

Kennedy Proposes Big Tax Cut

By NORMAN WALKER
WASHINGTON (AP) — President Kennedy said today the nation is only part way up the hill toward a booming economy and needs a new push to reach the top.

THE PRESIDENT, in his State of the Union message to Congress, declared that the end of the recession is no time to relax but a time to forge ahead, with the aid of the 10-billion dollar tax cut he is proposing, to renew economic growth and full employment.

Kennedy discarded the idea of a massive increase in federal spending as a means of creating jobs and economic growth. Favor-

ing instead the tax cut he is proposing, the President said "In today's setting, private consumers, employers and investors should be given a full opportunity first."

There was a notable lack in Kennedy's message of any mention or program to combat the recent rash of serious labor strikes, including the present East-Gulf Coast docks and New York newspaper strikes. Nor was there any

clue that he may deal with this matter in a subsequent message to Congress.

THE PRESIDENT expressed what appeared to be unalterable opposition to the hopes of organ-

ized labor that it may achieve a cut in the standard 40-hour work week to a 35-hour work week as a way to curb unemployment.

Instead, Kennedy pinned the hope of his administration on a substantial federal cut to achieve a fuller measure of economic growth.

"For this would mean tens of billions of dollars more each year in production, profits, wages and public revenues," he said.

"It would mean an end to the persistent slack which has kept unemployment at or above 5 per cent for 61 out of 62 months—and an end to the growing pressures for such restrictive measures as the 35-hour week, which alone could increase hourly labor costs by as much as 14 per cent, start a new wage-price spiral of inflation, and undercut our efforts to compete with other nations."

Hatfield Urges Tax Rise In Inaugural Ceremonies

SALEM (UPI)—Governor Mark Hatfield began his second term in office Monday amid colorful inaugural ceremonies in the state capitol.

In his talk to the legislature, he urged tax increases, a single Board of Education, government efficiency, and a reduction in dependency.

The 40-year-old governor said Oregon is at the crossroads—in his words—"Either we progress through continued maintenance of high standards or we assume the mantle of mediocrity."

He reminded the legislators that the people of Oregon have again chosen a Republican governor and a Democratic controlled legislature. He urged cooperation rather than partisanship.

REACTIONS to Hatfield's inaugural address ranged from comments of "very profound" to "flowery."

Democratic Senator Ben Musa of The Dalles, the senate president, called the speech profound and sincere and said it appraises the legislature of the problems it will face.

But Musa said he still does not like the idea of a net receipts tax

and predicted the Hatfield program will get a thorough going-over.

House Speaker Clarence Barton called the speech comprehensive. Unlike Musa, Barton supports the net receipts tax idea.

DEMOCRATIC Senator Walter J. Pearson of Portland labeled the Hatfield speech, "Rather long and flowery." He added, "I would need equal time to reply."

House Tax Committee Chairman Richard Eymann of Mohawk said the Hatfield program was generally liberal on the issues, but he accused Hatfield "of making a \$405 million budget talk and a \$500 million inaugural talk."

HATFIELD'S proposal to combine the State Board of Higher Education and the Board of Education drew mixed responses.

The Governor's inaugural speech was hardly complete when William Walsh, president of The Board of Higher Education, issued a statement critical of the merger plan.

In Walsh's words, "I don't see how it could be possible to appoint board members and expect them to do a responsible job." He said board members would have

so many duties they would either have to neglect their board work or their outside occupation.

Walsh said the two boards have differing responsibilities and there is little over-lap.

Several legislators said they liked the consolidation idea. However, Republican Representative Stafford Hansell of Hermiston said it would facilitate a spirit of cooperation in dealing with education's financial problems. Republican Representative Joe Rogers of Independence also praised the plan.

HATFIELD departed from the printed text of his inaugural address to give special emphasis to the need for treatment of sex offenders.

He directed the attention of the lawmakers to the report of the intercommittee on social problems with these words, "The bizarre and sordid histories of sex deviates make it imperative we concentrate on what we can do to confront this problem."

Hatfield deviated from his printed text only one other time. That was to expand his explanation of the need for state tax reforms.

WORLD FOCUS UPI-AP REPORTS

Oregon Delegates Discuss Boardman

Associated Press Special Service
WASHINGTON (AP) — Oregon's congressional delegates plan to meet again Wednesday on the problems of establishing a state industrial development area at the Navy's Boardman Bombing Range in Eastern Oregon.

MEANWHILE, representatives of the delegation and aides of Gov. Mark Hatfield are to meet with federal officials involved in the project.

The transaction for getting the land in state hands has stalled over title to the land. It was to come to the state by a land exchange with the Navy.

Inability to conclude the exchange has prevented the Boeing Co. and the state from proceeding with steps leading to possible establishment of a Boeing project in the area.

The six-member Oregon delegation heard the situation outlined Monday by S. H. Mallicoat, director of the Oregon Department of Planning and Development, and Rupert Kennedy, his assistant.

After the meeting, Sen. Wayne Morse, D-Ore. said he would send a letter to Hatfield assuring him the delegation "will do everything possible to solve outstanding problems."

MORSE declined to comment in detail on the meeting. An aide said a full report is being sent to Hatfield.

Morse was asked to coordinate the delegation action by Hatfield, who said two important problems need solving: Settlement is of the question of control over the waterfront along the Columbia River and determination of the value of the western half of the Boardman Range.

REP. EDITH Green, D-Ore., said a recent letter from Hatfield stated that the Boeing Co. had agreed to lease the site under conditions providing for industrial research development. As soon as the land title is in proper order, the company is willing to start the development, the letter said.

Reports that Washington Democratic Sens. Warren G. Magnuson and Henry M. Jackson had put roadblocks in the way of the project brought denials from both.

JACKSON said, "Ridiculous, no one has talked to me about it."

Magnuson said, "I don't know anything about it."

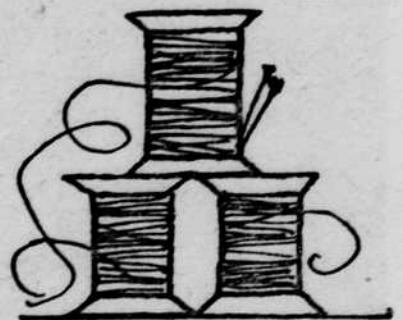
Morse said, "We've always had nothing but the finest cooperation with Sen. Magnuson and Sen. Jackson."

Bank Reports Loss

BRUSSELS (AP)—Possibly 40 million dollars are missing from the Katanga National Bank in Elisabethville, reliable Belgian sources reported.

The sources said the bank notes were removed from the bank late in December. This would be about the time of the renewed fighting between Katangan and U.N. forces.

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