



WATER RAVAGES AREA — On the right side of this street stand homes. On the left, all that is left is the pads where the homes were before the Baldwin Hills Reservoir Dam (background) burst, tossing houses and automobiles like toys onto the crest of the flood. The arrow points to the huge crack in the dam. At least 50 homes were destroyed by the gallons of water that roared through the broken fissure of the dam. Residents of the area returned today to sort through the debris. — UPI Telephoto

In The Day's News

By FRANK JENKINS

From Moscow this morning: The Soviet parliament received for formal approval today an unprecedented \$212.3 BILLION peacetime budget for the next two years that emphasized BREAD AND BUTTER instead of guns.

Premier Khrushchev looked on approvingly in the Grand Kremlin Palace as Defense Minister Vasily Garbuzov read out the figures, lopping off \$666 million from DEFENSE spending for the next year.

At the same time, \$27.1 billion was allocated to the nation's failing agriculture over the next two years and the green light was given to a chemistry industry build-up which will supply the farms with fertilizer and also satisfy GROWING DEMANDS FOR MORE CONSUMER GOODS.

This is the interesting part of the story:

President Khrushchev and his advisers appear to be coming to the conclusion that it just might be SAFER FOR THEM to spend less for guns (and atom bombs) with which to conquer the world for communism and more for butter (and also for STEAKS and better houses and better clothing and more automobiles) and the other things that go to make up the GOOD LIFE that the people of the Western world seem to be having in much greater abundance than the people of the U.S.S.R. That, if true, could be highly significant.

Some interesting figures:

The present estimated population of the United States is about 182,000,000.

The present estimated population of the U.S.S.R. is about 220,000,000.

The anticipated federal budget of the U.S. for the next fiscal year is in the neighborhood of \$100 billion.

The anticipated budget of the U.S.S.R. for the next year, according to this morning's dispatches from Moscow, will be about \$106 billion.

Which is to say: The per capita federal tax in the U.S. for the next fiscal year will be about \$530.

The per capita tax in the U.S.S.R. for the next fiscal year will be about \$482.

These figures, of course, don't mean much.

The value of an American dollar depends entirely on how much of the necessities and the good things of life a dollar will buy.

The value of a Russian ruble (which in foreign exchange is worth about \$1.11) depends entirely on how much of the good things of life a ruble will buy in this country. We're quite certain.

Reds Announce Record Bread, Butter Budget

MOSCOW (UPI) — Russia today announced a record \$212.3 billion peacetime budget for the next two years that emphasized bread and butter instead of guns.

The budget presented to the Soviet Parliament cut military spending by 4.4 per cent from the previous budget. Military expenditures represented about 14.6 per cent of the total budget compared to 16.1 per cent during the current year.

The total budget was 193 billion rubles. At the artificial rate of exchange, the ruble is figured at approximately \$1.10.

Premier Nikita S. Khrushchev looked on approvingly in the Grand Kremlin Palace as Finance Minister Vasily Garbuzov read out the figures, lopping off \$666 million from defense spending for the next year.

At the same time, \$27.1 billion was allocated to the nation's failing agriculture over the next two years and the green light was given to a chemistry industry buildup which will supply the farms with fertilizer and also satisfy growing demands for more consumer goods.

Khrushchev and his advisers had taken a cautious look into the future and apparently decided that some funds could be safely diverted from defense and massive sums poured into agriculture and the chemical industry to prevent a recurrence

U.S. Shifts Cuba Ruling

WASHINGTON (UPI) — The United States today amended its controls on free world shipping to Cuba to provide increased incentive for shipowners to remove vessels from trade with the Fidel Castro regime.

State Department officials expressed hope the new regulations will result in "a substantial additional reduction" in free world shipping to Cuba over the next year or 15 months.

They said the new rules were designed to make it easier for shipowners to withdraw from Cuban trade.

The old U.S. regulations went into effect last Feb. 6. They provided that any vessel which had traded with Cuba since Jan. 1, 1963, would be placed on a blacklist and would be ineligible to load U.S. government-financed cargoes in U.S. ports.

Under the old procedure the only way an owner could get a vessel off the blacklist was to pledge that all of his fleet would be removed from Cuban trade.

of this year's disastrous harvests.

