

# KENNEDY ASKS \$10 BILLION TAX CUT

Regional Edition

57th Year Price 10 Cents

## MEDFORD MALL TRIBUNE

18 Pages Two Sections

MEDFORD, OREGON, MONDAY, JANUARY 14, 1963

No. 255

# Hatfield Begins Second Term as State Governor

## United Nations Preparing for Drive on Kolwezi

### Surrender Appeal To Be Delivered

Elisabethville, Katanga, The Congo - (UPI) - The United Nations was reported building up its forces today for a final drive on Kolwezi.

If Katanga President Moise Tshombe refuses to surrender that town a UN attack would take place within a week.

Informed sources said UN officials would deliver a surrender appeal to Tshombe in a few days. Tshombe had threatened to blow up mining and power installations if the United Nations tries to take it by force.

Officials of the Union Miniere warn that this would cripple about three-fourths of Katanga's hydro-electric power and deal a severe blow to the economy of the entire Congo.

### Resistance Light

UN troops have met little resistance so far in a gradual advance toward Kolwezi from Jadoville.

Informed sources said the contingent, built around tough Gurkha soldiers from India who regard a battlefield death as a sure pass to glory, could be up to full strength for an attack within a week.

Both Europeans and Africans have had enough of the trouble which has gripped Katanga since Tshombe's troops started fighting with UN forces Christmas Eve.

A group of Elisabethville citizens who supported Tshombe said they were contemplating sending their own mission to Tshombe to ask him to give up.

## Judge Millard III; Appointment Made

Grants Pass - Judge James W. Crawford, who recently retired from the Multnomah county circuit court bench, has started a temporary appointment as circuit court judge for District 1, comprising Josephine and Jackson counties.

Judge Crawford was appointed by the Oregon State Supreme court to fill the position left temporarily vacant by the illness of Circuit Court Judge Orval J. Millard, Grants Pass. He will serve for 84 days or until Judge Millard is ready to return to the bench.

Judge Millard, who has occupied the position since 1947, was re-elected in 1960 to his present six-year term.

During Judge Crawford's tenure here he will be available also for duty in both counties.

## Californians Offer To Build Power Lines

San Francisco - (UPI) - California's four major electric utility companies have offered to construct extra-high-voltage transmission lines between their systems and the Pacific Northwest for power interchange.

## NEWS BRIEFS

### FRANCE REJECTS POLARIS OFFER

Paris - (UPI) - French President Charles de Gaulle today rejected President Kennedy's offer of Polaris missiles. He said France plans to develop its own weapons.

### WEST GERMANY BREAKS RELATIONS

Bonn, Germany - (UPI) - West Germany broke diplomatic relations today with Cuba, following Cuban recognition of East Germany.

### KHRUSHCHEV IN EAST BERLIN

Berlin - (UPI) - Soviet Premier Nikita Khrushchev arrived in East Berlin tonight amid stiff security precautions for a Communist party congress heralded by Moscow and being of "historic importance."



SYLVANUS OLYMPIO (UPI) 'Against People's Will'

## Togo President Assassinated by Rebel Forces

Accra, Ghana - (UPI) - Togo rebels who assassinated pro-Western President Sylvanus Olympio proclaimed their control of the small West African nation today and promised a new constitution and elections.

A broadcast over Radio Lome in the Togolese capital said Olympio was killed Sunday "because he went against the people's will." It said the rebels had everything under control and would deal severely with any "treasonable activity."

The announced said a civilian committee would be appointed to draw up a constitution under which a new national assembly will be elected. The present parliament is controlled entirely by Olympio's Committee of Togolese Unity party.

Halted at Border - The broadcast followed reports that Antoine Meatchi, the Togo exile who was called to lead the new government, had been halted Sunday night at the sealed border between Togo and Ghana.

There was no word today whether Meatchi had been able to cross the border. He had been living in Accra.

Olympio was killed in a lightning coup early Sunday by rebels who left his body on the steps of the U. S. Embassy in Lome.

Radio Lome gave the names of the insurrectionary committee which led the coup. Most appeared to be low-ranking army officers.

