

State Income Tax Reform Bill Clears House on 31-28 Vote

Kennedy Says Budget for 1962 Will Be in Red Defense Spending To Bring Deficit Higher

Washington—UPI—President Kennedy told Congress today that the 1962 budget would run \$1.8 billion in the red and the deficit would be even bigger when he unveils extra defense spending next week.

Excluding additional defense outlays, Kennedy estimated that spending for the fiscal year starting July 1 would set a peacetime record of \$83.2 billion. He forecast revenue would reach an all-time high of \$81.4 billion.

White House sources said \$300 million would be added to the \$42.9 billion defense program recommended by former President Dwight D. Eisenhower merely to compensate for low estimates by Eisenhower.

That would make the 1962 budget deficit \$2.1 billion. Expected proposals for additional military procurement and readiness are likely to increase the deficit still more.

Tax Cut Unlikely
In his budget message today, Kennedy left open the possibility he might ask Congress for a temporary antirecession tax cut. But this is considered a very dim prospect.

The President said Congress should continue corporate and excise levies scheduled to drop or end on June 30. He said he would make other tax proposals later to stimulate business investment "and achieve greater tax equity."

Kennedy proposed an increase in some veterans' benefits and reviewed other proposals he has made for stepping up non-military programs. But he said these alone were not responsible for putting the 1962 budget in the red.

He estimated a \$2.2 billion deficit for fiscal 1961, which ends June 30, with revenue at \$78.5 billion and spending at \$80.7 billion. Eisenhower had forecast a \$79 million surplus for 1961 and a \$1.5 billion surplus for 1962.

Blasts Big Budget
In both budget years Kennedy sharply criticized the Eisenhower administration for being too optimistic about revenues and business conditions, and for understating probable spending.

Kennedy said his administration, in budget planning, would seek to meet the "essential needs of the nation." He promised he would "not allow expenditures to rise of their own momentum."

"It is my determined purpose to be a prudent steward of the public funds to obtain a dollar's worth of results for every dollar we spend," he said.

The President endorsed Eisenhower's request that Congress boost postal rates by \$843 million a year to put the Post Office on a self-supporting basis. This would mean an increase of one cent in the letter rate and higher fees for second and third class mail.

Kennedy renewed his earlier request that Congress provide more funds for tax en-

Kiss in Traffic Causes Accident; Results in Ticket

Long Beach, Calif. —(UPI)—Police gave Kathleen Eileen Ream, 19, a ticket for kissing her boy friend because the kiss caused a traffic accident.

Mike Munsterman, 20, startled by the impulsive smooch, lost control of his auto Wednesday night and smashed into a parked car. He received minor cuts.

Police cited Miss Ream for interfering with a driver when she admitted her kiss caused the crash.

Oregon Senate Votes Boardman Park Legislation

Salem—UPI—The Senate today unanimously approved the Boardman Industrial park legislation putting Oregon, in Gov. Mark Hatfield's words, "solidly into the space age."

The bills went to the governor. The measures permit Oregon to lease the northeast Oregon site to Boeing Airplane Co. of Seattle.

Hatfield had pushed hard for legislative sanction. There was grumbling from some Democrats.

One of the bills allocates \$900,000 to pay costs of moving the Navy's range at Boardman to Wagonville in Lake county, plus other expenses.

The second bill empowers the Oregon Land Board, headed by Hatfield, to issue a lease.

Straub Complains
Although he voted for the proposal, Sen. Robert Straub of Eugene complained of what he described as a "lack of guarantees" in the proposed 80-year lease.

He said the lease as it now stands is "not in the best interests of Oregon."

The Oregon Democratic chairman termed the \$800,000 a year rental that Boeing will pay as "very modest, to say the least."

He said he couldn't see the justification for haste on a lease.

Senate Republican Leader Anthony Yurri of Ontario said Straub's fears are "unwarranted."

He took issue with a statement that there are livestock operators in Eastern Oregon who would pay \$80,000 a year to use the Boardman range for grazing.

Yurri, who lives in Eastern Oregon, says this isn't so.

Straub urged Hatfield and the board to "exercise sound judgment" in finalizing the lease.

Large Trucks Are Involved in Mishap
Two large trucks collided head-on this morning while going in opposite directions on the Crater Lake highway bridge across Bear creek.

There were no injuries, but both trucks had to be towed away.

Medford police said a truck operated by William Victor Kidson, 32, of 4428 South Pacific highway, was headed eastbound across the bridge when it collided with a westbound log truck and trailer operated by Eldon Carl Deen, 35, of 1811 Orchard Home dr.

No citations were issued. The accident occurred about 8:45 a.m.

Planning Commission Denies Request For Tennis Courts, Swimming Pool

The Medford Racquet club will have to look elsewhere for a place to build its tennis courts and swimming pool.