Tin Miners Okay Pact

LA PAZ, Bolivia (UPI) — Rebellious tin miners at Catavi today voted approval of an agreement reached with the government by their leaders for the immediate release of 21 hostages, including four Americans, held since Dec. 6.

The vote came after hours of bitter wrangling at the rally, held in the mine, where mine leader Vice President Juan Lechin was alternately attacked and defended for his handling of the situation.

The embattled miners had previously demanded the release of three arrested Communist labor leaders held in La Paz in exchange for freedom for the hostages.

Lechin arrived in Catavi late Sunday to get the miners to ratify the agreement announced during the weekend in La Paz. The only concession Lechin was known to have won was a government agreement to withdraw troops deployed in the mining area.

Aid Funds Cut Backed

WASHINGTON (UPI) — House leaders all but gave up hope today in the battle to add new funds to the trimmed-down \$2.9 billion foreign aid bill.

Speaker John W. McCormack told newsmen that the possibility of persuading House members to increase the bill's total was being "surveyed." But his cautious attitude appeared to reflect the outcome of a preliminary head count, which was said to have shown that administration leaders could not muster enough votes to boost the aid program.

In fact it appeared that drive to pare down the bill even further.

U.S. Ambassador Foy D. Kohler and other envoys of both East and West watched the speaker read out to 1444 deputies at a joint session of the Supreme Soviet provisions of the new budget.

Pyotr Lomako, chairman of the state planning committee, presented a two-year economic plan to bring Soviet production by 1965 to the United States level of five years ago.

Locally heavy snow squalls blew off the Great Lakes eastward to the Appalachians. Muskegon, Mich., reported six inches of fresh snow in six hours today, making a total of 15 inches on the ground.

Arctic Air Hits Plains Of Midwest

An Arctic air mass sent temperatures falling far below zero across the plains and Midwest today with subfreezing temperatures reported as far south as the central Gulf states.

The mercury plunged to 36 degrees below zero at Bemidji, Minn., and 30 below at International Falls, Minn.

Locally heavy snow squalls blew off the Great Lakes eastward to the Appalachians. Muskegon, Mich., reported six inches of fresh snow in six hours today, making a total of 15 inches on the ground.

Rain and snow fell along the northwest coast. A half inch of rain fell at Astoria, Ore., in six hours and another inch of snow put nine inches on the ground at Spokane, Wash.

Mostly fair skies prevailed across the nation with some cloudiness in the upper Ohio Valley, south central states and the Gulf Coast.

Precipitation has been generally light in the Great Lakes and Ohio Valley. Traverse City, Mich., however, reported an additional six inches of snow.

Maine, New Hampshire, Vermont and Rhode Island were caught under a freeze-up of temperatures zero and slightly below.

At Buffalo, N.Y., traffic bogged down in the blowing, drifting snow which clogged highways and reduced visibility to the danger point.

Southern Erie and northern Cattaraugus counties, N.Y., suffered its worst wintery blasts of the season.

Santa Readies Visit To KF

Santa Claus and his reindeer come to Klamath Falls Wednesday.

The appearance of Santa and his reindeer is sponsored by the Klamath Merchants Association. Children will be allowed to pet the reindeer and Santa will talk to children on Main Street between Fifth and Sixth streets from 4 to 9 p.m. Wednesday.

Mallicent and Saalfeld said Boeing attorney Grant Anderson had given his unqualified endorsement of the state's title to the land—the final act needed to make the lease operative.

Hicks commented "I think the big hurdle is now passed and we have perfected title."

Mallicent said Anderson took the lease, title policy and other

Thankful Residents Return To Ravaged Region

LOS ANGELES (UPI)—Baldwin Hills area residents returned to their flood ravaged homes today thankful only three persons were killed when an earth reservoir dam burst and caused \$10 million damage.

A warning of nearly four hours was credited with preventing it "from becoming one of the big disasters of all time."

With these words, city atty. Roger Arnebergh seemed to sum up the feelings of city officials that most residents of the heavily populated area escaped death Saturday when a wall of water destroyed or damaged nearly 1,000 homes.

However, there was a possibility the death toll might rise higher as residents and workers dug through three and four feet of mud.

A path of water, almost 40 feet wide, ripped through an area a mile and a half square with homes up to the \$50,000 class.

