

# Macmillan Surrenders Leadership In Britain

BLACKPOOL, England (UPI)—Prime Minister Harold Macmillan today surrendered leadership of the ruling Conservative party for the coming general elections and said he could not hope to be prime minister "for any extended period."

He did not resign as prime minister, although that action was indicated for the future. In a letter issued from his bed in a London hospital where he underwent a prostate gland operation this morning, Macmillan urged the Conservative party to choose a new leader.

Macmillan's decision was contained in a letter to Foreign Secretary Lord Home. It was read to the 4,200 delegates to the annual Conservative party meeting. They were stunned by the announcement. Macmillan's letter said that even if the operation proved successful, "it is clear that I will need a considerable period of convalescence."

## 2 Courses Open If Bill Defeated

**Editor's Note—This is the fourth in a series of articles on the proposed Income Tax Measure to be voted on October 15.**

Two obvious courses of action are available in the event the voters defeat the proposed income tax bill on October 15. The two courses include the Governor making cuts in the state general fund budget, and the second would be the governor calling the Legislature back into session to deal with the problem.

There is no question that a great amount of chaos and consternation will exist if the bill, designed to raise an additional \$64 million in revenues, is turned down by the people. The trend of the voting may well have an effect on just where and how much state general fund budgets are cut.

There would also be considerable difference of opinion on the meaning of the "no" vote, if the balloting turns out that way. There will be those who will maintain that the public was not voting against the size of the budget but merely protesting the fact that the Legislature had moved to eliminate the deduction of federal income taxes on state returns. Many have termed this "a tax on a tax" and opposition has always been strong to this action.

This move, actually, will raise almost \$50 million of the \$84 million in increased revenue. Another \$14 million comes from the "speed-up" of state taxes withheld from employees. Many employers in the state have been protesting this since it would saddle the employer with monthly rather than the present quarterly returns.

So there will be those who would maintain that a "no" vote is merely a protest vote against these provisions. There are others who would maintain that a "no" vote was a protest vote against the increase in the budget and against the size of state spending, in general.

A whopping "no" vote would tend to bear out this latter thinking while a bare majority "no" vote would tend to bear out the former theory. The Governor and the Legislature would have to carefully consider just what the voters meant and what they wanted. Governor Hatfield would have some course of action open to him.

The Attorney General has ruled that he could not cut the basic school support fund. (This can only be done by the Legislature.) He would have to check the balance of the general fund (\$543 million) to see where budgets could be cut. Also, he would check and probably find that the Liquor Commission had recently increased its revenue by \$750,000. If the federal government reduces income taxes, the state would stand to benefit by an increase in state income taxes because taxpayers would not have the larger federal taxes to deduct.

However, it appears an impossibility for the Governor to make even sizeable cuts in state budgets without some wholesale slashing of programs. What cuts he could make would be in higher education, public welfare and correctional and mental institutions plus minor cuts in departmental budgets.

It would appear almost a certainty that the Governor would summon the Legislature back into special session in the event the tax bill is defeated. The Legislature, then, could cut where it desires. Some of the areas that would very likely be singled out for slashes include the basic school support fund which totals \$135.1 million. This fund jumped from \$126.6 million to \$135.1 million under the last Legislature, an increase of about \$15 million.

This would be one of the first areas cut by the Legislature since school districts could be thrown the responsibility of replacing these lost funds by agreeing to additional property taxes or cutting school expenses. Some school districts, such as those in this area, have an operating surplus at the end of the fiscal year which can range upward from \$40,000.

This would tend to reduce somewhat the effect of a loss of basic school support funds at the state level. However, they might have to operate for a short time on warrants, redeemable in the next fiscal year. It is probable that cuts would be made in the operating budget for instruction of the state System of Higher Education. In turn, the state board would then have to pare its student admission load as well as raising tuitions and fees as necessity dictated.

Since, again, this is an area where some cuts could be redeemed by action of the agency involved, this would be one of the first areas affected by any legislative cut. Public Welfare would also come in for a sizeable slash. The present budget calls for an outlay of about \$106.6 million. However, only \$41.9 million of this comes from the general fund. The balance comes from county and federal funds.

Each dollar slashed by the Legislature here, though, would result in about a \$2.50 reduction in total revenues. These would appear to be the major areas that either the Governor or the Legislature would cut in the event this becomes necessary by the people voting down the tax proposal on October 15.

## Kennedy, Gromyko Review 'Frictions'

WASHINGTON (UPI)—President Kennedy meets today with Soviet Foreign Minister Andrei Gromyko for a review of East-West "frictions" designed to lessen the danger of war by miscalculation.