Medford's city planning commission at a special meeting last night unanimously rejected the club's request for a zoning variance to build and operate a tennis facility at 217 Modoc ave. The action came after nearly 20 residents of the Modoc ave. area spoke in opposition to the request.

The city council could overrule the commission, but this would appear unlikely. One of those speaking against the request last night was Councilman Stanley Stark.

Promoters of the tennis club had proposed to build six tennis courts and a swimming pool on a 9½-acre Modoc ave. tract. They would have used an existing residence on the property for a clubhouse.

Before consideration of the matter could get under way last night, the commission had to delay the start of the meeting for nearly an hour while it waited for a majority (four) of its members to show up. Three members—Charles Cray, Elwood Hedberg Jr., and Jack Edson—never did show up.

Carl Brophy, 264 South Mo-

doc ave., led the opposition to the request. He introduced approximately 20 of his neighbors, all of whom opposed the proposed site of the tennis club.

Brophy said he was not opposed to the tennis club as such, but that he is opposed to the noise, traffic and possible nighttime activity that the club might bring with it. He expressed concern for the safety of the children in the neighborhood, and added that he and many other persons had moved into the area in order to get away from such things as noise and traffic.

Brophy suggested that the club build on vacant land outside the city.

Not Open at Night
Don K. Auxier, one of the promoters of the club, called the comments about noise, traffic and nighttime "conjecture," and said "parking is not a problem, noise is not a problem, liquor is not a problem and nightlife is not a problem."

It was pointed out that the club would not be open for nighttime activities. Auxier supplied the commission members with fact sheets, which he said, attested to the "tremendous" growth of tennis clubs throughout the west. He cited

several instances in other cities where clubs had located in residential areas, and soon the people living nearest the club became its "best members."

A few persons did speak in favor of the request, including Dr. R. E. Hibbs, 190 White Oak dr.

Clarifies Vote
Commission Member Walter Higgins said he was voting against the club's request because "the great preponderance" of the residents in the area oppose it.

Commission Member Donald Walters, on the other hand, said he does not think the commission should let a small part of the community "dictate" what should be done, but added that he opposed the request because of the traffic the tennis club would create.

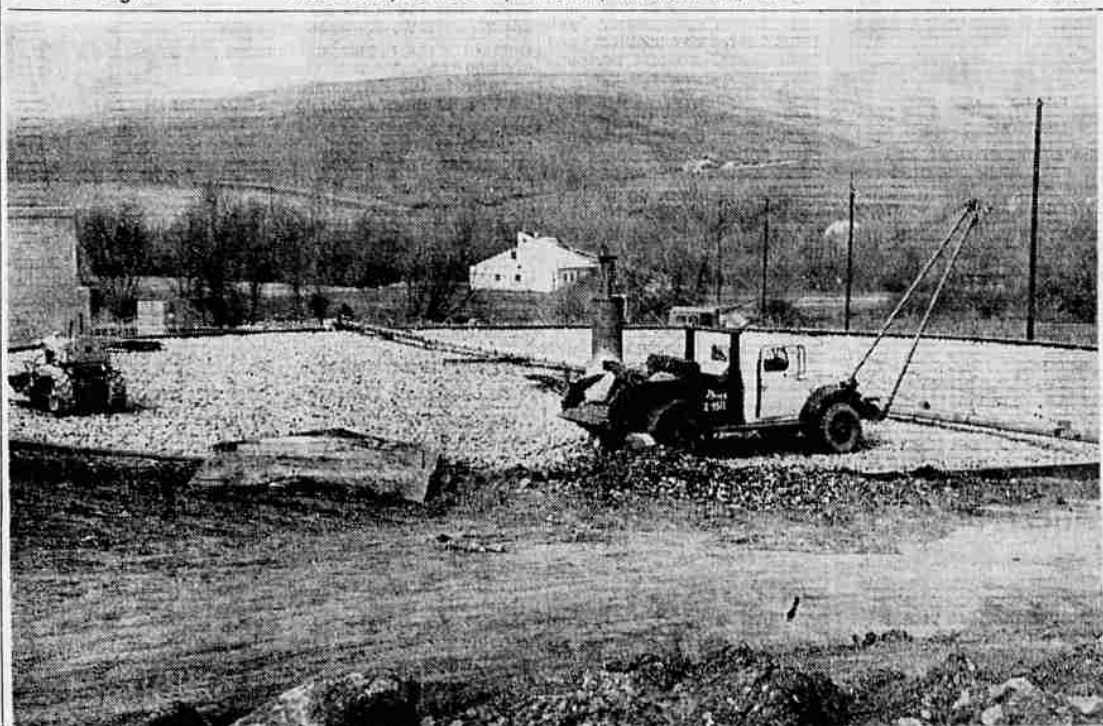
Commission Members Harold Snodgrass and Larry Horton also voted against the club's request.