Police threw up a cordon around the area to prevent looting and only residents with passes were allowed to pass. Hundreds of policemen patrolled the muddy, debris-filled area.

Weather
Klamath Falls, Tulelake and Lakeview: Mostly cloudy through Tuesday with a chance of snow or showers late Tuesday. Low tonight 23-26. High Tuesday 40-43.

High yesterday 47
Low this morning 24
High year ago 44
Low year ago 40
Precip. past 24 hours 0
Since Jan. 1 9.92
Same period last year 16.71

Herald and News

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U.S. Troops To Stay, Says Johnson

Big College Aid Bill Signed By President

WASHINGTON (UPI)—President Johnson today signed into law the \$1.2 billion college aid bill and said it is proof the nation plans to give its youth "all the education they deserve."

The President, who signed the legislation at a ceremony in the White House Cabinet Room, termed it "the most significant education bill passed by the Congress in the history of the republic."

The new program provides for grants and loans to help build college classrooms libraries and laboratories.

But Johnson warned that the job is far from finished. He urged Congress to take prompt action on the rest of the administration's education proposals, particularly aid to primary and secondary schools, and government support of adult education programs.

In a tribute to President Kennedy, who waged a long fight "there was no topic closer to his heart."

He said the bill was a monument not only to Kennedy, but "to every person who participated in passing it."

The President used about 50 pens to sign the bill, passing them out afterward to congressmen and educators attending the ceremony. The first two went to Sen. Wayne L. Morse, D-Ore., and Rep. Edith Green, D-Ore., the managers of the bill.

The three-year program is designed to meet an expected "tidal wave" of college students in the 1969-70 decade. A major part of the late President Kennedy's education request, the bill would authorize the first broad assistance program for the nation's colleges since the land grant act of a century ago.

If used to the limit, the \$835 million in direct federal grants and \$360 million in low-interest loans could generate up to \$3 billion in new construction on the campuses of 2,100 public and private colleges, universities and technical institutes.

Colleges will have to match federal grants two to one, and supply at least one-quarter of total project costs when seeking the 50-year loans.

The program will be open to privately endowed and church-connected institutions as well as publicly owned and financed schools. No funds will be spent on chapels or divinity schools, nor on sports arenas or other buildings to which admission would be charged.

There also are limitations on use of the \$690 million earmarked for grants to help build undergraduate academic facilities. Classroom buildings under that part of the program will have to be designed for instruction in the sciences, mathematics, engineering and modern foreign languages.

SALEM (UPI) — With Oregon's lease of the planned Boardman Space Age Industrial Park apparently an accomplished fact, the Boeing Company Board of Directors was expected to meet today and appropriate funds for initial development of the project.

H. C. Saalfeld, director of the state's Veterans' Affairs Department which now owns the 100,000-acre tract in northeastern Oregon, said "we have performed all the state's obligations."

Planning and Development Director Samuel H. Mallicent, who has mothered the crisis-ridden project for three years, said "the state has met its requirements. It's now up to Boeing. We expect an appropriation to be authorized by the company's directors at their meeting today."

Loren Hicks, legal advisor to Gov. Mark Hatfield, said "the state has now completed its part, and the lease and attachments and title policy have gone to Boeing."

Mallicent and Saalfeld said Boeing attorney Grant Anderson had given his unqualified endorsement of the state's title to the land—the final act needed to make the lease operative.

Hicks commented "I think the big hurdle is now passed and we have perfected title."

Mallicent said Anderson took the lease, title policy and other

By JOSEPH W. GRIGG
PARIS (UPI) — President Johnson pledged firmly today to keep the equivalent of six U.S. Army divisions in Europe "so long as they are needed."

"Under present circumstances there is no doubt they will continue to be needed," Johnson said in a message to the North Atlantic Treaty Organization council meeting here.

Johnson also pledged the "steadfast resolve" of the United States to continue defending the free nations of Europe.

U.S. Secretary of State Dean Rusk read Johnson's message to the opening session, of the three-day NATO meeting.

Immediately afterward, Rusk drove to the Elysee Palace for a 45-minute courtesy call on President Charles de Gaulle of France.