It was reliably learned in Accra that U. S. Ambassador to Ghana William Mahoney called on Ghanaian President Kwame Nkrumah Sunday night to discuss the Togo situation, after receiving instructions from Washington.

### SHOCK EXPRESSED

Washington - (UPI) - The White House expressed its "profound shock" Sunday over the assassination of Togo President Sylvanus Olympio whom it described as "one of Africa's most distinguished leaders."

There was no verification of the nature of the cloud. Opinion was given that the cloud might consist of snow blown up by high winds. The weather bureau reported 45-knot winds blowing this morning at 9,000 to 10,000 feet.

### Laundry Coinmeters Broken at Building

Medford city police Saturday in estigated the breakage of two laundry coinmeters in the basement of an apartment building at 38 North Oakdale ave.

## Musa and Barton Elected To Head 1963 Legislature

By ANN H. PEARSON Salem - (UPI) - Sen. Ben Musa (D-The Dalles), and Rep. Clarence Barton (D - Coquille), were elected Senate president and House speaker here today as the 1963 legislative session began.

Television lights glared in the Senate and House chambers as 30 senators and 60 representatives took their oaths of office and prepared to settle down to the hard money problems ahead.

The convening of both houses went off smoothly despite one surprise departure from the script in the House. With House membership split 31-29 in favor of Democrats, Barton was assured of the speakership.

Montgomery Nominated - But House Minority Leader F. F. Montgomery (R-Eugene), was nominated by Rep. Robert Smith (R-Burns), and drew the votes of seven Republicans.

Barton told the House he hoped the 52nd assembly would "write a record... so that when we adjourn... our stewardship... will be approved and appreciated."

Musa was elected unanimously in the Senate. He said "we look forward to the best session the state has ever known, after the end of 150 days more or less."

Committees were announced in both houses.

Republicans drew chairmanships of six out of 21 Senate committees and Republicans in the house considered their key committee assignments improved over 1961.

The elections of Barton and Musa followed House and Senate caucuses Sunday night. Barton was chosen in spite of the fact that the absence of two Democrats left members attending the House caucus evenly divided at 29 Democrats and 29 Republicans.

Rules Adopted - The House members spent nearly two hours approving a set of rules. They rejected a motion to allow a bill to be pulled from committee by 31 votes instead of 40.

A new procedure was adopted to speed up action on an estimated one-half of the bills that pass the House without objection or with one dissenting vote. They will be listed for three days and then voted on in a block on a consent calendar.

An objection during the three-day period would remove a measure from the consent calendar.

The Senate authorized its presiding officer to name a nine-member special committee on constitutional revision. The committee would meet jointly with a similar House committee, and share one staff, but the House and Senate groups would vote separately.

Senate officers named were Dale Henderson, chief clerk;

### Residents Ask About Mt. McLoughlin Cloud

Area residents telephoned the Mail Tribune and valley radio stations this morning asking whether a cloud over Mt. McLoughlin was steam, signaling a possible eruption.

There was no verification of the nature of the cloud. Opinion was given that the cloud might consist of snow blown up by high winds. The weather bureau reported 45-knot winds blowing this morning at 9,000 to 10,000 feet.

### Laundry Coinmeters Broken at Building

Medford city police Saturday in estigated the breakage of two laundry coinmeters in the basement of an apartment building at 38 North Oakdale ave.

## Inaugural Will Climax Colorful Joint Ceremonies

### Cooperation To Be Urged in Address

By ZAN STARK Salem - (UPI) - Tax increases, a single board of education, government efficiency, and a reduction in dependency were expected to be urged today by Gov. Mark Hatfield as he begins his second four-year term as Oregon's chief executive.

Hatfield's second inaugural address was to climax colorful ceremonies before a joint session of the House and Senate.

He also was expected to remind legislators "Oregon's electorate has again chosen a Republican governor and a Democratic legislature," and urge cooperation rather than partisanship.

To Chide 1961 Session - He was to chide the 1961 session for adding seven semi-independent boards and commissions rather than reducing the total number.

He planned to urge revision of Oregon's constitution with the remark that "this legislature's greatest legacy can be the referral of a realistic, modern constitution."

Turning to social legislation Hatfield expected to voice concern with "the individual's over-dependence on the state which coincides with the state's dependence upon federal programs."

