

Money, Money, Money

Sharply Split Legislature Goes Into Session Monday

By PAUL W. HARVEY JR.
Of the Associated Press

SALEM (AP) — A sharply divided Oregon Legislature meets Monday to solve the state's most critical financial dilemma since the depression of the 1930s.

Gov. Mark O. Hatfield, who will be inaugurated at 2 p.m. Monday, for his second term, faces his severest test in trying to sell his money ideas to the Democratic Legislature.

The Democratic majority in the Legislature is split over Hatfield's proposal to balance the budget. Some Republicans will oppose Hatfield's ideas, too.

The heat of the Republican governor's plan is a net receipts tax, which is a modified income tax that would hit people with low incomes. The same plan died in the past two Legislatures, and again faces strong Senate opposition.

The Legislature will have to find about \$50 million in new revenue to balance the governor's \$405 million biennial budget. No solution is in sight.

The House, with 31 Democrats and 29 Republicans, might go for the net receipts tax. The Senate, with 21 Democrats and 9 Republicans, might favor a sales tax.

The financial problem is so critical that it overshadows everything else.

Since World War II, the Legislature has had a surplus in the general fund every time it met. Now, the surplus is not only gone, but a deficit looms at the end of the biennium next June 30.

Ben Musa, 57, of The Dalles, will be president of the Senate. A veteran of six sessions, he is an accountant and income tax consultant. He is part of the conservative bipartisan coalition that again will have 17 or 18 of the Senate's 30 votes.

Clarence Barton, 52, D-Coquille, will be the speaker. His big problem will be to get

the liberal Democratic program through the House, which includes three or four conservatives among the slim Democratic majority.

Barton will exercise strong leadership in trying to win House approval of the net receipts tax. A lawyer, he has held key positions on the Taxation and Ways and Means Committees of the House during his three terms.

Hatfield also favors a cigarette tax. This is expected to win approval without any trouble.

But there is strong opposition to his proposal to hold a special election in March or April to let the people pass on the net receipts tax.

Most observers predict a long and stormy session. The last one lasted 122 days, and the 1957 session of 128 days was the longest. This one might run as long as 150 days.

For one thing, the lawmakers will be relieved of financial pressure on themselves. For the first time, they can set their own salaries. No longer do they have to make personal financial sacrifice in order to serve.

The \$405 million general fund budget would be about \$40 million more than for the current biennium. Nearly all of the increase would go to education, which takes 55 per cent of the whole budget.

So far, Hatfield has disclosed only his proposals on raising and spending money.

The rest of his ideas would be outlined in Monday's inaugural message of about 5,000 words.

Both Houses will be organized unofficially at caucuses Sunday night. When they meet at 10 a.m. Monday, then they will have only to go through the motions of organizing.

(See Page 6A.)

Nuclear Talks to Open

Solution Sought To Arms Deadlock

By JOHN M. HIGHTOWER
Of the Associated Press

WASHINGTON — President Kennedy's top disarmament expert will open talks with Soviet representatives in New York on Monday in an effort to find out whether recent Moscow hints of a nuclear test ban agreement mean that a breakthrough in the long disarmament deadlock is possible.

The Soviet Union, like the United States, may be reaching the point of diminishing returns in its nuclear test program, U.S. officials said Saturday. That is the point at which the possibility of discovering new information declines sharply. The Soviet Union may also want to check the nuclear arms race because of its hardening split with Red China, a potential nuclear power.

But despite such reasoning in official quarters here, administration leaders are reported essentially skeptical that the Soviet Union really intends to change its policy on the vital issue of inspection. In well-informed quarters, therefore, optimism is sharply curtailed by a "show me" attitude.

The State Department announced that the new round of probing, exploratory talks will be held between William C. Foster, representing the United States, and Ambassadors Nikolai T. Fedorenko and Semyon K. Tsarapkin of the U.S.S.R. Foster is chief of the U.S. Disarmament Agency. Fedorenko is Premier Khrushchev's new ambassador at the United Nations and Tsarapkin is the regular Soviet disarmament negotiator at Geneva.