The session will be their first since the dramatic confrontation a year ago at which Gromyko stoutly maintained that Soviet weapons in Cuba were purely "defensive," unaware that Kennedy already had photographic proof of the missile buildup.

The meeting was scheduled for 4 p.m. EDT. Secretary of State Dean Rusk was holding a warmup session with Gromyko earlier in the day. Rusk and Gromyko held several long talks earlier this month in New York.

Kennedy told his news conference Wednesday he believed that "what has happened" since his Oct. 18, 1962, meeting with Gromyko "will lessen the danger of a military clash."

He obviously had in mind the forced withdrawal of the nuclear missiles from Cuba, relaxation of Red pressure on Berlin, and signing of the limited nuclear test ban treaty.

The President pointed out, however, there still were many important issues on which Russia and the United States differed.

"As we don't want these disputes and frictions to escalate into military clashes, it is worthwhile to have consultations," he said.

The Rusk-Gromyko meetings already have shown that despite the more cordial East-West climate, there is no foreseeable prospect of a major breakthrough on such explosive issues as Berlin, Germany and European security.

Both sides, in fact, have shown a willingness to steer away from the more flammable problems in an effort to avoid a turn for the worse in relations at this time.

U. OF ORG. LIBRARY NEWSPAPER SECTION GEN. REF. AND DOCUMENTS DIV. EUGENE, OREGON Klamath Falls, Tulelake and Lakeview - Variable cloudiness, cool and quite windy with periods of showers tonight and Friday. Low tonight 38 to 42, high Friday 48 to 52. South to southwest winds. High yesterday 47 Low this morning 43 High year ago 44 Low year ago 32 Precip. last 24 hours 2.0 Since Jan. 1 4.83 Same period year ago 12.97

# Herald and News

Weather AGRICULTURAL FORECAST Unsettled weather conditions will cause some showers with gusty winds the next couple of days, with a return to fair weather over the weekend. Harvest outlook fair to good.

# Italian Dam Disaster Kills 3,000



**MODEL FINISHED**—Mario Martin, planning assistant in the Community Planning Office, is shown with his model of downtown Klamath Falls, which was finished Wednesday. The model, done to the scale of one inch equals 100 feet, is designed to aid planners in their studies of the city. The model was several months in preparation by

Martin, who carved each of the buildings from balsa wood. The building sections are removable and the model will be covered with a clear plastic shield. Completion of the model is one of the first steps in the office's study of ways to improve downtown Klamath Falls.

## Landslide Sends Water Pouring Over Villages

LONGARONE, Italy (UPI)—More than 3,000 persons were feared today to have been swept to their deaths when a massive landslide poured a 300-foot-high wall of water over a dam onto the sleeping villages of an Alpine valley. Millions of tons of water spilled over the lip of the dam Wednesday night, poured into the valley, wiped out villages, and caught thousands in their beds. The effect of the landslide into the reservoir behind the dam was like that of a stone dropped into a teacup.

The dam itself was not collapsed by the rushing water, but a part of its crest on the right side crumbled under the shock of the wave. The concrete structure, highest arch dam in the world, held firm except for the minor damage along the top, although officials first had believed that it had collapsed and hurled the water into the valley.

The disaster was triggered by the landslide that plucked into the reservoir behind the 860-foot Vajont Dam at 10:43 p.m. (5:43 p.m. EDT) Wednesday.

The force of the landslide was so great that it registered on several Italian seismographs as an "earth movement." Officials believed that the shock registered at the observatory was that of the landslide itself, rather than that of an earthquake setting off the disaster.

Rescue officials estimated that more than 3,000 persons died in half a dozen shattered villages. With a tremendous roar, the 300-foot wall of water swept down the ravine in front of the dam and into the Piave Valley.

This town, which had 4,700 inhabitants, was the largest inhabited area in the path of the flood. Almost every building in the town was destroyed.

"There are more than 3,000 persons buried under some three square miles of stone, rocks, dirt and gravel," said Lt. Col. Eros Orto, the chief of rescue operations. "There is no hope of survival for any of them."

"The few survivors we found have been moved to Verona for attention. We don't need medical supplies because there aren't enough survivors to strain what we already have, but we can use all the bulldozers we can get our hands on."

Working parties already had uncovered scores of bodies, all of them naked. Police explained that the tremendous force of the water had ripped off any clothes they had been wearing.

