

By FRANK JENKINS
The news today?
The White House contributes a fair share of it.

At his news conference yesterday afternoon, President Kennedy announced that the budget deficit for the government (fiscal) year just closed was \$2.6 billion less than his estimate in January. The lower figure, he said, is attributable to spending cuts throughout the executive branch and higher tax revenues generated by the strong business recovery.

He added:

"The most urgent business before the nation continues to be a prompt and substantial tax reduction to reduce unemployment and bring the nation's industrial plant up to capacity production."

Pardon, sir, but a lot of us out in the sticks, basing our opinion on our own experience, can't help believing that SPENDING LESS THAN IS TAKEN IN, so that each year there may be a surplus to be applied to the reduction of our national debt, which is reaching staggering proportions, is the most urgent business confronting our nation.

We are so unsophisticated as to believe that when a nation goes on spending more each year than it takes in and adding the difference to what is already on the cuff it is courting bankruptcy.

We are glad to learn, sir, that last year we went only \$2 billion into the red, instead of the \$8.8 billion you had anticipated. But, out here in the sticks, it seems to us that going \$2 billion into the hole when we already owe more than 300 BILLION dollars is RECKLESS FINANCE.

More from Washington:

A crowd of 2,500 foreign exchange students ran wild on the White House lawn this morning in an over-enthusiastic attempt to get close to President Kennedy. One girl grabbed the handkerchief out of the President's breast pocket and a boy snatched his tie clasp in the melee.

"That's two from our bus that got something," the girl who had snatched the President's handkerchief shouted ecstatically as others in the party (which is making a tour of the country by bus) surged forward toward the President—who headed toward the safety of his office from the spot on the White House lawn where he had greeted the party.

These foreign students, from 56 countries, have been in the United States for the past year on exchange scholarships under the auspices of the American Field Service. They lived with American families in 2,500 communities around the nation. The bus tour is a wind-up of their year.

Most of them carried cameras and wanted close-up shots to show when they get back home. They also wanted handshakes and autographs.

How did the President take it? The answer is VERY WELL INDEED.

When he reached the sanctuary of his office, a little wilted, but still able to smile, he grinned a bit ruefully and remarked to the White House correspondents:

"Well, they're not the quietest"

\$2 Million Surplus In State Treasury

SALEM (UPI)—The State of Oregon ended the 1961-62 biennium with a surplus of nearly \$2 million, State Finance Director Freeman Holmer announced today.

The figure is well over \$1 million more than expected when the 1963 legislature closed up shop early last month.

Board Approves WCA Extension

WASHINGTON (UPI)—A Civil Aeronautics Board examiner recommended Wednesday that West Coast Airlines be given permanent authority to serve Tacoma, Wash.

Chief Examiner Francis W. Brown said the city's new airport now under construction, plus an area population of more than 383,000 warrant direct air service.

Tacoma residents now use the Seattle-Tacoma International Airport located more than 20 miles from the city. The CAB originally deleted Tacoma from West Coast's routes because it had no airport of its own.

Brown rejected a move by Northwest Airlines to require West Coast to make at least one stop on flights between Tacoma and Portland and Spokane. The examiner said there was no evidence that West Coast's Tacoma service would divert traffic from Northwest.

Weather

Klamath Falls, Tulelake, and Lakeview

Fair tonight and tomorrow, lows tonight ranging from 32 to 36 in the lower Klamath Basin to 43 in Klamath Falls and Lakeview. A little warmer Friday with a high of 75 to 80. Winds westerly 5 to 15 m.p.h.

High yesterday 70
Low this morning 42
High year ago 74
Low year ago 48
Precip. past 24 hours trace
Since Jan. 1 4.12
Same period last year 8.11

Lumber Strike Spreads

By United Press International

The rolling strike against Georgia-Pacific Corp. by two lumber unions spread into Washington today when about 200 workers failed to report for work at two Olympia plywood plants.

Members of the International Woodworkers of America (IWA) set up picket lines before 8 a.m. Harvey Nelson, Western regional president of the IWA, predicted all G-P operations in Oregon, Washington and California will be closed down by the end of the week.

