

JFK Aides 'Taking Pulse'

Tax Cut Poll in Progress

By JACK BELL
Of Associated Press

WASHINGTON (AP) — President Kennedy's aides are polling congressional Democrats on their attitude toward a possible immediate tax cut to cushion the economy.

Confirming that such a canvass is under way in the Senate, Democratic leader Mike Mansfield of Montana said in an interview the results thus far have been mixed.

Mansfield said he is certain Kennedy has made no decision on whether to request a reduction in levies. But he added the President obviously is interested in knowing in advance what reception he could expect if such a request were made.

"This late in the session, it would be a difficult thing to manage," Mansfield said.

Kennedy is said to be reluctant to acknowledge any such adverse trend in the economy as a tax reduction request

would signal. Beyond that he is said to feel that if a request were made and rejected, the reaction could invite a recession that might otherwise be avoided.

Congress Not Eager

As politically incredible as it may seem in an election year, Congress appears far from eager to vote a tax cut. There prevails at nearly all levels some apprehension about how the voters will react to continued high spending and a ballooning deficit.

Chairman Harry F. Byrd, D-Va., stands athwart the portal of the tax-handling Senate Finance Committee, determined to fight against any reduction which would further unbalance the budget.

While he may be somewhat more tractable, Chairman Wilbur D. Mills, D-Ark., of the House Ways and Means Committee remains to be convinced

that a tax reduction is desirable at this time.

Moreover, Mills would be likely to lay down some conditions which would start the tax measure through Congress on an uncertain course.

For instance, Mills and his committee colleagues might insist that a withholding tax on interest and dividends be included in the bill to help make up for revenue losses. The House voted for this but Byrd's Senate committee knocked it out of a tax revision measure now before it.

In any event, a tax reduction would have to be made a temporary one if the administration later is to get the general overhaul of the revenue code it wants. Such an overhaul would need the sweetener of a permanent reduction to get anywhere.

Wants to Caucus

To complicate matters, Republican leaders have made it clear they would be on their feet de-

manding government economies to balance the revenue loss.

Senate Republican Leader Everett M. Dirksen of Illinois told a news conference Wednesday he and House Republican Leader Charles A. Halleck of Indiana are agreed on the necessity of some incentive tax reductions to spur business investment. But he said he will want to caucus with other Republicans before taking a position on an across-the-board cut.

The President's decision seemed likely to await measurements of the economy. One of these will be a report Friday on the gross national product for the April-June quarter.

That this report may be disappointing was indicated when the Commerce Department said Wednesday durable goods orders fell 3½ per cent in June from the May level, after allowing for seasonal trends.

On the other hand, the department said cash dividend payments by corporations which publicize them reached \$2.1 billion in June. This brought the total for the year to \$7.1 billion, a gain of 7 per cent over the first half of 1961.

Co-op Granted Exclusive Right

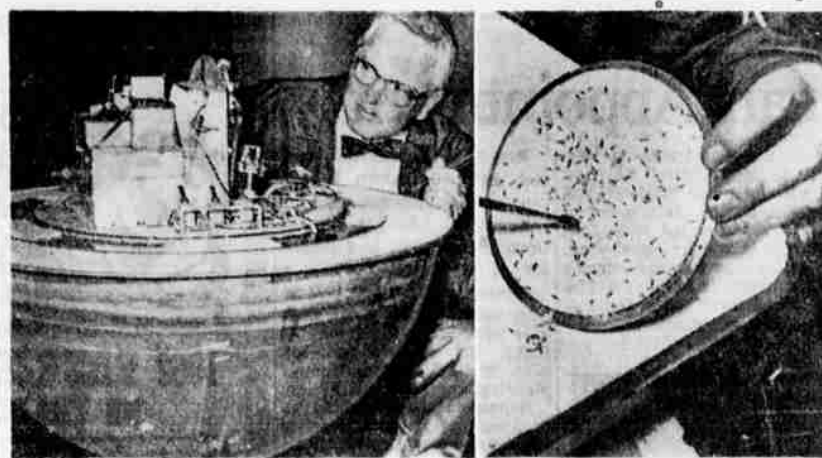
SALEM (AP) — Midstate Electric Cooperative, Lapine, Wednesday was authorized to serve exclusively portions of Deschutes, Lake and Klamath counties, plus four territories not now served by any electric utility.