Rusk gave the French leader a message from Johnson expressing appreciation for De Gaulle's recent trip to Washington for the funeral of President Kennedy. However, nothing was said about a possible new visit by De Gaulle to Washington for talks with Johnson.

But today's meeting, arranged at Rusk's request, appeared designed to infuse warmth into the long frigid official relations between the United States and France.

In its opening session the NATO council also heard British Foreign Secretary R. A. Butler express belief that the West today enjoys an overall superiority of force over the Russians. But he warned that the Russians will make "every effort" to close this gap.

Butler said the Soviets did not favor major concessions to the West. Nor, he said, did they want any big showdowns with the West. He urged that the West should maintain contacts with Russians but said he had no illusions about early agreements or early solutions to East-West problems with Moscow.

Butler said the main threat from Communist China is not

one of military aggression but of encouragement to a cleft in the Chinese. He said the Red Chinese also appear determined to avoid a clash.

President Johnson's message, in pledging America's firm resolve to continue U.S. commitments to the defense of Europe, said:

"This constancy reflects not merely the community of ideals and culture which binds us to Europe. It reflects also my country's awareness that its security can be assured, its interest and values can be furthered, only by a close partnership with Europe in common tasks."

Johnson said the first of these tasks is creation of a balanced defense posture for NATO, including both nuclear and conventional forces which would enable the alliance to deal with aggression "with the force appropriate to the threat."

The two men involved were Edward R. Fields, party information director of the National States Rights party, and Robert Lyons, youth organizer for the group. They were convicted of contempt after being forbidden to distribute handbills and hold an anti-integration meeting in Fairfield, Ala.

In another action, the court refused a hearing to a group of Negroes who challenged Mississippi's segregation statutes. The Negroes, headed by the Rev. L. A. Clark of Jackson, had been turned down in lower federal courts on grounds they could not act for all members of their race—a practice known legally as "class action."

The court also: —Agreed to decide a boundary dispute between Louisiana and Mississippi involving oil-rich land under the Mississippi River. Louisiana authorities were authorized to file the suit with the high tribunal and Mississippi was given 90 days to file an answer.

—Threw out two cases dealing with obscenity tests in Los Angeles involving the Henry Miller book, "Tropic of Cancer." It rejected an appeal by City Attorney Roger Arnebergh who had been challenged by a bookseller on grounds the novel did not fall in the classification of "hard core pornography."

HE WILL RECEIVE GIFTS — Franklin Gray has no known relatives. He has been at the Klamath Nursing Home for more than a year. For many years he was employed at ranch work in Klamath County and once lived at Bonanza. He was born in Warm Springs, Wyo., Nov. 14, 1874. He is one of the 36 men at the home who will be remembered through the generosity of the folks in the Klamath country, during the annual Share Your Christmas Party Dec. 20, sponsored by the Herald and News.

that it would live up to pass agreement.

The city government considered the guarantees demanded by the Communists a bid for recognition of the East German government.

The Communists made the charge as East German and West Berlin negotiators scheduled another meeting today in an effort to break the deadlock on the passes.

Talks Prove Useless On Berlin Wall Truce

BERLIN (UPI)—East German Communist leader Walter Ulbricht said in a telegram released today that negotiations on Christmas passes for West Berliners to visit their relatives behind the wall in East Berlin have been fruitless.

Ulbricht said in the wire to the West German Socialist party that progress has been "blocked" by the refusal of the West Berlin city government to sign an agreement on such visits.

The East German Communist chief claimed the West Berlin city government has rejected on political grounds the East German plan to issue passes so that West Berliners may visit with their East Berlin relatives during the Christmas season.

Ulbricht appealed to West German Socialist leaders to instruct the Socialist-run West Berlin city government to accept the East German plan.

Negotiations on the Christmas passes began Dec. 5 but have bogged down over what West Berlin officials consider to be a back-door East German demand for recognition of their regime.

Ulbricht's telegram was sent Saturday and released by the East German News service ADN today.

It dimmed further the hopes of West Berliners that they would get the Christmas passes.

The official East German Communist party newspaper Neues Deutschland accused the West Berlin city government of refusing to give guarantees

that it would live up to pass agreement.

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SANTA'S HELPER SAYS
7 TOY TOWN
SHOPPING DAYS TO CHRISTMAS
SHOP FOR GIFTS IN OUR AD PAGES



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