo., chairman of the Appropriations Committee. Each has introduced a resolution designed to cope with the practice, and more than 100 House members have signed a request for action.

Smith's plan would permit objection of a single congressman to block House consideration of any bill carrying appropriations or authorizing future money withdrawals from the Treasury unless the bill originated in the Appropriations Committee.

Cannon's proposal would automatically send to the Ways and Means Committee any measure providing authority for new programs, or increasing the scope of existing programs, which involve a charge against the Treasury.

The Ways and Means Committee would be required to report to the House within 30 days an estimate of the cost involved. The legislation then could be passed only by a majority of the House—219—on a roll-call vote.

U.S. officials are privately disconcerted that Khrushchev's recent assurances to Kennedy of a desire for better relations have not, in their view, resulted in easing such crises as those in Laos and the Congo.

Kennedy met with Rusk and other foreign policy and military advisers for more than two hours Wednesday on the Laos dispute. It is understood they decided there was little prospect for Soviet agreement to the plan to revise the control commission composed of India, Canada and Poland. They therefore decided it was urgent to look into other approaches.

One alternative to be explored with other friendly governments in the next few days, it is understood, is creation of a committee of strictly neutral powers with neither Communist nor Allied governments represented. Such a move probably would command considerable support in world public opinion whatever Moscow might think about it.

President Urges Congress To Okay Health Program

Unemployment Areas Added To Federal List

WASHINGTON (UPI) — The Labor Department today added 25 major industrial centers to its list of areas with substantial unemployment.

It said 76 of the nation's 150 leading production centers now are on the list of areas with joblessness of 6 per cent or more of the labor force.

A top government official said the nation's job picture has never been worse since the early days of World War II.

The Small Business Administration ordered an immediate speed-up in its efforts to assist firms in areas of heavy unemployment.

At the same time, President Kennedy assigned Secretary of Labor Arthur Goldberg to make a five-state tour, starting Friday, to study the impact of the recession.

It will be the first of a series of trips by Goldberg to areas where unemployment is regarded as a critical problem.

He will visit Chicago and Gary and South Bend, Ind., Friday, go to Lansing, Mich., Detroit and Columbus, Ohio, Saturday and visit Pittsburgh Sunday.

The Labor Department said unemployment increased sharply in virtually all of the nation's industrial centers in the early winter.

The over-all rise in joblessness in the 150 main production areas totaled about 30 per cent, the department said.

It classified the following classified areas in the list of substantial unemployment:

Philadelphia, Cleveland, Baltimore, Los Angeles-Long Beach, St. Louis, Peoria, Ill.; Kansas City, Akron, Ohio; Allentown; Bethlehem-Easton, Pa.; Asheville, N.C.; Corpus Christi, Tex.; Flint, Mich.; Grand Rapids, Mich.; Knoxville,

Tenn.; Louisville; Mobile, Ala. Also Newark and New Brunswick-Perth Amboy, N.J.; Portland, Ore.; Savannah, Ga.; Tacoma, Wash.; Toledo; Trenton, N.J.; Worcester, Mass., and York, Pa.

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Gunnar has held the position for two years.

He said a nominating committee already is hunting for candidates for the job.

Saying that he wants to devote his full time to his law practice, he added that his resignation comes at the most logical time—with the next elections almost two years away.

He said that on Jan. 3, he told Gov. Mark Hatfield he wanted to resign Jan. 27, but he delayed it because the governor was busy with other matters.

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By MARVIN L. ARROWSMITH
WASHINGTON (AP) — President Kennedy today urged Congress to approve a controversial health insurance program for 14.2 million Americans 65 or older. It would be financed by an increase in Social Security taxes.

In a special message to Congress dealing with the "harsh consequences" and sometimes crushing cost of ill health, Kennedy also recommended more federal spending to provide separately for:

An increase in community health services and facilities such as nursing homes, nursing aid and expansion of hospital research and development; training of more doctors and dentists through federal scholarships; a broader health care program for children and youth; more vocational rehabilitation training of the disabled; and expansion of medical research.

"The health of our nation," the President said, "is a key to its future—to its economic vitality, to the morale and efficiency of its citizens, to our success in achieving our own goals and demonstrating to others the benefits of a free society."

Terming it a matter of national concern, Kennedy said: "The dramatic results of new medicines and new methods — opening the way to a fuller and more useful life—are too often beyond the reach of those who need them most."

"Those among us who are over 65—16 million today in the United States—go to the hospital more often and stay longer than their younger neighbors," he added. "Their physical activity is limited by six times as much disability as the rest of the population. Their annual medical bill is twice that of persons under 65—but their annual income is only half as high."

The health insurance program Kennedy proposed for the aged—similar in principle to the one he tried unsuccessfully to put through Congress last year as a member of the Senate—would apply to 13.7 million over 65 who are under the Social Security program, and to about 500,000 under the Railroad Retirement pension program, administration officials said.

They said further the proposed increase in Social Security taxes, including bigger levies under the railroad program, would pay out about \$1.1 billion in health insurance benefits in 1963, the first full year of operation.

As for the other health measures Kennedy recommended, the officials stressed that no firm cost estimates are yet available. But they calculate at this time that these programs will require about \$6 million in new appropriations for the fiscal year starting July 1, and that about \$21 million of this actually would be spent in those 12 months.

For the next fiscal year, beginning July 1, 1962, appropriations are figured at about \$177 million and actual spending at about \$35 million.

Some of the programs Kennedy advocated are on a 10-year basis, and the administration estimates

tax increases already scheduled over the next several years in the existing Social Security program—the tax would go from the current 3 per cent to 3 1/2 per cent. This would be paid by both workers and employers on the first \$5,000 of wages, instead of the first \$4,000 as at present.

Payment of health insurance benefits would start July 1, 1962. So it also means that in the case of workers earning at least \$5,000

(Continued on Page 4-A)

Generator Is Wrecked By Dynamite

SPRAGUE RIVER — A direct current electrical generator blew up early Thursday morning at the Stanley-Bledsoe Corp. pipeline yard here and company officials and the Klamath County Sheriff's Office say the apparent cause was dynamite.

E. R. Wolfe, company superintendent, said he heard a blast at 3 a.m. but didn't check at that time. He and office manager Joe Stokes discovered the wrecked generator in the morning.

Stokes said the DC power was used in welding operations. He said a complete overhaul of the power plant would be necessary before welding could be resumed. Other operations are normal, Stokes said.

No lives were endangered by the blast, which occurred in a van-type trailer in a corner of the huge pipe yard. The Stanley-Bledsoe Corp. processes pipe to be laid in the Alberta-California Natural Gas Pipeline project.

Sheriff Murray Britton said the possibility of intentional dynamiting would be "investigated thoroughly."

WASHINGTON (AP) — President Kennedy Wednesday ordered an additional \$5 million made available for farm housing loans to low income farmers during the remainder of the fiscal year ending June 30.

The White House also ordered the Secretary of Agriculture to speed up about \$25 million in payments to farmers holding crops in storage under the farm surplus program. He directed that this money be made available in early March to help meet spring planting costs.

The demand for housing loans is running far ahead of a year ago and as a consequence presently available funds would be exhausted before the end of the fiscal year. The new money would come from an Agriculture Department contingency fund already authorized by Congress.

The \$25 million which will be speeded to farmers holding government-owned crops represents about half of the total which will be due them.

The rest of the payments will go to farmers during April through August.



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