In other business, the commission recommended to the council that property located northeast of Jackson st. and Central ave. be rezoned from limited commercial to commercial. The \$1 million Alpine Village is building at this location.

RUSSIA WARNED ON LAOS TURMOIL

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NEARING COMPLETION—A \$279,927 addition to the Ashland sewage treatment plant is nearing completion, according to Mel Morgan, Graff and James project superintendent. Morgan said the system should be in operation in about one month. Construction started last July. Included in the addition are a barminator, primary clarifier, digester and control building, trickling filter, paving and curbs.

United States Forces Readied For Use in Laos

Washington—UPI—Powerful U.S. sea, land and air forces are being put in readiness to back up President Kennedy's determination that Laos will not fall to the Communists.

The President made clear Thursday night that he wanted a peaceful solution to the Laos crisis but would not flinch from a military "response" to continued aggression, such response being taken in concert with Southeast Asia Treaty Organization allies.

Military forces are being made ready for whatever response may be called for.

Ground Units Available
A forward ring of strength, so far chiefly naval and Marine with some air support from the Air Force, is being formed in the Southeast Asia area near the land-locked Laotian kingdom.

Ground forces quickly available are two regiments of Marines and a battle group of 1,600 Army paratroopers on Okinawa. Also on Okinawa there is an Army special forces unit of men trained in guerrilla tactics. Marine and Air Force combat planes are available on bases throughout the Far East. In the United States, Air Force units and alert forces of the Strategic Army Corps are available for deployment to the crisis area in hours.

Comprises 7th Fleet
The naval buildup in the South China Sea comprises units from the 7th Fleet which has 130 ships including four aircraft carriers.

In contrast with previous crises in the Orient, U.S. military moves are being carried out with an attempt at official secrecy even though the obvious intent is to convince Soviet Premier Nikita Khrushchev that the United States is not bluffing.

Weather
FORECAST: Considerable cloudiness and widely scattered showers tonight. Partly cloudy Saturday. Low tonight 38. High Saturday 55.

High—Yesterday 51
Lowest this Morning 41
Precip. to 10 a.m. Today .33

Our Skies Tonight
Sunset today 6:28 p.m.
Sunrise tomorrow 6:07 a.m.
Moonset tomorrow 2:31 a.m.
Full Moon March 31

At midnight tonight Castor and Pollux (the Twins) will be right above the Moon and the planet, Mars. The bright star to the left of the Moon will be Procyon.

Holmes Says Home Rule Charter Could Give Broad Powers

District Attorney Alan B. Holmes told the Jackson County Home Rule Study committee last night that he favors a home rule charter for this county but only as a broad instrument.

"It would be fine to have a home rule charter to provide broad county legislative rights," Holmes said. "But, I don't think the people as a whole or the two political parties would accept great sweeping changes such as appointive county offices and a five-man board of supervisors or county commission."

Holmes added that the committee should not think that as soon as the county has home rule that it would need a county council to concentrate on legal work outside criminal matters. However, the charter would provide for amendments so it can be amended in keeping with the county's needs as they occur.

"I do not think that the district attorney should ever be appointed," Holmes emphasized. "A man in this position becomes stereotyped if he remains in this job too long and sees only one side of the fence."

Other reasons Holmes opposed appointing county officials were: more people learn about county offices and their heads at election time, which provides for more awareness and participation in government; and appointed officers tend to stagnate in their jobs.

The home rule committee last night agreed to halt general interviewing after hearing from two more persons. One of these will be Eric W. Allen Jr., Mail Tribune managing editor, and the other Lane county's administrative assistant. However, people who request an interview with the committee will not be denied, it was agreed.

Two Dry Kilns Destroyed at Turner
Turner, Ore.—(UPI)—Fire destroyed one of two dry kilns at the Burkland Lumber Co. here Thursday. Damage was estimated at \$75,000.

POST OFFICE PLANNED
Washington—UPI—The Post Office Department today announced plans to build a new post office at La Grande, Ore.

Laos Accuses North Viet Nam Of Moving Troops

Vientiane, Laos—UPI—The Laotian government accused Communist North Viet Nam today of sending nine more battalions into Laos where Premier Prince Boun Oum said up to 15 Communist Viet-minh battalions already were battling government forces.

The actual number of troops involved was uncertain since Western military standards do not apply in this Buddhist kingdom. Normally an equivalent U.S. Army battalion is 800 men.

Laotian battalions usually are far under U.S. battalion strength and the over-all figure could run anywhere from 10,000 to 20,000 men.

A government communiqué reporting new massive intervention by Laos' Communist neighbor said six Viet-minh battalions had driven into rebel-held Xieng Khouang Province in central Laos and another three were fighting in central Laos.

The communiqué said the Royal Laotian army had successfully repulsed all Communist attacks and inflicted "heavy losses against the enemy."

