

# \$38 Million Needed To Meet Old Budget

Editor's Note—This is the third in a series of articles covering the tax proposal to be voted on October 15.

Voters may ask why the tax bill was designed to raise another \$33.5 million when the budget actually was increased only \$37,600,000. This stems from the action of the 1961 Legislature which used up all of the then \$33 million surplus, plus transferring \$5 million from the veterans' loan program funds to meet the cost of its 1961-62 budget.

These were both one-time-only funds, and the 1963 Legislature had to find \$38 million in funds just to replace these one-time-only funds and keep agencies and education operating at its prior level.

This \$38 million which had to be replaced, plus the \$37,600,000 in increased budgeted funds made a total of about \$76 million that the Legislature had to find to finance the program it has set out for the 1963-65 biennium.

However, the continued growth of revenues from existing tax laws produced about \$14 million more than expected in the 1961-63 biennium, leaving a deficit of about \$64 million to be found.

Faced with this \$64 million deficit, the Legislature enacted House Bill 1846 which is designed to raise a bit in excess of this figure. Some quarters estimate that the bill will bring in as much as a \$5 million surplus over the needed \$64 million but this is merely conjecture.

However, it is this \$38 million one-shot loss from the 1961-62 budgets that gives rise to much of the statements from various agencies that defeating the measure would cut them back sharply under what their operating budgets were for the 1961-63 biennium.

Were the proposed tax bill to be defeated on October 15, it would be necessary for the Legislature to find some \$38 million just to keep services at the level of the 1961 budget, not to say anything of having to find ways of cutting \$38 million from the budgets in some manner.

It appears that there are two possible alternatives in the event the bill is defeated. It may seem to be a negative approach but in defeat of the measure lies the only problem. If it is approved, there is no need to cut budgets and slice programs.

So, if it is defeated, Governor Mark Hatfield can do one of two things, or a combination of both. He can, within his statutory authority, reduce expenditures to match the reduced amount of funds available, or he can call a special session of the Legislature and hand it the problem.

The Attorney General has already ruled that the Governor cannot cut the amount of money appropriated for basic school support which amounts to \$135 million or about 30 per cent of the budget total.

However, the Legislature can reduce this amount if it were called into special session.

It appears, that in the event the bill is defeated, the Governor would make some cuts in the state governmental budgets where he legally could, and then would call the Legislature back into special session.

These would seem to be the only two courses of action open in the event HB 1846 is defeated by the voters on October 15.

Next—We explore these two courses of action in more detail, detail.

# Announcement Likely On Russian Wheat Deal

WASHINGTON (UPI)—President Kennedy was expected today to announce approval of a proposed multi-million-dollar "one shot" sale of surplus U.S. wheat to the Soviet Union.

The President's announcement may come at his news conference at 6 p.m. EDT. The conference originally was scheduled for 4 p.m. EDT, but the time was changed, possibly to coincide with the closing time of the west coast commodity markets.

Administration sources confirmed privately that potential sales to Russia and its satellites could reach about 275 million bushels of wheat. One source said Russia alone might take up to 130 million to 140 million bushels.

Russia indicated to the U. S. government for the first time ear-

# In The Day's News

By FRANK JENKINS

From Saigon this morning:

Two U.S. Marine Corps helicopters, carrying 12 Americans, crashed in the Viet Nam jungles last night, possibly shot down by communist ground fire.

American rescue planes sighted the wreckage of both helicopters this morning. There was no sign of survivors and the search planes were fired on by the red guerrillas, wounding one U.S. Marine officer and killing his South Vietnamese companion.

# Illness May Force Macmillan To Quit

LONDON (UPI)—Prime Minister Harold Macmillan's illness, which may put him out of action for three months, today increased the odds in favor of his resignation before the general elections.

Macmillan, who will be 70 in February, was admitted to King Edward VII Hospital Tuesday night for an operation, possibly on his prostate gland.

The news of his illness on the eve of the Conservative party convention in Blackpool brought an entirely new factor into the party's leadership battle and election campaign plans.

Macmillan, under fire from dissidents in the party as well as the opposition Labor party, had been scheduled to wind up the convention Saturday with a speech which many observers thought would spell out his intentions.

Opinion was divided on whether Macmillan would announce his retirement or whether he would disclose plans to stay on and fight the elections, which must be held sometime within the next 12 months.

But now the speech will not be given, and the illness, although not considered serious in itself, lent weight to the chances of his retirement.

At the same time, it improved the position of Deputy Premier R. A. Butler, who became acting premier for the duration of Macmillan's incapacity.

Butler was the favorite of observers speculating on a possible successor to Macmillan, and taking over the prime minister's duties for such a length of time during such a crucial political period was bound to strengthen his position.

Two other party leaders, Science Minister Lord Hailsham and Reginald Maudling, the chancellor of the Exchequer, also had wide support.

(Continued on Page 4-A)

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# Flora Diminishes After 9-Day Rampage

## Herald and News

### Weather

Klamath Falls, Tulelake and Lakeview: Considerable cloudiness with periods of showers or possible thunderstorms and increasing winds through Thursday. High yesterday 72. Low this morning 47. High year ago 57. Low year ago 42. Precip. last 24 hours trace. Since Jan. 1 4.83. Same period year ago 0.26.