Foster met with President Kennedy for about an hour Saturday morning prior to the State Department's announcement that the U.S.-Soviet talks had finally been agreed on and would open Monday. The first session will be held at the Soviet U.N. headquarters in New York.

Plans for the talks were discussed here last week in a meeting between Kennedy and Soviet Deputy Foreign Minister Vasily V. Kuznetsov.

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Icy Art

Nature's own sculpture was the reward Saturday for Kenneth Rodgers at the front of his home at 924 W. Fifth Ave., Eugene, after he left a sprinkler running. Rodgers had the sprinkler going Saturday night as well, to see what interesting pattern would develop.

\$10 Million Congo Cash Said Missing

WASHINGTON (AP) — An estimated \$8 million to \$10 million worth of Congolese francs is reported missing from the Katanga National Bank at Elisabethville, and financial experts on the scene are trying to find out what happened to them, it was learned Saturday night.

Diplomatic sources reported that United Nations representatives who took over the Katanga National Bank late last month are trying to find out what became of the francs under the administration of President Moise Tshombe.

At the moment, these informants said, the cash is missing and U.N. officials who took control of the bank for the Monetary Council of the U.N. central government do not know what happened to it.

Tshombe, who has left his provincial capital of Elisabethville which is now under U.N. control, is said by U.S. officials to have substantial bank accounts in Switzerland. But one assumption here has been that his sources of income for this money were payments to the Katanga government by the big Belgian industrial concern, Union Miniere, which has extensive operations in the province.

Informants familiar with Congo financial conditions reported Saturday night that Tshombe issued his own Katanga francs in 1960 against several hundred million Congo francs which were in the bank at Elisabethville in 1960. When U.N. representatives took over the Katanga bank late last month, these informants said, they looked for the Congolese francs and found them missing.

A search was being organized to comb the mountain for Keith Beauchair of McCall, Idaho, who was last seen Saturday afternoon following the Sun Cup slalom races at the ski area.

The boy apparently failed to return to Bend late in the afternoon and his absence was later discovered. Several persons who drove to the ski area after Beauchair was discovered missing, shouted and shined lights, but could find no trace of him. It was feared the boy may have slipped and fallen, injuring himself, or may have wandered away from the ski area. The temperature was expected to drop close to zero during the night.

Messages on Television

President John F. Kennedy's State of the Union address to Congress and Oregon Governor Mark Hatfield's inauguration and subsequent State of the State message will both be carried locally on television Monday.

The President's speech to the 88th Congress will be carried live at 9:30 a.m. on Channel 13 (KVAL) and Channel 9 (KEZZ).

The speech is expected to last about 45 minutes.

At 2 p.m., live from Salem, the governor's inauguration for a second four-year term will be viewed on Channel 13 as well as Channel 2 (KATU), Channel 12 (KPTV) and Channel 7 (KOAC) for viewers on the cable system.

Soviet-Chinese Quarrel to Play Big Role

Communists Gather for Party Congress

BERLIN (AP) — Communists converged on East Berlin from afar Saturday for an East German Communist party congress that looks as if it will be dominated by the Soviet-Chinese quarrel.

Diplomats expect the meeting, starting Tuesday, may open the way for a Communist summit conference.

The end result may be a world-wide party congress, proposed by Peking. The last one, in November 1960, brought the Soviet and Red Chinese leaders together in Moscow for a biting quarrel that was only publicly—and temporarily—patched over.

The star at the sixth party congress of the East German Communists will be Soviet Premier Khrushchev. He is due Sunday or Monday after a stop-over in Poland.

Khrushchev is expected to attack the Chinese Communists

for wanting to take a more aggressive line against the United States and its western partners and for underrating American atomic strength.

To answer Khrushchev, the Chinese Communists have named Wu Hsiu-chuan, a member of their Central Committee, as leader of a three member delegation. He used to be

among foreigners on hand was Henry Winston, vice-chairman of the American Communist party. Winston has lived in the Soviet Union since he was

freed in 1961 after serving five years of an eight-year sentence for conspiring to advocate the violent overthrow of the U.S. government. President Kennedy commuted the sentence because of Winston's eye trouble and ill health in prison.

