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# Administration Makes 'Agonizing Reappraisal' on Federal Spending

Washington - (UPI) - The Kennedy administration is going through one of those "agonizing reappraisals." This one concerns federal spending and tax policy. It is sure to produce lively, perhaps bitter, debate.

On the outcome of the reappraisal hangs in part the size of the tax cut - for individuals and corporations - which President Kennedy will propose to Congress for passage next year retroactive to Jan. 1, 1963.

The new look at fiscal policy stems from these developments:

The failure of the economy to expand rapidly this year. The consequence: full use of resources - men and

machines - is still an uncertain hope for the future.

## Budget In Red

The prospect, still not openly acknowledged by the White House, that the 1963 budget will run in the red, perhaps by as much as \$4 billion. A modest \$436 million surplus was originally planned.

Modern economic orthodoxy teaches that government can influence the level of business activity in two ways: by what it takes out of the economy in taxes; by what it pumps into the economy through spending and loans.

President Kennedy has endorsed the view of his economic advisers that the present tax structure takes too big a bite out of individual and business purchasing power and thereby brakes the

economy's thrust towards full employment. More than any other economic factor, this explains his decision to ask Congress for a tax reduction.

## Federal Spending Question

The question still to be resolved is federal spending. Should there be a revenue surplus, a balance, or a deficit?

Budget Director David E. Bell implied Tuesday that this is an unsatisfactory way to look at the budget. He suggested that it might be more intelligent to examine federal spending and revenue as they contribute to achieving full employment.

Bell said he was not sure that such an approach to budgeting would ever be adopted, "but it is clearly an attempt to face the real problem that confronts us, and in

some respects it is the most sophisticated and precise standard that has yet been suggested for federal fiscal policy."

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# Foreign Briefs

## DISPATCH NOTES AMERICAN LOSSES

Tokyo - (UPI) - A Communist North Viet news agency dispatch said today 101 American officers and men have been killed, wounded or captured in operations against the Viet Cong guerrillas in South Viet Nam.

## AIRLINES CITE PASSENGER TRAVEL INCREASE

London - (UPI) - British state and private airlines carried 5.89 million passengers during the year ending March 13, the aviation ministry here announced yesterday. A spokesman called the figure a 13 per cent increase over the preceding 12 months.

## AMERICAN MOVIE WINS PRIZES

Rome - (UPI) - The American movie "Judgment At Nuremberg" won several prizes at the "David of Donatello" awards here yesterday.

The United Artists movie won the golden "David" for the best foreign production of 1951-62, while Spencer Tracy and Marlene Dietrich were voted awards for their performance in the film.

## SOUTH KOREA TO RECEIVE SURPLUS PRODUCE

Seoul - (UPI) - South Korea will receive \$71.5 million (M) worth of surplus U. S. farm produce this year, according to a new agreement between the two countries.

# Stocks Suffer New Widespread Losses In Active Trading

New York - (UPI) - Stocks developed widespread new losses

of fractions to more than a point in active trading today.

Among the blue chips, Du Pont, Ford, Procter & Gamble, Goodyear and American Telephone were down more than a point. Losses in steels were minor, but some chemicals and oils were down as much as a point. Ford was the only deep loser in the autos.

Sizable losses were frequent among the drugs and electronics. Most rails and utilities fell fractions to a point, although a few rallied slightly.

New York - (UPI) - Dow Jones final stock averages: 30 industrials 580.94, off 14.23; 20 railroads 122.91, off 2.74; 15 utilities 110.76, off 2.04, and 65 stocks 201.66, off 4.56. Sales Tuesday were about 4.69 million shares compared with 2.87 million shares Monday.