Price Ten Cents — 16 Pages

KLAMATH FALLS, OREGON, WEDNESDAY, OCTOBER 9, 1963 Telephone TU 4-8111 No. 7337

### Weather

AGRICULTURAL FORECAST  
Harvest outlook fair to good with variable conditions next four days. Above normal temperatures and above normal precipitation in recurring showery periods. Heaviest rain indicated Friday. Windy Thursday.

# Death Count May Climb Over 9,000

MIAMI (UPI) — Hurricane Flora's Caribbean death toll rose to more than 2,700 known fatalities and another 6,500 were feared lost today as the storm finally moved toward the open Atlantic and away from the U.S. mainland.

Radio reports, intercepted in Miami, added 105 known dead and 4,000 missing in eastern Cuba to previous reports of 2,500 dead and fears for 2,500 others in Haiti and at least 112 other dead in Cuba.

In its nine-day rampage through the Caribbean and across the southeastern Bahamas, the hurricane which may turn out to be the most deadly of the 20th Century, also claimed nearly 50 more lives in Tobago, Grenada, Jamaica and the Dominican Republic.

At Miami Beach, a college student was presumed drowned in heavy surf flung against the south Florida coast in a two-day buffeting of Flora's fringe gales.

A Cuban radio broadcast reported this morning that "two entire villages have disappeared, washed away by the flood waters, and there is fear that 4,000 students and workers have perished."

The villages were not identified. An earlier broadcast reported 100 coffee pickers drowned in Oriente Province.

Despite Cuba's plight after five days of steady pounding by the hurricane, Premier Fidel Castro turned down offers of aid from the American Red Cross.

He called such offers from United States sources "hypocritical."

Although it may be weeks before the full extent of death and damage can be determined, the Miami Weather Bureau said damage in Cuba alone would run into "several hundred millions of dollars."

Haiti counted nearly 100 million in damages. Boasting 100 mile per hour winds in its center, Flora passed over the island of Mayaguana, where the United States has a missile tracking station, at 2 a.m. EDT. There were no immediate reports of damage to the island which was hard hit by hurricane Donna in 1960.

Behind Flora lay what the weather bureau called in a preliminary report the worst hurricane devastation to Haiti and Cuba "since the time Columbus discovered the New World."

Haitian Health Secretary Ger-aid Philippeux reported from Port au Prince Tuesday that 2,500 persons were dead or missing and that the toll of casualties "might double." He said cities had been swept away by Flora, which struck Haiti's southwestern Tiburon peninsula last Thursday night with 150 to 200 mile-an-hour winds.

"There will be an attempt to overthrow the government," the out-spoken Vietnamese first lady said, "but I can assure you it will not succeed."

In her first public address since coming to this country Monday for a round of speaking engagements, she said in a television interview that she wasn't sure whether the "plot" had official sanction in Washington.

But she indicated that the United Press International, Associated Press, New York Times and Voice of America might be involved.

"They just dislike us," she said.

While she was speaking, a dozen demonstrators picketed the hotel Waldorf-Astoria, several blocks away, where she was to address the Overseas Press Club. The demonstrators identified themselves as college students and marched behind police lines across the street from the hotel.

They chanted, "Madame Nhu—Pentagon puppet," and "No more Koreans. Bring the troops home."

Mrs. Nhu criticized American news correspondents in South Viet Nam. She said at one time the government had planned to sue six American newsmen for "obstructing" police during a rebel demonstration.

Search planes also reported no signs of survivors at the site on the T28 crash.

The spokesman said the Americans aboard the helicopters included four Marine officer pilots, five Marine enlisted crewmen, one Navy doctor and two Navy hospital corpsmen.

Both helicopters belonged to a newly-arrived Marine Corps squadron based at Danang, about 40 miles northeast of the crash site, which is 325 miles north of Saigon.

An all-out air rescue search had been launched at dawn today when the two helicopters failed to return to Danang Tuesday night. They had last been heard from at dusk, heading back to the base from the site of the T28 crash.

Protests Beating  
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against the beating of three American newsmen by Vietnamese police.

Broomfield said he had made the protest Tuesday in separate meetings the team held earlier in the day with the president and his adviser brother, Ngo Dinh Nhu.

"When we arrived here I was deeply disturbed to find a correspondent (John Sharkey of National Broadcasting Co., from Detroit), who was a constituent of mine had been beaten up last Saturday," Broomfield said.

"During our talks at the highest level I also entered my official protest against the beatings," he said.

Sharkey and two other newsmen were beaten while covering the suicide by fire of a Buddhist priest in Saigon as a demonstration against alleged government religious persecution.

The helicopter disaster was the most serious incident involving Americans since the United States began pouring military aid into the anti-Communist fight in this Southeast Asian nation two years ago.

If all 13 men were killed, it would raise the toll of Americans who have died in battle in South Viet Nam to 124.

Search planes sighted the wreckage of the two downed helicopters and the crashed fighter-bomber plane on the banks of the Thu Bon River this morning, only half a mile apart, not far from the Laotian border.

There was no reported sign of life at either place.

The area is heavily infested with Communist guerrillas and the search planes reported they were fired on from the ground.

Both helicopters were taking part in rescue operations in the rugged mountains near the Laotian border where a Vietnamese Air Force T28 fighter bomber was shot down, apparently killing a U.S. Air Force captain and a Vietnamese observer.

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