Some sources in Poland said

Wladyslaw Gomułka, Polish Communist chief, would try to mediate between the two major Communist powers. Gomułka will be coming to Berlin with Khrushchev.

An indication of where Gomułka's sympathy lies came in the news that his foreign minister, Adam Rapacki, will visit India this month. The visit will be a rebuke to the Chinese, who staged an armed attack on India last fall.

For those who already possess

skates the improvised skating rinks provided by the Eugene fire and park departments at last.

The weatherman said Saturday evening there would be a gradual warming trend with a predicted high today of 34 after a Saturday night low of 15 degrees. The mercury should drop to only 23 degrees tonight.

For the frustrated skater who rummaged through attics and storage rooms to find his old pair of skates Saturday morning the day may have been a loss if

the skates needed to be honed.

A scissor sharpener in downtown Eugene said, "What? I never even knew you had to sharpen a pair of ice skates?"

Down the street at a bicycle shop, one man suggested trying a ski shop, but one of his co-workers quipped, "Leave 'em here. We'll try anything."

Dale Berg, who operates ski shop, said he didn't know where to get skates sharpened but explained he would sell skates if there were an ice rink in the area.

A female customer said that if the reporter was trying to buy skates he "might try a war surplus store. They'll carry anything."

Cliff Baird, veteran Eugene locksmith, said he had had eight or ten calls during the day to have skates sharpened and noted about 15 years ago he had a special clamp to help do the job correctly. "Maybe I'll build another one, so that in 15 years I'll be able to use it once."

After a long search, it was

found that Roy Hatch at J&J Garden Supplies formerly sharpened skates. "But it was more than 20 years ago since I did. How do you want these—hollow ground or square and flat?"

An Extra Pillow

"By the way," he said critically studying the reporter, "Are you going to take an extra pillow with you when you go skating?"

"What would you charge?" Hatch was asked.

"There's a good question. Gosh, I guess about \$1.50 up depending on how much time it takes."

About then a fellow worker, Don Grigsby, walked up and suggested a home sharpener. Pulling down a catalog Grigsby declared the stated price for the electric home ice skate sharpener was \$165.

A number of persons did offer an alternate suggestion. "You know, there's an ice rink in Portland. You could take your skates there and probably get them sharpened."

Tormenting Rains Hit City for Third Day

SAO PAULO, Brazil (AP)—Torrential rains poured down on this flooded city Saturday for the third straight day.

At least 12 persons have died as a result of the high waters. Hundreds of houses in low-lying areas were flooded.

First Looker Bought Car

★ Fast results from this ad.

38 VOLKSWAGEN Sedan. White wall tires. Very clean and top condition. New battery. Service record by Jack and Coe. Owner sale. \$875. Some terms if desired. See at 6009 Arthur St.

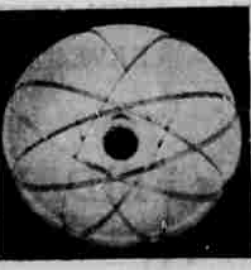
★ You will always find the best used car buys in the classified columns.

Hunt Begins For Skier, 13

BEND (Special) — A 13-year-old Idaho ski racer was believed missing on the slopes of Mt. Bachelor, 20 miles west of here Saturday night.

A search was being organized to comb the mountain for Keith Beauchair of McCall, Idaho, who was last seen Saturday afternoon following the Sun Cup slalom races at the ski area.

The boy apparently failed to return to Bend late in the afternoon and his absence was later discovered. Several persons who drove to the ski area after Beauchair was discovered missing, shouted and shined lights, but could find no trace of him. It was feared the boy may have slipped and fallen, injuring himself, or may have wandered away from the ski area. The temperature was expected to drop close to zero during the night.



Savannah's Symbol

This symbol of the Atomic Age is to be found everywhere on the first atomic age passenger-freighter, the N. S. Savannah. In this case the symbol is formed by a ceiling light fixture. For a look at the Savannah and what makes it tick—or rather what makes its atoms be bombarded by neutrons—turn to page 1B.