

## Money Matters Occupy Attention Of Legislature

### Ways and Means Groups Selected

Salem—UPI—Money matters came promptly to the fore today as the three-day-old Oregon Legislature got down to business.

The joint House-Senate Ways and Means Committee held its opening organizational meeting, while the remaining 71 of the 102 basic governor's budget bills were introduced in the House.

Sen. Ward Cook (D-Portland) and Rep. Ross Morgan (D-Gresham) named the five ways and means subcommittees that will do the groundwork on Gov. Mark Hatfield's \$405 million budget program for the 1963-65 biennium.

Thiel Chairman  
Sen. Daniel Thiel (D-Ashtoria) a co-chairman on Ways and Means in 1961, was named chairman of the 'e' subcommittee on education that will deal with the largest chunk of proposed state expenditures.

Thiel's subcommittee will hear the first pitches from education and higher education for more money than the governor has proposed.

Meanwhile, Rep. Richard Eymann (D-Marcola) scheduled the first meeting later today for his House Tax Committee, which will lead off the action on key programs for tax reform and raising new revenues.

Big Ones Included  
The 71 budget bills introduced today included the big ones to appropriate \$81 million to higher education and \$41 million to the State Public Welfare Commission.

A few more private bills were introduced. Sen. Walter Pearson (D-Portland) turned in a bill to reduce the state gasoline tax from six cents to five cents, a proposal that got nowhere two years ago.

Also introduced in the upper house was a resolution calling for ratification of the 24th amendment to the U.S. constitution, which would outlaw the poll tax.

Rep. J. E. Bennett (D-Portland) sponsored two bills in the House, one to change the state's primary election date from the third Friday in May to the second Tuesday in September, and the other to require public hearings before a convicted murderer is pardoned or paroled.

Martin Sands Plans Retirement in '63  
Martin E. Sands, division manager of California-Pacific Utilities company, and an employee of the firm for 33 years, will retire this year, according to E. K. Albert, company president.

Victor V. Lyman, former Baker resident, has been appointed division manager of the company's southern Oregon operations with headquarters in Medford.

Lyman, who is purchasing agent in the San Francisco office of the utility company, will assume his new duties March 1.

Sands, in addition to being southern Oregon division manager, is also a vice president of the company.

11 on Carrier Hurt By Cable Whiplash  
San Diego—UPI—Eleven crewmen were cut down by the whiplash of a 300-foot cable that snapped Tuesday when a jet fighter plane landed on the accident-plagued aircraft carrier Constellation.

Chief Aviation Boatswain's Mate Eugene Williams, 36, and Yeoman Apprentice Gordon D. Buckman had their legs severed by the snapping cable. Ens. Leroy Hudson Jr., 31, lost his right leg in the accident.

The others injured received fractures.



JANET O'SULLIVAN  
Elks Leadership Contest Winner



GARNER HAUPT  
Elks Leadership Contest Winner

## Medford Seniors Win Elks Youth Leadership Contest

Miss Janet O'Sullivan and Garner Haupert, seniors at Medford High school, won first place in the local Elks Lodge Youth Leadership contest. Exalted Ruler Leonard Carlson, has announced.

Miss O'Sullivan, daughter of Mr. and Mrs. R. J. O'Sullivan, 518 North Barneburg rd., Medford, and Haupert, son of Mr. and Mrs. G. T. Haupt, 222 Valley View dr., Medford, were two of 10 students from five area high schools who participated in the contest.

Winners of the contest are judged on leadership initiative, organizational ability and influence on others, citizenship appreciation, perseverance, resourcefulness and sense of honor, neatness and arrangement of brochure, and compliance with instructions for entering the contest.

To Receive Awards  
Winners will receive awards from the local Elks Lodge during the observance of National Elks Youth Day, early in May. Brochures of both Miss O'Sullivan and Haupert will be entered in the state contest, and the state winners will be submitted for national competition.