Some Plants Hit Earlier

The IWA and the Lumber and Sawmill Workers Union (LSW) closed plants at Toledo, Coos Bay, Springfield and Coquille, Ore., and Samoa, Calif., earlier this week. Still operating today were some woods crews at Toledo and in the Coos Bay area, a pine mill at Pilot Rock, Ore., and woods crews and mills at Feather Falls and Woodleaf, Calif.

The strike against Georgia-Pacific is part of an industry-wide dispute over a new contract in the Douglas Fir belt. Nearly 25,000 workers now are idle.

Simpson Strike Ends

An unauthorized strike by 550 members of the LSW at a Simpson Timber Co. door and plywood plant at McLeary, Wash., Wednesday ended later in the day after a meeting between workers and Earl Hartley, executive secretary of the union.

Hartley said the men returned to work at the start of the evening shift.

Negotiations between Simpson and the two unions are scheduled to be resumed Friday in Portland. They were recessed Tuesday amid statements that enough progress had been made to merit more sessions.

Hatfield Urged To Intercede In Big Dispute

COOS BAY (UPI)—The Coos Bay World newspaper today sent a telegram to Gov. Mark Hatfield urging him to work toward a settlement of the Northwest lumber dispute.

In a telegram signed by Publisher Sheldon Sackett, Hatfield was asked to take the lead in ending what the wire called the great economic loss not only to the Coos Bay area but to the entire Northwest.

More than 1,000 men were idled in the Coos Bay area Wednesday when the International Woodworkers of America and the Lumber and Sawmill Workers Union struck Georgia-Pacific plants at Coos Bay and Coquille.

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WASHBURN OVERPASS DEDICATED—Tom Lamphier, district superintendent of the Great Northern Railroad, cuts a ribbon stretched across the Washburn Way Overpass to officially dedicate the structure during a ceremony held at 2 p.m., yesterday. The overpass, which spans the Great Northern Railroad freight yards near Laverne Avenue and Washburn Way, has been open to traffic since April 12 but the official dedication of the project was postponed until paving of the approaches was completed earlier this month. Construction of the overpass was financed from state, federal, and Great Northern Railroad funds while the county laid the approaches to the structure at a cost of some \$150,000. Left to right are R. M. Barney, representing the railroad's general manager at Seattle; Robert E. Tesch, chief clerk of Great Northern; Commissioner Ken Allison; County Judge R. R. Walker, J. H. Creed, county engineer, Lamphier and Commissioner Frank Ganong.

Police Break Chicago Segregation Sit-In; Maryland Dispute Quiet

By United Press International

Police broke up an eight-day-old sit-in demonstration at the Chicago Board of Education offices today which Wednesday night sparked a clash between Negroes and police.

About 30 policemen entered the offices and bodily carried nine persons down a freight elevator and into waiting paddy wagons. They were charged with unlawful assembly and criminal trespass.

The demonstrators, who began their sit-in July 10, had hoped to force a special meeting of the board to put new district boundary rules into effect and eliminate alleged segregation.

In another racial hotspot, Cambridge, Md., Negro leaders agreed early today to let the Maryland Bar Association mediate the dispute.

A clash flared in one North Carolina city Wednesday night, but segregation moved quietly in two others.

The Forsyth (Winston-Salem) County Bar Association announced it had admitted nine Negro lawyers and a Negro student, Mrs. William Gamble, became the first member of her race to attend Greensboro College in the 125-year history of the Methodist-affiliated school.

National Guardsmen, called to Cambridge to preserve the peace, Wednesday night arrested six white men who attacked soldiers, reporters and photographers in a melee outside an armory.

At Chicago, police clashed with rowdy integration demonstrators in front of the Chicago Board of Education building, Wednesday night. Three demonstrators, two Negroes and a white man, were arrested.

A 10-year-old Negro girl and three policemen were injured in the pushing and shoving demonstration by about 150 persons protesting alleged segregation in Chicago public schools.

