



(AP Wirephoto)

New Weapon

This is an engineering mockup of the Army's newest guided missile weapon system, the Mauler, shown for the first time Thursday. Its solid fuel missiles are designed to destroy high performance tactical aircraft that bomb, strafe or harass forward battle areas.

'We Simply Ran Out of Money' Plush Reno Hotel Closed by Debts

RENO (UPI) — Reno's famed Riverside Hotel-Casino, a Truckee River landmark since the late 1800s, filed bankruptcy papers Thursday in U.S. District Court. The action came about 12 hours after officials of the Northern Nevada Board of Trade, acting on a voluntary assignment from corporation President Raymond Spector, closed the plush establishment at 2 a.m.

The 325 employees in the hotel's casino, bars and restaurants were notified they were out of work. The cast of "Vive le Girls," a revue playing in the Riviera Room, also was notified the show had terminated.

Hotel guests, including some

who had lived there permanently for years, were asked to find other quarters as soon as possible. Edward Olsen, chairman of the State Gaming Control Board, was present when the gaming tables and slot machines were closed.

Spector, a New York cosmetics firm executive, purchased an 88 per cent interest in the hotel corporation last June. His investments included a \$450,000 loan made to the previous majority owner.

Later, the real estate and physical assets of the hotel were financed by a \$2.75 million loan from a pension fund of James Hoffa's Teamsters Union.

When asked if the bankruptcy meant the teamsters would take over the hotel, Olsen said, "I don't want to comment until I see further developments."

Board of trade manager R. B. Fuhrmann said Spector had been hopeful until late Wednesday he might obtain last-minute financial backing to meet current obligations, including a \$35,000 payroll due Thursday.

The bankruptcy petition listed 10 ledger pages of creditors. No total was given of the amount owed by the corporation, but claims listed on the pages ranged from \$105 to \$78,105.

"We simply ran out of money," a spokesman said. There was some bitterness among hotel employees, who were notified formally of the closure by hotel spokesmen and union officials.

"It's a terrible thing to have happen during Christmas week," said Mrs. H. Lang, a switchboard operator.

Hotel officials said it probably would take weeks to work out the payroll situation. A state Employment Security Department official said unemployment compensation claims would proceed as soon as possible but "it will take maybe 10 days to get you a check."

Fireworks Ban
ACCRA, Ghana (AP)—The fireworks ban in Accra, decreed in a campaign against terrorism, has been extended to all of Ghana.

Lawmakers Voice Views On Tax Plans

'Bargain Basement' Closed, Barton Says

SALEM (AP)—"The people of Oregon should know that they have been getting a tax bargain for a long time," Rep. Clarence Barton, D-Coquille, said Thursday. Barton said the state has been using a sizable surplus since the World War II but "the bargain basement is closed now. If they want the same merchandise they'll have to pay for it."

Barton, who will be speaker of the 1963 House of Representatives, was one of the panelists in a discussion of the state's various tax problems at a tax conference Thursday.

An indication that the House and Senate might not agree on tax programs came from another panelist, Sen. Ben Musa, D-The Dalles. Musa will be president of the Senate.

Musa, a tax consultant, said "the people paying taxes are the forgotten men in the economy."

He indicated that he didn't think much of Gov. Mark Hatfield's net receipts tax.

Eliminate Deductions
The tax, proposed by Gov. Hatfield in his budget message, would lower tax rates but eliminate almost all deductions. It is estimated it would raise an extra \$31 million during the 1963-65 biennium.

"Net receipts," Musa said, "is not the proper term. For all but 15 per cent of the population it's a gross income tax, pure and simple. I wish the people promoting it would be more factual."

Barton said a broadening of the tax base was necessary if the state is to get the money it needs. He said only 8,000 of the 578,000 income tax returns filed in 1960 were from persons with incomes of over \$20,000.

"To balance the budget," Barton said, "we're going to have to increase taxes. We can't raise enough money with the present tax structure to meet present obligations."

Face Responsibilities
He indicated that some kind of net receipts proposal would be best. The money, he said, will have to be raised "by some method that will reach the portion of income earners not now paying taxes—and take more from those people who are paying something now."

"We're going to have to face up to our responsibilities," Barton said.

Barton also suggested a deficiency appropriation might be necessary to balance the current biennium's budget.

Hatfield has asked for a transfer of \$5.5 million from the veterans' bond sinking fund to balance the budget. But Barton referred to a 1953 opinion by Atty. Gen. Robert Y. Thornton, which said such a transfer would be unconstitutional.

"I have a sneaking hunch the attorney general's right," Barton said.

Georgia-Pacific Plants to Close

Three Georgia-Pacific plants at Springfield will be closed from tonight until Wednesday morning, Jan. 2, Resident Manager Arthur P. West announced Thursday.

The logging operations will also be idled for the same period.

West said a number of employees are eligible for a third week of vacation. Some maintenance and shipping personnel will work during the week.

Giant U.S. Airline Merger Awaits Government Okay

By ROGER LANE
Of the Associated Press

NEW YORK (AP)—Pan American World Airways and Trans World Airlines asked government blessing Friday for their proposed merger into a \$1.2-billion system, the nation's largest.

Approval would pit their combined forces against 16 foreign airlines which have claimed the lion's share of traffic over the North Atlantic, and tilt competitive balances on important domestic runs.

The merger agreement, reached Thursday by directors of Pan Am and TWA, was filed Friday morning in Washington with the Civil Aeronautics Board, a federal regulatory agency for aviation.

At the start of trading on the New York Stock Exchange, Pan Am stock sold off 37 cents at \$22.37 a share while TWA stock gained 37 cents at \$11.87 a share.

Approval Required
CAB approval is required, plus that of President Kennedy because of the international ramifications.

The combine would embrace 80,000 system-route miles in the U.S. and abroad, would serve 169 cities, and would have nearly 44,000 employees.

In revenues and passengers carried, it would replace United Air Lines as the nation's largest carrier and would surpass even the proposed combination of American and Eastern Airlines, now second and fourth-ranking.

A CAB examiner three weeks

ago recommended rejection of the American-Eastern merger, involving domestic routes almost exclusively, on monopoly grounds.

The TWA-Pan Am plan added to a rash of merger proposals in the air, railroad and highway segments of public transportation, several of them based on financial distress.

Operating Company
In many of these unions have objected, fearing loss of jobs.

A new operating company proposed in the agreement to run both Pan Am and TWA aircraft and properties would be headed by Juan L. Trippe, Pan Am president. The No. 2 position would go to Charles C. Tillinghast Jr., president of TWA.

The complicated plan calls for the new company, Pan American World Airlines, to issue 18,020,218 shares of common stock.

Of the total, 6,874,155 would

be exchanged on a one-for-one basis for present TWA shares, and 11,348,063 would be turned over on a 1.7-for-1 ratio to the existing Pan Am.

A Trippe-Tillinghast statement made no mention of Howard R. Hughes, the financier who owns 78 per cent of TWA stock but who two years ago surrendered his voting rights to a panel of trustees in a \$185-million TWA borrowing deal.

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Supervisor Named
SALEM (AP)—Tom Harrison of Salem has been named supervisor of the chemical applicator control program of the state Department of Agriculture.

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