

Kennedy Will Submit Special Defense Budget

Washington (UPI)—President Kennedy told congressional leaders today that a forthcoming request for defense spending will throw his new budget out of balance.

The President said he would send to Congress Friday a balanced budget. But he said he would submit a special defense budget next week calling for greater funds which would put the government in the red for the fiscal year beginning July 1.

Kennedy discussed spending at his regular weekly meeting with the Democratic legislative chiefs. He also advised them that he will propose a tighter concentration of the foreign aid program which one leader said would reduce waste and duplication.

Speaker Sam Rayburn told reporters after the meeting that the House is "going to pass something" to increase the federal minimum wage. Rayburn was asked if it

was correct that the general budget revisions that will be sent to Congress Friday would call for a balance between spending and revenues but that a separate defense budget, to be proposed next week, would call for deficit spending.

"That, I think, might be a correct statement," Rayburn said.

Asked if the deficit would be in the area of \$1 billion, Rayburn said he did not know.

Senate Democratic Leader Mike Mansfield told reporters the President had briefed the leaders on his new foreign aid proposals, which he will send to the House and Senate in a special message Wednesday.

Mansfield said the foreign aid message would be limited to economic assistance and that military aid would be contained in the defense budget. He said he did not know whether this was a contributing factor to the proposed deficit in defense spending.

"Making Good Progress"

"I think he should be," Rayburn replied. "I think we are making pretty good progress."

The speaker said the House was having a "pretty big day" today taking up the House-Senate conference report on feed grain, and then planning to deal with sugar legislation and a military construction bill before considering the minimum wage measure.

Rayburn said the minimum wage bill probably would come up Wednesday and be considered for the remainder of the week. He said he expected "at least two days of general debate."

Next week, he said, he hopes the House will complete action on a depressed areas bill and a Post Office-Treasury appropriation before beginning its Easter recess Thursday.

Some of Kennedy's economic proposals are still in committees, however, nearly a week after their planned enactment.

The sales tax would be earmarked for schools, thus serving to reduce local property taxes. A 20 mill ceiling would be placed on property tax levies, based on true cash value. In addition, state income tax exemptions would be increased.

The whole thing would depend on voter approval of a constitutional amendment in 1962.

"People cannot pay their property taxes . . . the sooner you get that through your head and the AFL-CIO, the better you're going to stand with the public," Pearson told Scanlon.

"It costs us a great deal of money to fight on the ballot a proposition we are opposed to," Scanlon said.

"Oregon has been in a favorable fiscal position over the years," Scanlon said, "and we consistently support the tax we have now."

The county court had proposed the construction of a foot bridge nearby, but following the hearing the court and county engineer agreed to see if the old bridge could be made safe for pedestrian traffic.

The petition was first circulated in Rogue River to learn the sentiment of the people, then two copies were left in local stores, it was explained.

The county court plans to consider the petition during its Wednesday session, it was stated.



TRUCK DRIVER KILLED—Shown above is the Chemawa Indian School Monday. Robert Lewis Williams, 40, of Portland, driver of the truck, was killed. (UPI Telephone)

Pearson, AFL-CIO Witness Tangle On Sales Tax Bill

Salem (UPI)—Hot words flicked between Sen. Walter Pearson and an AFL-CIO witness Monday over whether a tax reform package wrapped around a sales tax should be referred to the voters.

AFL-CIO spokesman Tom Scanlon told the Senate Tax Committee his job was to cut out bad bills right at the start. This, he said, was a bad proposal.

Pearson, a onetime sales tax foe but sponsor of the current package, said the voters should have a new chance to express their views. A sales tax measure was defeated several years ago.

"You're afraid they're going to approve a sales tax this time," the Portland Democrat told Scanlon.

Schools Would Benefit

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Allied Chemical	58 1/2
Alum. Co. Am.	76
American Can	38 1/2
American Motors	20 1/2
A. T. & T.	112 1/2
American Tobacco	74 1/2
Anacosta Copper	53 1/2
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Coca Cola	83
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Crown Zellerbach	37 1/2

Railroad Shares Ahead of Market In Early Trading

New York (UPI)—Stocks showed gains in active first hour dealings today despite the failure of some leading groups to participate.

Railroad shares, after crashing through their June, 1960, recovery high, ran ahead of the general market mainly on widespread fractional advances. New York Central, Pennsylvania and Southern Railway all tacked on large fractions.

Lending steels were narrowly mixed while motors were mainly off small fractions along with most oil and aircraft shares.

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Oregon Farmers Want Extra Representation

Salem (UPI)—Farmers told the House Election committee Monday they deserve a little extra representation in the legislature because of the economic wealth they donate to Western Oregon.

The testimony came on a proposed constitutional amendment to increase the House and Senate by one member, to 61 and 31.

The Senate would be apportioned strictly on a population basis, but the House would take land area into account, raising representation east of the Cascades from 12 to 18.

Chairman Peter Gunnar for a bill to increase the powers of state party organizations.

The measure would let state party conventions select national convention delegates and national committee officers.

Gunnar, however, also supported another bill to trim party powers in certain areas by banning convention endorsement of candidates or issues.

The bill passed the Senate last week in spite of an attack led by Straub.

Rep. George Annala (D-Hood River) chairman of the committee, sponsored the plan. An orchardist, he cited his own income and expenses as a contribution to Oregon.

Hearing Set

The committee set a hearing, meanwhile, for this evening at 7:30 to hash out its current problem-reapportionment under the existing constitution, since Annala's plan could not go into effect until voters okayed an increase in the size of the legislature.

The committee heard strong bipartisan support from Democratic Chairman Robert Straub and former GOP

Central Point—Dr. Edward V. Chance has opened new offices near the Crater Osteopathic hospital at 525 South Second St., Central Point.

The doctor moved here from 4880 South Pacific highway, between Grants Pass and Rogue River. He has taken up residence at 523 South Second St.

He was licensed to practice in Oregon in 1942, and is now a member of the American College of Osteopathic Surgeons.

Punch on Wife's Jaw Reveals Coin Hoard

Bovigo, Italy—(UPI)—Giovanni Massari landed a lucky punch on his wife's jaw Monday.

He hit his wife in an argument. Her head struck the wall. The wall broke open and out showered gold and silver coins.

Authorities said today that the coins, most of them minted before World War I, were valued at more than \$10,000. It was not known how they got into the wood-work.

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