Police stepped between rock-throwing groups of whites and Negroes Wednesday night at Thomasville, N.C., and dispersed the crowds with threats of arrest. The crowds of about 150 persons each had gathered outside the Thomasville city hall where 60 Negroes were being booked for physically blocking the entrance to a segregated theater.

Negroes held peaceful mass rallies Wednesday night at Charleston, S.C., where almost 200 police officers guarded against a recurrence of racial violence, and Savannah, Ga., where city council Wednesday banned all marches during the "state of severe racial unrest."

Elsewhere in the nation:

Danville, Va.—Integrationists threatened city officials of Chatham with "non-violent" war unless eight racial demonstrators were released from jail by the first of next week.

Montgomery, Ala.—Gov. George Wallace said he would propose to the Alabama legislature bills providing for "segregation by color and sex" in public school classrooms.

Jackson, Miss.—A circuit judge was to hear motions today in the case of Byron De La Beckwith, accused slayer of Negro leader Medgar Evers. The state has asked that Beckwith be given mental tests.

Washington—President Kennedy Wednesday said a planned march by 100,000 Negroes in the nation's capital next month is in the American tradition of liberty. But he warned against "demonstrations that could lead to violence."

Santa Monica, Calif.—Actor Marlon Brando was hospitalized Wednesday and will not be able to participate, as he planned, in racial demonstrations in Maryland this weekend.

Americans Slain In Viet Ambush

SAIGON (UPI)—Three American soldiers, two of them officers, were killed early today in a Communist guerrilla ambush near Loc Ninh, 75 miles northwest of Saigon, a U.S. military spokesman said.

The spokesman said the victims were a sergeant and two captains, all members of the U.S. Special Force in South Vietnam.

The new deaths raised to 96 the number of American military personnel killed in South Vietnam.

The spokesman said the victims were a sergeant and two captains, all members of the U.S. Special Force in South Vietnam.

Gloom Surrounds Railway Dispute

WASHINGTON (UPI)—Little hope was expressed today for a voluntary 11th-hour settlement of the deadlocked rail work rules dispute despite a new appeal by President Kennedy.

The special presidential fact-finding board sent copies of a draft report on the dispute to union and management representatives today. Labor Secretary W. Willard Wirtz planned to present the final report to the President Friday.

At his news conference Wednesday the President urged both sides to reach a settlement between themselves to avoid a crippling railroad strike that would hit the "national economy and interest."

But Kennedy conceded he had no reports from Wirtz that would lead him to expect such a negotiated settlement before Monday, when he tosses the whole affair to Congress.

Despite reported private efforts of members of the fact-finding board to mediate the dispute, there appeared to be no move today by the unions or management to get together.

The railroad companies have said that legislation is "the only remaining means we can see of heading off a calamitous nationwide rail strike."

Barring a last-minute agreement, the President plans to submit legislative recommendations to Congress Monday on the basis of his board's report of the facts of the four-year-old controversy. The board completed its draft paper late Wednesday.

Both sides have agreed to postpone until July 29 any action that might lead to a rail strike. The unions intend to walk out the morning of the strike.

Sino-Soviet Conference Breaks Off

MOSCOW (UPI)—Chinese and Soviet delegates did not show up for talks on their worsening ideological dispute today, indicating another recess had been called in the conference.

There was no announcement, but newsmen waiting outside the conference site in a villa on the outskirts of Moscow said neither delegation arrived. The usual pattern of the talks has been one day off and one day on, and talks were held Wednesday.

Western observers believed the talks were near an end, and that the departure of the Peking delegation could be expected any day.

Diplomats said it is China's turn to make the next move in the public attacks that have accompanied the talks, gaining in bitterness as the conference progressed.

The last attack of major proportions came from Russia. In a 25,000-word statement published in Sunday's Pravda, it accused Peking of being a racist power intent on war and determined to split the Communist camp.

China's replies have been only indirect, but a blast of full force was expected soon to answer the Pravda charges.)