The application was approved by Jonel C. Hill, state public utility commissioner, making Midstate the fifth public power group to be granted exclusive service rights under a 1961 law.

The four unserved territories also lie within the three counties.

Five electric firms serve areas surrounding those certified to Midstate — Pacific Power and Light Co., Lake County Coop, Central Electric Coop, Harney County Coop and Surprise Valley Electric Association. None protested Midstate's application.

Subsequent "political" tours are likely to take him into Pennsylvania, Connecticut, California, Michigan, Kentucky and possibly Oregon, Utah and South Dakota, among others.



(AP Wirephoto)

Survive Flight

Jack Slattery, left, University of California biophysicist, inspects the space capsule in which 2,000 young beetles survived a 25-mile-high balloon flight across Canada last weekend. The capsule and beetles were flown back to Berkeley Wednesday and the beetles, right, will be nurtured by scientists to see if cosmic rays encountered on the trip altered their development. Two Rhesus monkeys and four hamsters, making the same flight in another capsule, died.

Airline, Union Halt Talks

WASHINGTON (AP) — Eastern Air Lines is telling its striking flight engineers to report for work by next Tuesday or face the loss of their jobs.

Bargaining talks between the carrier and the Flight Engineers International Assn. ended abruptly Wednesday night, apparently at a dead end. The Labor Department, which had been trying to get the two sides together, said no new sessions were scheduled.

Earlier, in New York, East. n said it would make its final settlement offer by letter to all striking engineers in the hope they would accept.

Thus, the line, founded since last June 22, attempted to bypass the leadership of the union. The engineers were told they would be allowed to elect whether or not they wished to take jet flight training to be eligible for jet assignments.

The engineers and the Air Line Pilots Assn. are locked in a dispute over cockpit job rights when the airlines reduce jet crews from four to three men, as contemplated.

Work Halted on Atomic Subs As Union Goes on Strike

GROTON, Conn. (AP) — Production halted at the home of the nation's atomic submarines Thursday when 8,000 union members went on strike to back contract demands.

Members of the union, representing 11 trades, walked off their jobs at the Electric Boat Division of General Dynamics Corp., one of the nation's largest submarine building yards.

A company spokesman said pickets were stationed at the four main gates and production at the yard was at a standstill. He said, however, that designing and administration personnel went to work as scheduled. The number of pickets was estimated at 200. No incidents were reported.

The spokesman said no bargaining sessions had been called for Thursday. Union officials said, however, they were trying to arrange talks.

The company spokesman said it was not known whether the walkout would delay the Aug. 4 launching of the nuclear submarine *Alexander Hamilton*, equipped to fire 2,500-mile Polaris missiles.

Eleven nuclear submarines currently are under construction at the yards, including seven designed to fire nuclear tipped Polaris missile. Federal Mediator Charles Werkheiser said Tuesday that the government did not intend to invoke the Taft-Hartley Act.

The company had offered an hourly wage increase of 14 cents in the pact it called "the best shipyard contract on the East Coast." Officials said it would have cost EB \$3 million annually.

Thomas Gordon, union recording secretary, said two key issues in the rejection were sick pay and seniority rights with regard to layoffs.

No date has been set for the trip.

Udall, Morgan Plan Journey to Russia

WASHINGTON (AP) — A visit to Russia is being planned by Interior Secretary Stewart Udall and Federal Power Commissioner Howard Morgan.

Morgan is a former Oregon Public Utilities Commissioner and state Democratic chairman.

No date has been set for the trip.