It was likely that many of them already were in bed when the disaster struck. Piero Dalmin, a construction worker from Longarone who spent the night away from home, returned this morning to try to find his sister, Maria.

"I can't even find our home," he said. "There is nothing left, not even a landmark I can recognize." He said he doesn't know what happened to his sister.

For miles downstream, bodies were being found buried in a tangle of mud, rocks and uprooted trees. At one point there were more than 100 dead cows. To complicate matters, it appeared the danger of deadly epidemics

## Day's News

By FRANK JENKINS

The big wheat deal in a nutshell. We're selling Russia about \$250 million worth of the stuff. We're selling it at the world market price, which is about \$1.30 a bushel. At \$1.30 a bushel, the sale of \$250 million worth of wheat would translate into a little better than 192 million bushels.

Getting rid of 192 million bushels would eat up a little better than one-fifth of the present U.S. SURPLUS, which stands at a little better than 900 million bushels.

Which is to say: Russia gets the wheat—which she needs to feed her hungry people. We get rid of about 20 per cent of our wheat surplus—which we need to do. It costs us about \$300 million just to STORE our surplus.

According to this morning's dispatches, the cost of MAKING the deal would be somewhat in excess of \$115 million, since this wheat exports at about 60 cents a bushel.

And—President Kennedy says this morning: "The sale of the wheat for about \$250 million and the additional income for American shipping (which will carry the wheat to Russia) will REDUCE OUR BALANCE OF TRADE DEFICIT and provide income for Americans."

Big question as to Kroosh and the wheat deal that has just been negotiated: Are we doing him dirt? Or are we saving his bacon by providing him with the wheat with which to feed his people.

Anyways—We get rid of a lot of wheat that was costing us a lot of money in the way of storage bills. Figure it out if you can. It's a weird world we're living in.

There are times when it almost looks like the more you lose the more you make.

**Treaty Goes Into Effect** WASHINGTON (UPI)—The nuclear test ban treaty banning all but underground explosions formally went into effect today with ratification ceremonies in Washington, London and Moscow.

## Locals Drop In Firing Competition

TYNDALL AFB, Fla.—Kingsley Field's fighter squadron of F100 Voodoos dropped from second to third place in the William Tell missile firing competitions today, as the worldwide contest among interceptor fighter squadrons entered its fourth day.

Leading in the competitions which ends Oct. 24 is the K. I. Sawyer Air Base, Michigan. The Kingsley Field squadron added 725 points to its total yesterday in an intruder shoot, and now is scheduled for two other events before it bows out of the competition. An intruder shoot is an event in which jet fighter pilots in the air work with radar ground crews to seek out flying electronic targets called drones.

A Kingsley Field night mission has been rescheduled a second time and is to go on tonight. The squadron will conclude its part in the competitions with a weapons loading contest sometime later this week.

## U.S. Chemist Wins Nobel Peace Prize

OSLO, Norway (UPI)—American chemist Linus Pauling was awarded the 1962 Nobel Peace Prize and the 1963 prize was divided between the International Red Cross Committee and the Red Cross League, the Norwegian Nobel Prize Committee announced today.

It was the second Nobel Prize for the 62-year-old Pauling who was born in Portland, Ore., on Feb. 28, 1901. He won the 1964 Nobel Prize in chemistry. The peace prize was worth \$51,440 to Pauling. The 1963 prize, to be divided equally between the two Red Cross bodies, was worth \$33,000.

The peace prizes and official diplomas will be delivered to the winners at the traditional Nobel ceremony at Oslo University Dec. 10, the day commemorating the death of Alfred Nobel.

The Nobel committee, as usual, gave no reason for its decisions today. The committee is appointed by the Norwegian National Assembly, but operates entirely independently.

Its meetings are always behind closed doors, and no names under consideration for the prize or reasons for awards are ever given.

## Mixed Reactions Greet Wheat Deal With Reds

WASHINGTON (UPI)—President Kennedy's politically explosive approval of a "one shot" \$250 million U. S. wheat sale to Russia was a measure of bipartisan backing today in Congress.

The President said the government would permit private U. S. traders to sell the surplus wheat "over the next several months" to Russia and her Eastern European satellites at regular world prices, "currently" about \$1.79 a bushel. This would be approximately 35 cents a bushel lower than government-supported domestic prices at present.

To allow U. S. exporters to buy at the American price and sell at the world price, the government currently pays an export subsidy of about 55 cents a bushel since the multi-billion-dollar lend-lease deals of World War II — was a "hopeful sign" that progress toward peace is possible. He promised a special report to Congress on the matter today.