Deficit Spending Down, Kennedy Tells Congress

WASHINGTON (UPI)—A sharp year in government red-ink spending today buoyed prospects for House approval of the income tax cut President Kennedy wants.

Kennedy announced the good news Wednesday. He told a televised news conference that the government wound up the fiscal year on June 30 with a budget deficit \$2.6 billion less than he had predicted last January.

The President said final figures to be released by the Treasury within the next few days would show that outgo exceeded income by only \$6.2 billion. In his January budget message Kennedy had forecast an \$8.8 billion deficit.

He noted, happily, that the deficit had turned out to be even smaller than the previous fiscal year.

School Fund Earns Interest

SALEM (UPI)—A record interest earning from the state common school fund was reported today by the State Land Board.

Earnings for the year which ended June 30 totaled \$673,367, topping the highest previous total by \$77,325. The money will be distributed to local school districts on the basis of the current school census.

Nuclear Conference Progresses Toward 'Partial' Test Ban

MOSCOW (UPI)—Top-level U.S., British, and Soviet negotiators met anew today in the Moscow three-power nuclear conference amid increasing indications an agreement may be reached soon on a partial test ban.

Soviet Foreign Minister Andrei Gromyko, U.S. Undersecretary of State W. Averell Harriman and British Science Minister Lord Hailsham opened the fourth session of the Big Three talks at 6:30 a.m. PDT.

The negotiations resumed in the wake of a Washington news conference statement by President Kennedy that he was "hopeful" the negotiators would agree to halting nuclear tests in the atmosphere, underwater and in space.

A three-power communique issued in Moscow Wednesday night said that "progress" had been made in drafting treaty provisions. The rival East and West drafts already put forward at the Moscow nuclear talks were understood to be fairly close in positions.

The Big Three talks began an hour and a half later than scheduled today because of a lunch Gromyko gave for visiting East German Foreign Minister Lothar Boltz.

East German sources said Boltz was in Moscow to discuss the Berlin problem in connection with the three-power talks.

The consultations between Soviet and East German leaders during the nuclear conference led to speculation that another move might be in the works to try to solve the Berlin problem.

The conference, although primarily devoted to the nuclear issue, was understood to have already held soundings—but not negotiations—on a number of cold war issues, including an East-West non-aggression pact and the problem of Laos.

While the Soviets wanted to link a partial test ban treaty with a non-aggression pact between NATO and the Warsaw Pact nations, the Western Allies were opposed on the grounds such a pact would involve Western diplomatic recognition of Communist East Germany.

Diplomats here speculated a new formula excluding Western recognition of the regime of East German Communist leader Walter Ulbricht might be under discussion.

U.S. sources said that under no circumstances would there be any diplomatic contact between Western representatives and those from East Germany on the grounds that "we have no recognition of that regime." Diplomatic circles here felt that any agreement on a partial nuclear test ban and progress on other cold war issues could pave the way for an eventual summit meeting.

The Soviet Union informed its citizens today that the East-West nuclear talks have "achieved progress" toward a limited test ban.

President Seeks Payment Balance

WASHINGTON (UPI)—President Kennedy asked Congress today to enact a temporary tax on foreign borrowing of U.S. capital in a stepped-up effort to close the growing balance of payments gap.

The President said the new clampdown was needed to help make further "inroads into the hard core of our continuing payments deficit."

The President's recommendation, made in a special message to Congress, was intended to add more authority to an intensified attack on the dollar deficit which began this week with the raising of short-term interest rates.

A payments deficit develops when U.S. citizens and the federal government spend more dollars abroad than foreigners spend in this country. The result is a drain on U.S. gold stocks.

The President proposed a program mixed with both old and new ideas for resolving the balance of payments dilemma—one of the most nagging economic problems facing the nation.

He urged renewed emphasis on previous drives to increase exports, promote U.S. tourism, and reduce overseas dollar expenditures by military and foreign aid programs.

Kennedy said the long-range payments outlook was hopeful, but that action must be taken quickly to replenish "our stockpile of arrangements" during our return to equilibrium.