Soviets Offer To Halt Flow Of Weapons

Atom Arms Spread To China Mentioned

GENEVA (AP) — The Soviet Union indicated Thursday it would withhold nuclear weapons from Red China if the West dealt likewise with West Germany and other Atlantic Allies.

Soviet Deputy Foreign Minister Valerian Zorin told a committee of the 17-nation disarmament conference Moscow is ready to join the United States, Britain and France in a firm pledge to stop the spread of nuclear weapons.

He said the four nuclear powers should undertake commitments not to supply atomic arms or military nuclear data to any other country or bloc which does not possess them. These countries in turn should pledge not to seek nuclear weapons, and forbid their use on their territories, he said.

Western diplomatic sources interpreted the Soviet proposal as referring to China.

Zorin bitterly attacked West German "militaristic and revanchist circles" during his statement to the committee which is discussing side issues while the full conference is in recess until Tuesday.

U.S. Delegate Arthur H. Dean came to the defense of the West Germans. He said Zorin's attack "against a nation which is doing its best to take its place in a peaceful European community of nations is a piece of blatant war propaganda."

Zorin said that preparations are being intensified on the part of several nations, in particular West Germany, to acquire from the Western Allies atomic arms or the scientific information needed for their production.

"Any further dissemination of these weapons would make it difficult to carry out disarmament measures," he was quoted as saying.

K Visits Murmansk

MOSCOW (AP) — Premier Khrushchev arrived Wednesday in Murmansk, Tass news agency reported.

Kennedy Eager to Campaign For Backers of His Program

By WHITNEY SHOEMAKER
Of Associated Press

WASHINGTON (AP) — Any questions about President Kennedy's zest for stumping in Senate and House campaigns this year was blown apart by defeat of his medical care program.

Kennedy previously had made clear he would take to the road, and possibly to the television screen, in an effort to enlarge the Democrats' sometimes illusory margin in Congress. By implication, he made equally clear that he hoped to enlarge it with Democrats who could be relied on to support administration measures.

No Political Shotgun

If his mind already was made up, the medical care plan's 32-48 vote loss in the Senate on Tuesday made him more determined than ever.

Aides say the President will not carry a political shotgun with him on the campaign expeditions. But he has scrutinized the roll calls carefully, not only on medical care but all the key bills—farm, tax, urban affairs department, debt limit, trade, standby public works authority, trade, aid to higher education, U.N. bonds, foreign aid.

This indicates the chief executive will be especially eager to knock off Republicans who have consistently opposed him. It also suggests he will be much more disposed to plump for faithful rather than contrary Democrats.

It does not suggest he will fail to endorse Democrats at large.

Poses for Pictures

For example, he posed for campaign pictures at the White House Wednesday with 17 Democratic Senate candidates. Among the nine incumbent senators in the group were Sens. Carl Hayden of Arizona and Sam J. Ervin Jr. of North Carolina who only 24 hours earlier had voted to kill the medical care program.

Missing from the group of candidates was the President's longtime friend, Sen. George A. Smathers of Florida, who had received Kennedy's endorsement in advance of Florida's primary election last spring. Smathers, like Hayden and Ervin, was among the "handful" of 21 Democrats whom the President observed Tuesday had voted against him on medical care.

Smathers frequently opposes administration measures.

Kennedy said at a recent news conference that he didn't anticipate much of a problem choosing among candidates in charting his personal campaign itinerary. Asked if he intended to campaign only for Democrats who have backed his major proposals or all Democrats who wanted him, he said the question answered itself.

Schedule Developing

"Those who want me to campaign for them are people who have generally supported the major part of the program," he commented.

Kennedy's campaign schedule is slowly being worked out. Only one date—in Chicago in October—has been announced. Before making clearly political sorties, Kennedy plans one or more "nonpolitical" journeys. This means he may appear in an area where a battle looms but will not directly advocate a candidate.

Subsequent "political" tours are likely to take him into Pennsylvania, Connecticut, California, Michigan, Kentucky and possibly Oregon, Utah and South Dakota, among others.

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