Police Car Loses Wheel; Axle Broken
Officer Richard Hamilton of the Medford police department thought his patrol car felt a little funny as he rounded a corner in the downtown area Thursday evening. No wonder—a wheel had come off.

After skidding harmlessly for approximately 100 feet, with only the hand brake working, Officer Hamilton was finally able to pull his patrol car to a halt.

Inspection showed that the rear axle had broken and the left rear wheel had come off the car. Police said the axle had apparently been broken for some time.

TRUCK ACCIDENT
City police were summoned at 12:35 p.m. today to investigate a logging truck accident at Crater Lake highway and Biddle rd. It was reported that the logging truck had turned over. No details were available.

YOUTH ELECTROCUTED
Portland—UPI—William Dean Messer, 17, Portland, was electrocuted Thursday night after climbing up a power pole.

Backers Admit Measure Might Unbalance Budget

Portland Democrat Casts Key Vote

Salem—UPI—A battle-scarred tax reform bill to slice 10 per cent from state income taxes slid through the House today in spite of admissions by its backers that it might unbalance the state budget.

Key vote in the tense final 31-28 roll call came from Rep. Edward Whelan (D-Portland), who followed Rep. Sidney Leiken (D-Roseburg), in changing his vote from no to yes in order to save the bill.

Whelan said he reversed his vote in order "to expedite the conclusion of this session."

The bill, amended three times by the House Tax Committee, headed straight for a hostile Senate Tax Committee, most of whose members already have announced their unreluctance toward such a change.

Could Be Short
Ways and Means Chairman Clarence Burton (D-Coquille), a chief backer of the bill, conceded the \$20 million revenue reduction could leave the 1961-63 budget short of funds.

"We do not know what the total level of appropriations will be at this time," he admitted.

The vote crossed party lines. The measure, HB1001, eked by after both supporters and opponents described it as carrying at least some of the impact of a sales tax, since it would tax wages at low earning levels.

Barton said the bill's approach would "forevermore lay a sales tax and the necessity or fear of a sales tax to rest in Oregon."

Broadens Tax Base
The bill would slash state income taxes at most levels by 10 per cent, at the same time broadening the tax base by taxing some low bracket earners for the first time.

Instead of the present \$800 exemption from net income, the bill would permit \$20 to be subtracted from the final tax bill for each dependent. Everyone except persons earning less than \$800, however, would have to pay a minimum tax.

Deductions would be allowed only for charitable contributions amounting to at least three per cent of the income, and for extraordinary casualty losses.

Voting Told
Voting for the bill were Reps. Atiyeh, Back, Barton, Bateson, Benedict, Cannon, Chappell, Elden, Elstrom, Evick, Eymann, Fidelity, Fisher, Flicker, Gaff, Gordon, Haight, Heider, Holmstrom, Howe, Hoyt, Kelsay, Kirkpatrick, Leiken, Monaghan, Montgomery, Morgan, Peck, Stans, Turner, Weatherford, and Whelan.

Voting against the bill were Reps. Anderson, Annala, Bazzett, Bradley, Chumard, Davis, Dellenback, Dooley, Elliott, Gallagher, Gwinn, Hand, Hansell, Howard, Hunt, Ireland, Lang, Layman, Maher, McClellan, McKinnis, Musa, Orr, Raymond, Rogers, Smith, Wilderman, Duncan.

Reps. Leiken and Whelan originally voted against the bill but changed their votes.

Police Investigate Assault, Robbery
A motorist wandered into the Rogue Riviera restaurant near Gold Hill last night after being assaulted and robbed by an unknown hitchhiker, state police reported today.

State police are investigating. Donald E. Chadburne, 43, formerly of Lennox, S.D., apparently was hit across the nose with a large bolt found in his car, officers said.

The injured motorist was taken to Sacred Heart hospital by Medford Ambulance Service where he was reported in fair condition.

Kennedy's Handling of Laos Crisis Acclaimed
Washington—UPI—President Kennedy's handling of the Laotian crisis won acclaim today from allies abroad and key leaders at home but there was no immediate response to his "hands off" warning from the Kremlin.

Told To Stop
In a news conference statement Thursday, Kennedy virtually told the Russians to stop backing rebellion in Laos or face possible Free World intervention in the situation. The President declared Formosa President Dwight D. Eisenhower strongly endorsed Kennedy's actions. He expressed belief that his Demo-

cratic successor has made it clear the United States "is not going to be pushed around."

Kennedy's firm stand was "warmly endorsed" by British Prime Minister Harold Macmillan whose government delivered the case-free note to the Soviet Union.

In the Senate, Democratic Leader Mike Mansfield of Montana, said Kennedy is "prepared and determined to use every instrument of peace to deal with the situation in Laos."

Senate Republican support of Mansfield's statement.