"While it has become commonplace to turn our backs on the problems and our palms to the federal government, we can do much in our day to swing the pendulum back to recognize not so much states' rights as states' obligations."

"We can make Oregon a proving ground for a new spirit of self-sufficiency if we but have the will," he planned to tell the legislators.

"The principal goal of publicly-financed social services should be the elimination or reduction of dependency."

For the third time the governor was to urge the legislature to adopt a net receipts amendments to present state income tax laws.

"We must broaden the base, increase the number of taxpayers, and reduce the rates," Hatfield will say.

He also pointed out that Oregon is the only state in which revenue is not derived from the sale of cigarettes.

He termed a cigarette tax "appropriate and timely."

Hatfield expected to urge legislators to give "priority" to establishment of a department of natural resources and a department of commerce.

To Urge Milk Law - He also was to urge adoption of a milk stabilization law which would regulate prices at the producer level only.

He will voice strong opposition to further use of bonding programs for highway construction, saying such a method of financing was too costly.

Hatfield will tell legislators if they think the highway construction program should be speeded up, the work should be financed through an increase in gasoline taxes.

### BEATS TITLE BAN

London - (UPI) - A film producer, barred from using the word "nude" in the title of a nudist film, neatly skirted around the restriction by calling his picture "My Bare Lady."

## General Motors Asked To Give Up Diesel Division

Washington - (UPI) - The Justice Department asked a Chicago federal court today to order General Motors Corp. to divest itself of its diesel locomotive division.

The government based its request on claims GM is trying to monopolize the locomotive industry.

Atty. Gen. Robert F. Kennedy said the civil antitrust suit paralleled a criminal indictment on monopoly charges returned April 12, 1961, at Chicago. The criminal suit, with a maximum penalty of \$50,000 in perjury charges, Power Used Illegally

The civil suit charged that the nation's largest corporation was using its vast economic power illegally to get railroads to buy locomotives produced by Electro-Motive Division at La Grange, Ill.

Like the earlier indictment, the complaint said the industrial giant had given preference in freight shipments to railroads which bought GM locomotives.

GM is the largest commercial shipper in the country, with more than \$200 million in freight annually. This gave it leverage on potential engine customers in violation of Section 2 on the Sherman Act, the department charged.

The complaint said as a result of its alleged monopoly GM manufactures more than 80 per cent of all new and rebuilt locomotives made in the United States.

## Phoenix Grange Adopts Resolutions

The Phoenix Grange has adopted a resolution opposing the consolidation of the Phoenix-Talent and Medford school districts and one seeking revision of the school district reorganization law.

The revision request asks for the state legislature to amend the school district reorganization law to establish a period time between a vote disapproving a school district boundary change and the filing of other petitions affecting the same district's boundaries.

The resolution opposing the consolidation states, "that there has been no unbiased evidence presented that would indicate any educational advantages accruing to the youth of the district as a result of the consolidation."

Both resolutions are signed by Lloyd Whitesides, Grange master.

## WEATHER

FORECAST: Fair and cold through Tuesday but with a little cloudiness at times. Low tonight 18-22. High Tuesday 49-55. Highest Yesterday 43. Lowest This Morning 16.

## Our Skies Tonight

Sunset today 5:02 p.m. Sunrise tomorrow 7:28 a.m. Moonrise tonight 10:07 p.m. Last Quarter Jan. 17. The planet, Saturn, nearer the sun each evening, will again be seen early in March in the morning sky. Saturn is now a little over one billion miles from the Earth.



STATE OF UNION—President Kennedy is shown as he delivered his State of the Union message to a joint session of Congress in Washington today. Behind him is the Vice President Lyndon Johnson, left, and House Speaker John McCormack. (UPI)

## Republican Reaction Indicates Broader Support for Kennedy

Washington - (UPI) - Initial reaction of several key Republicans indicated today that President Kennedy may have found an approach to tax cuts that will win broader congressional support than had been anticipated earlier.

Amid generally cautious reaction, two high-placed Republicans on the House Ways and Means committee said that Kennedy has moved closer toward their thinking than they had expected in his tax-cutting formula and his pledge to clamp restraints on non-defense spending.