Leadership contest winners in 1962 were Miss Janice Bateman of Crater High school and Stephen Geren of Eagle Point High school. Miss Bateman placed first in the girls division in the state contest, and third place in the national competition.

Judges for the local contest were Raymond S. Wise, Murray Dumas, Joe Hosick, and Reuel Rians. Entries were received from Eagle Point High school, Crater High school, Medford High school, St. Mary's High school, and Phoenix High school.

Prisoner Insurance Approved by Court  
The Jackson county court this morning directed that an accident liability insurance policy be taken out to cover any injuries to prisoners on work projects.

As a temporary expedient the county will pay \$94 for a policy from United Pacific Insurance company extending to May 1. A year's policy would be \$322.

The policy provides coverage of \$100,000 per person for bodily injury or \$300,000 for each occurrence, and \$10,000 property damage. Hazardous occupations such as blasting would not be covered.

County court members discovered the need for insurance to pay medical and hospital bills for prisoners earlier when they learned prisoners are not included in the county's blanket liability policy since they are not hired by the county.

Two prisoners were injured at Fish Lake last week while cutting fence posts for the county.

Reinstatement Cards Mailed by County  
The Jackson county elections department yesterday completed mailing 9,245 cards to county residents for reinstatement as registered voters.

They were taken off the registered voter list because they failed to vote in the May primary or November general election.

Those receiving the cards have 90 days in which to sign and return the notices.

Of the 9,245 people who failed to vote in either of the two elections, 4,501 of them were in Medford and vicinity.

Four Missing in Brazil Air Crash  
Sao Paulo, Brazil—UPI—Four passengers still were missing today in the wreckage of a Brazilian airliner that crashed Tuesday killing at least 13 and injuring 32.

City officials said the identities of 10 of the 13 dead had been established. Three others were burned beyond recognition.

Four of the identified bodies were those of residents of homes into which the Cruzeiro do Sul twin-engine transport plunged in a driving rain after overshooting the airport.

Regional Edition

# MEDEFD MALL TRIBUNE

20 Pages Two

## Hatfield Appeals To Legislature For Cooperation

### Possibilities of Negotiation Noted

Salem—UPI—Gov. Mark Hatfield appealed to the 1963 legislature Tuesday to minimize differences in the interests of tax and constitutional reform.

Hatfield said he will use his 1961 net receipts tax proposal as a "point of departure."

"I am most willing to work out with the legislative leaders a tax reform bill," he said.

Similarly, Hatfield said he is willing to set aside his own objections in order to give Oregon a modern, model constitution. He commended the draft prepared by the Oregon Constitutional Revision Commission during the past two years, and said he hopes the legislature will pass it and refer it to the people.

The Republican governor held out the flag of flexibility and negotiation to a Democratic legislature whose own leaders are divided over key points in Hatfield's program. Called 'Gross' Tax

Hatfield's proposal for a net receipts tax has been termed a "disenchanted" gross receipts tax by Senate President Ben Musa (D-The Dalles).

The governor's 1961 proposal called for a state income tax on even the smallest incomes, with rates ranging from one to five per cent. It eliminated deductions.

The governor spoke at a news conference, and many of his remarks dealt with tax reform. He said he still wants to see a tax reform program referred to the voters before the current legislature adjourns.

"It could well be that we face either a special election or a special session," Hatfield said. He said he believed an election would be less costly.

Problem Compounded  
The tax reform problem is compounded because the governor hopes to raise \$23 million in new revenues from a net receipts tax and \$18 million from a cigarette tax to help pay for his proposed \$405 million general fund budget.

On other topics, Hatfield said: Legislative Salaries—He thinks the people have shown confidence that legislators will be reasonable in setting their own pay.

Budget—All requests in his inaugural message were provided for in his budget.

Sex Offenders—He would like to see a law requiring local law enforcement officers to submit reports on sex offenses to a central recording office which already exists, in order to facilitate control of sex deviates.