## Tuesday's prices on selected stocks

Allied Chemical	39 3/4
Alum Co Am	53 1/2
American Air Lines	17
American Can	41 1/2
American Motors	105 1/2
A T & T	105 1/2
American Tobacco	31 1/2
Anacosta Copper	41 1/2
Bentley Corp	22 1/2
Bethlehem Steel	34 1/2
Boeing Air	40 1/2
Branswick	24 1/2
Caterpillar Corp	33 1/2
Chrysler Corp	41 1/2
Coca Cola	38 1/2
C B S	35 1/2
Continental Can	30 1/2
Crown Zellerbach	42 1/2
Crucible Steel (nd)	14 1/2
Curtiss Wright	15 1/2
Dow Chemical (nd)	46 1/2
Du Pont	180
Eastman Kodak	29 1/2
Pirbright	36 1/2
Ford	82 1/2
General Electric (nd)	61 1/2
General Food	29
General Motors	50
Georgia Pacific	35 1/2
Greenland	23
Gulf Oil	35 1/2
Homestake	36 1/2
Idaho Power	27 1/2
I B M	33 1/2
Int Paper	26 1/2
Johns Manville	44 1/2
Kennecott Copper	70 1/2
Lockheed Aircraft	42 1/2
Martin Co	19 1/2
Merck	87
Montana Power	28 1/2
Montgomery Ward	28
National Biscuit (nd)	38
New York Central	32 1/2
Northern Pacific	38 1/2
Par Gas Elec	29 1/2
Pennney J. C	41 1/2
Perma BB	11 1/2
Perma Cement	14 1/2
Phillips	43 1/2
Procter & Gamble	48 1/2
Radio Corp (nd)	44 1/2
Richfield Oil	26 1/2
Safeway	42 1/2
Sears	68 1/2
Shell Oil	33
Society Mobil Oil	48 1/2
Southern Co	46
Southern Pacific	24 1/2
Sperry Rand	14 1/2
Standard California	52 1/2
Standard Indiana	44 1/2
Standard N. J.	38 1/2
Stokely Van Camp	19 1/2
Sun Mimes	28 1/2
Texas Co	28 1/2
Texas Gulf Sulfur	13 1/2
Texas Pacific Land Trust	15 1/2
Thiokol	20 1/2
TransAmerica	33 1/2
Trans World Air	31 1/2
Trans-Continental	32
Union Carbide	62 1/2
Union Pacific	29 1/2
United Aircraft	40 1/2
United Air Lines	28
U. S. Plywood	41 1/2
U. S. Rubber	14 1/2
U. S. Steel	40 1/2
West Bank Corp	27 1/2
Westinghouse	27 1/2

**JESSEL COMING**  
Portland - (UPI) - Entertainer George Jessel will be in Portland June 20 to help launch the Portland Committee for Israel Bonds drive. The drive seeks to raise a minimum of \$66,500,000 throughout the world this year to help develop Israel's economy.

# TERRIFIC AND VACATION SALE

Father's Day

\$3.98 Regular  
by THERMOS  
Holiday  
SALE PRICE  
**2.44**

SHOULDER SPOUT PICNIC JUG rustproof, rugged, all plastic molded case and fibreglass insulation. Capacity one gallon, for all hot or cold liquids. A must for these great vacation outings!

"FLASHY" by ASHFLASH  
Operates on two regular batteries. Fits the glove compartment of your car. Automatic warning blinker may save your life in the dark. Attaches easily to your belt. Batteries extra, 10c each.  
SALE PRICE  
**91¢**  
1.88 Value

SATA-LITER ELECTRIC BARBECUE LIGHTER  
SAFE, sturdy, compact, efficient, convenient to use. Sealed unit construction, heavy insulated cord, cool hardwood handle—with an attached stand for cooking.  
SALE PRICE  
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2.98 Value

Famous Make LAWN EDGER  
Rubber tread driving wheel. Steel bearing, double walled steel torque shaft, tempered steel cutting blades, self sharpening. Cuts in either direction. Shears cleanly and doesn't hook. SALES PRICE  
**1.80**  
3.98 Value

THERMOS ICY-HOT VACUUM BOTTLE  
This fine vacuum bottle has two advance features: the new strangle-venter is so hard and tough it more than doubles the life of the vacuum bottle. The triple seal stopper is leak proof at all points of stoppage. It easy to screw on and off. Convenient cup handle, and non-drip pouring lip.  
Regular 2.98  
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**1.99**

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