Other governors slated to participate include Henry Bellmon of Oklahoma, Robert Smylie of Idaho, Paul Fannin of Arizona, John Love of Colorado, and Tim Babcock of Montana.

Among U.S. senators expected, in addition to Goldwater, are John Tower of Texas, Len Jordan of Idaho, Milward Simpson of Wyoming, Gordon Allott of Colorado, and former Sen. William Knowland of California.

## Top Republicans Gather For Sessions In Eugene

EUGENE, Ore. (UPI)—National Republican leaders began assembling here today for the four-day Western Republican conference which opens tonight with an Oregon reception.

Attention will be focused on Saturday's scheduled speeches by New York Gov. Nelson Rockefeller and Arizona Sen. Barry Goldwater.

The two possible front runners for the GOP presidential nomination, will speak in the 10,000-seat McArthur Court Basketball Pavilion—Rockefeller at noon, Goldwater at 7 p.m. Oregon Gov. Mark Hatfield will keynote the conference Friday morning. Hatfield has been mentioned as a vice presidential possibility, and as a GOP presidential dark horse.

## Hospital Bid Opening Set For Oct. 24

The opening of bids for the construction of the Presbyterian Intercommunity Hospital has been deferred from Oct. 17 to 2 p.m., Thursday, Oct. 24, the office of the Intercommunity Hospital has reported.

The opening of bids will take place in the office of the hospital, 313 Main Street, while bidders will await results of the proceedings in the banquet room of the Pelican Cafe, it was said.

In other developments, it was announced that the date for the groundbreaking of the \$2.7 million, 141-bed hospital had been set for Nov. 2.

The construction of the hospital is being financed through donations of Klamath Basin residents except for some \$1.3 million in federal grants which have been earmarked for the building fund.

The grants are in the amounts of \$708,081 from the Hill-Burton funds and \$625,000 from the Accelerated Public Works Program.

## Miserable Haul Upsets Thief

SAN FRANCISCO (UPI)—A burglar took \$29 worth of phonograph records, coins and a table radio from a San Francisco flat Tuesday night and left the following typewritten note for his victim:

"In all my 30 years as an honest, hardworking burglar, seldom have I come (sic) across as miserable a haul as this. You people ought to leave some cigars around for guests. You ought to be ashamed of yourselves. Meditate on this, friends: Everything which I leave behind isn't even worth stealing.

"I'll later, Sydney the burglar."

## Chamber Starts New Year

CHAMBER STARTS NEW YEAR — Jim Stilwell, left, was installed president of the Klamath County Chamber of Commerce for 1963-64 during the chamber's annual banquet at the Reames Country Club last night. Stilwell succeeded outgoing president Jim Monteith, second from right. Others are Stary Gange, guest speaker, and Mrs. Jim Stilwell, Chamber officers are elected for one-year terms beginning Oct. 1.

## Shooting Hours

OREGON October 11 OPEN 6:45 CLOSE 6:40 CALIFORNIA October 11 OPEN 6:41 CLOSE 6:35

## Witty Americanism Talk Highlights Chamber Program; Stilwell Installed

"A problem is an opportunity going somewhere to happen," Stary Gange, platform speaker extraordinary, told an audience of 150 members of the chamber of commerce and their guests during the 43rd annual chamber banquet held last night at the Reames Country Club.

Gange urged his audience to collectively work together to convert such problems of Klamath County into opportunities. In stressing the word "problems" he alluded to the various obstacles that face any community seeking progress and development.

A prominent after dinner speaker who has delivered more than 2,000 talks on Americanism since 1950, Gange injected wry witticisms from his personal experiences into his comments on inflation, taxes and the ideological

struggle between the U.S. and Soviet Union. He defined co-existence as "what the farmer does with a turkey before Thanksgiving."

The banquet program started with an invocation by Rev. R. H. Richardson, First Methodist Church, and proceeded with the passing of the gavel from outgoing president Jim Monteith to his successor Jim Stilwell.

## of the tourist industry; improving highway, air and rail transportation facilities and services; continued participation in public issues at the local, state and federal levels; and to work together to implement the program.

In commenting on the long-range project, Stilwell remarked, "I believe in this area, I believe in it because of our water power, climate, Kingsley Field, the new OTI campus, and our new hospital. These are merely several of the reasons I believe we are on our way, he added.

In the feature address, Gange reflected on the world situation and then directed his comments to other areas.

"When people ask how can you be so cheerful when the world is in such a mess, I say that's not a problem. I just read history. The world has always been in a mess," he said.