Kennedy told Congress in his State of the Union message that the proposed tax cuts would be spread over three years and that his new budget will call for an overall reduction in federal spending exclusive of defense, space and interest on the public debt.

### Talking Sense

"I think he's talking sense," said Rep. Thomas B. Curtis (R-Mo.), third-ranking Republican on the committee which will have life-and-death power over Kennedy's tax program. "I am very pleased that tax cuts should be put into context with reforms in expenditures."

Rep. Howard H. Baker of Tennessee, the committee's second-ranking Republican, said that the tax program, as sketched in broad outline by the President today, "seems very definitely to be preferable to reports about the program published during the last three weeks."

### Opposes Some Reforms

Senate GOP Leader Everett M. Dirksen (Ill.) who is expected to go on the Finance committee, "made it clear he might oppose some aspects of Kennedy's tax loophole reforms, however."

He said he would oppose any cut in the oil-gas depletion allowance, repeal of the dividend credit and other like requests. He echoed the GOP theme of steeper economies with any tax relief. He said tax cuts may stimulate the economy but that there is an "awful lag" until the stimulation takes effect.

Dirksen told newsmen he felt it would take all this session to pass a tax bill.

But liberal Democrats, who long have favored tax relief as an economic stimulant, praised the tax program.

Sen. Paul H. Douglas (D-Ill.) a member of the tax-writing Finance committee, said he felt the revenue loss "will be more than justified by reduction in unemployment and utilization of idle capacity in the major capacity of the nation."

### Faces Major Problems

Sen. George A. Smathers (D-Fla.), secretary of the Democratic Conference and a Finance member, emphasized the problems ahead for the tax program.

He said it was "interesting and appealing" but added: "It will have a steep and rocky road to travel." Chairman Leverett Saltonstall (R-Mass.) said "any tax cut that is recommended—and I hope there can be one—should be accompanied by a reduction in expenditures, or at least some tighter control

of spending." But Saltonstall said he would not insist on spending cuts to equal the full amount of any net revenue loss from tax cuts.

Sen. Wallace F. Bennett (R-Utah), a member of the Finance committee, said the President's proposal for a tax cut along with increased spending "added up to a \$20 billion deficit which we cannot afford."

Sen. Frank Carlson (R-Kan.), a member of the Senate Finance committee, said "personal and corporate taxes are too high, but I believe Congress should not act hastily on the President's proposal for a \$13.5 billion tax cut."

In a three-way fight for two vacant posts on the committee, House Democrats by secret ballot rejected McCormack's candidate, Rep. Phil M. Landrum (D-Ga.) by a decisive margin.

The winners were Reps. Ross Bass (D-Tenn.) with 169 votes and W. Pat Jennings (D-Va.) with 161 votes. Landrum got only 121 or 122 votes, members reported.

The committee has life-and-death power over President Kennedy's Medicare and tax cutting programs.

Landrum's surprise defeat was engineered by an unusual coalition of northern liberal Democrats and ultra-conservative southern Democrats.

The liberals feared he was not liberal enough despite private assurances he gave some of them that he would break the committee roadblock against Kennedy's Medicare program.

Retaliation for Support - The ultra-conservatives lined up against Landrum in retaliation for the support given to the administration by Landrum and other Georgia Democrats last Wednesday. That support halted abortive attempts by conservatives to seize control of the legislative machinery of the House.

Landrum incurred labor's enmity in 1959 by his coauthorship of the Landrum-Griffin Labor Act. Last year, however, he veered from his conservative stand and supported the Kennedy administration in almost all of its hotly contested House floor fights.

## Parks, Recreation Budget To Be Discussed Tonight

The Jackson county parks and recreation commission will discuss the department's budget for the new fiscal year when it meets at 7:30 o'clock tonight in the county court office.

It is expected to discuss how much money should be allocated for the further development of Howard Prairie and Emigrant lakes and any new proposed recreation areas.

County Parks and Recreation Director Neil Ledward reported that Howard Prairie now has a riding stable. The concessionaire has started to clean up the area and will fence the concession area as soon as possible.

A new boat ramp was completed recently at the south

end of Howard Prairie. Forty-six concrete planks were bedded in gravel to make the 70-foot long ramp which will extend to low water.