The nation ended 1962 with a balance of payments deficit of \$2.2 billion, which shot up to an annual rate of \$3.3 billion by March of this year. Government economists indicate the deficit is still climbing.

Kennedy's proposal for an "interest equalization tax" was designed to lessen the impact on the gap that results when foreigners borrow dollars in money markets here—where interest rates are lower—for use in their own country.

The President asked Congress to enact a graduate tax, ranging from 2.75 per cent to 15 per cent, with the rate tied to the length of the loan.

The tax would start at the minimum 2.75 per cent on a three-year loan, and rise to the full 15 per cent for loans maturing in 28½ years or longer. It would be in effect through 1965.

Kennedy said the levy "would stem the flood of foreign security sales in our markets and still be fully consistent with both economic growth and free capital movements."

The increase earlier this week in short-term interest rates—from 3 per cent to 3½ per cent—was intended to discourage the flight of U.S. capital to foreign banks offering higher rates.

The President said these two strategies bolstered by additional savings in overseas government expenditures would add \$2 billion to the "plus" side of the payments ledger during the next 18 months.

Civil Rights Bill Defense By Kennedy

WASHINGTON (UPI)—Atty. Gen. Robert F. Kennedy told Congress today the administration's civil rights bill "can and will do more toward righting the wrongs of racial oppression than any other measure possible at this time."

Kennedy told the Senate Judiciary Committee, headed by hostile Sen. James O. Eastland, D-Miss., that "no issues are more urgent" than those the administration's civil rights program seeks to resolve.

He said the program was no cure-all but that it would "bring to law what we have always known in our hearts to be justice."

The attorney general appeared before a standing room only audience in the big, theater-like auditorium of the new Senate Office Building. He backed up the pleas of his brother, the President, while his other brother, Sen. Edward M. Kennedy, D-Mass., listened as a member of the committee.

Under questioning by Sen. Estes Kefauver, D-Tenn., the attorney general agreed to work with Congress toward a more viable form of the controversial public accommodations section of the bill.

He said no part of the rights package was more important. But he admitted the difficulty in defining just what establishments have "substantial" relation with interstate commerce.

Kennedy also agreed, as he had in earlier testimony before the Senate Commerce Committee, to accept an amendment providing jury trials for persons cited for contempt in violations of the public accommodations section.

Goldwater Shuns Debate Request

NEW YORK (UPI)—The governor of New York said yes, but the senator from Arizona declined the offer on grounds that it might contribute to disunity in the Republican party.

And so Gov. Nelson A. Rockefeller and Sen. Barry Goldwater will not be swapping opinions in what now ranks as one of the nation's most popular political side-shows: The television debate.

At least not for a while.

The two leading contenders for the 1964 GOP presidential nomination were invited by the Columbia Broadcasting System to spend an hour of air time discussing one of their favorite subjects: The role of the Republican party in next year's election.

The first response Wednesday came from Goldwater's office, which said the senator "does not intend to engage in any television programs or other activity which will have the effect of contributing to disunity in the Republican party." The telegram turning down the invitation was signed by Tony Smith, Goldwater's press secretary.

Later in the day it was learned that Rockefeller and Goldwater, known to be in disagreement on many party issues, can't even agree on how they might disagree.

Rockefeller, expressing regrets because Goldwater declined the offer to debate, said he felt such a television exchange would help rather than harm the Republicans.

"I should be glad to participate in such a discussion and am sorry that Sen. Goldwater has declined," Rockefeller said in his reply to CBS. "I feel public discussion is a good thing."

Goldwater Shuns Debate Request

WASHINGTON (UPI)—The Senate Public Works Committee Wednesday approved expenditure of \$36 million for flood control in the Columbia River Basin.

The Columbia appropriation was part of a bill which authorized \$600.6 million for 11 river basin plans.

The House authorized \$195 million for the Columbia Basin in a similar bill.

The Senate bill also included \$50 million for the Burns Creek Dam and Reservoir in Idaho and \$50 million for the Knowles Dam and Reservoir in Montana.