"Howard Prairie should be in good shape for the fishing season," Ledward said. "We have planned for 50 more tables and fireplaces."

Basic grading for the Emigrant lake swimming area has been finished and the area planned for the boat docks has been cleaned out. A second boat ramp is planned.

The surveyor has completed the survey of the Applegate store site which includes 1.8 acres with 440 feet of Applegate river frontage. The district attorney will prepare a 20-year lease agreement for commission approval, Ledward said.

## Klamath Falls Murder Trial Gets Under Way

Klamath Falls - (UPI) - The first degree murder trial of Zelma Oetsho, 41, Klamath Falls, began here today with selection of a jury.

The woman is charged in the gunshot death of ex-fighter Bruce Miller Nov. 14.

## REFUGEES RETURN

Miami - (UPI) - Eighty-nine refugees, most of them Cuban-born U.S. citizens, flew out of Havana Sunday night in the latest freedom airlift from Cuba.

## Proposal Would Stimulate Jobs, President Says

### State of Union Message Delivered

Washington - (UPI) - President Kennedy asked Congress today to cut taxes \$10 billion over the next three years, starting with a \$6 billion reduction this year in personal and corporate levies.

The President said his plan would help provide two million more jobs by stimulating private and business purchasing power, encourage the risk-taking demanded by the free enterprise system and vastly strengthen America's hand in fashioning a "world of order."

In a 5,500-word State of the Union Address, delivered in person to a joint session of Congress, the chief executive also took a cautious view of the world situation.

He said West Berlin remained free, a settlement had been reached in Laos, aggression blunted in Viet Nam and a "deadly threat" removed from Cuba. He said the "end of agony" might be in sight in the Congo. But he added that danger still exists from Cuba to the South China Sea.

Calling for action on his tax reduction program, Kennedy said:

"Now, when no military crisis strains our resources, now is the time to act. We cannot afford to be timid or slow. For this is the most important task confronting the Congress in 1963."

It was the first time in the Internal Revenue Service's 100-year history that tax reduction had been proposed solely to stimulate a lagging economy. There have been 13 major tax cuts this century, most of them to realign rates after a war or because of a budget surplus.

The nation's labor unions and much of business favor the chief executive's approach. But his proposals faced sharp scrutiny in Congress where some influential members question the wisdom of tax cuts without reductions in spending.

Actually, Kennedy asked the lawmakers to cut taxes \$13.5 billion between now and the end of 1965. But he proposed to recapture \$3.5 billion of this by broadening the tax base and ending what he called "unfair or unnecessary preferences." He did not pinpoint these.

Breaking down his proposal, the President said \$11 billion would be cut from individual tax rates and \$2.5 billion would result from reducing corporate rates. He said the tax cuts would increase purchasing power, with the greatest increase going to low-income consumers.

His plan would fix individual income tax rates, which now range from 20 to 91 per cent at "a more sensible range" of from 14 to 65 per cent. The current 62 per cent rate on corporate earnings would be cut back to the pre-Korean War level of 47 per cent.

In setting up new individual rates, the President proposed splitting the tax bracket while now covers the first \$2,000 of taxable income. His plan would provide a 14 per cent tax rate for the first \$1,000. The second \$1,000 would be taxed at a slightly higher rate but still below present levels.

This formula would mean tax savings ranging from 30 per cent for persons with very small taxable incomes to less than 20 per cent for those in other income brackets. But it was impossible to spell out dollars and cents savings pending more details on the plan.

Kennedy conceded his proposal would increase the federal deficit—but insisted this would be only temporary. He said the added impetus given the economy by bigger consumer and business spending ultimately would result in more federal income despite lower tax rates.

(Continued on Page 2A)

## Klamath Falls Murder Trial Gets Under Way

Klamath Falls - (UPI) - The first degree murder trial of Zelma Oetsho, 41, Klamath Falls, began here today with selection of a jury.

The woman is charged in the gunshot death of ex-fighter Bruce Miller Nov. 14.

## REFUGEES RETURN

Miami - (UPI) - Eighty-nine refugees, most of them Cuban-born U.S. citizens, flew out of Havana Sunday night in the latest freedom airlift from Cuba.