Eight Arrested in Portland Drug Raid  
Portland—UPI—Eight Portland men were arrested by federal and city authorities Tuesday night and early today in the biggest narcotics crackdown here in two years.

Six were picked up on secret indictments returned by a federal grand jury and two were arrested on state charges.

No narcotics were seized, although several apartments and homes were searched.

John Windham, chief of the Federal Bureau of Narcotics here, said the charges involved illegal sale of narcotics.

Held on federal charges were F. P. Patterson, 35; Otis Spellman, 36; Richard K. Mayfield, 23; Franklin Brothers, 38; Louis Talps, 39, and Wilbert Alvin Johnson, 32.

Arrested on state charges were Jim Babe Wilson, 20, and Johnnie Lee Jackson, 19.

WEATHER  
FORECAST: Generally fair and smoky through Thursday, except for patchy morning valley fog. Low tonight 20-25. High Thursday 42-44.

## Soviet Premier Eases Pressure On West for German Peace Pact

### Musa Waiting For Invitation From Governor

#### Senate President Offers Tax Plan

Salem—UPI—Senate President Ben Musa's own tax program made its appearance today, and Musa said he is waiting for the governor to invite him to try to work out differences.

Musa's tax plan, being sponsored in the House by his wife, would broaden the state income tax base, but still retain most exemptions and deductions. The Hatfield plan would eliminate virtually all deductions to pick up low bracket earners.

Hatfield said Tuesday he is flexible on the tax matter and realizes a bill will have to be worked out with legislative leaders.

But Musa said today he has not heard from Hatfield on the tax matter.

Should Be Invited  
"I'll cooperate all the way in the world, but I feel that I should be invited," he said.

"Of course there is room for negotiation. We will have to do it in the end, so why not do it in the beginning?"

Gesturing at the telephone on his office desk, Musa added, "If the governor would call me right now, I would go over and discuss this matter."

He said, however, he is "tender-skinned" since the governor rejected similar discussion two years ago.

The Musa plan would reduce state income tax personal exemptions from \$600 to \$500, and would remove the federal income tax as a deduction. Suggested rates range from three to eight per cent, but Musa said these could be adjusted to raise needed revenues.

Effect of the Musa plan would be to increase state income taxes for some low bracket earners, while reducing taxes at some higher levels.

Supported by Barton  
The Hatfield plan, also supported by House Speaker Clarence Barton (D-Coquille) would remove virtually all deductions.

Musa said he would be willing to accept much of the Hatfield plan "if he would call it by its right name."

Hatfield calls it a net receipts tax, but Musa said it is really a gross receipts tax, especially for the salary earner. Musa said calling it a net receipts tax would be "fooling the people."

Stream Drainage Study Proposed  
Jackson County Engineer Robert J. Carstensen this morning recommended that the U. S. Geological Survey study stream drainage as a result of the Dec. 2 flood in Jackson county.

County Judge Earl M. Miller said he would send letters soon to various agencies which participated in a recent meeting on county drainage problems and invite them back for a follow up meeting.

Carstensen noted that the Geological Survey would provide aerial maps of such Dec. 2 flooded areas as Jackson, Daisy, Griffin, Crooked, Hansen, Larson and Mud creeks, plus the towns of Eagle Point and Rogue River and adjacent areas.

Steer Lands on Lap; Firm at Vale Sued  
Vale—UPI—A man has sued the Vale Livestock Auction company here for \$5,536 because a 700-pound steer allegedly leaped a wall and landed on his hip.

Lloyd E. Campbell said in his personal injury suit that the livestock company was negligent because it failed to take precautions to prevent animals from taking such unruly action.

Legislators Asked To Tour Institutions  
Salem—UPI—House Speaker Clarence Barton (D-Coquille) said today he wants legislators to tour all state institutions in the Salem area.

He said tours of the school for the deaf, the school for the blind, and Fairview Home already have been scheduled.

# MEDEFD MALL TRIBUNE

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## Warlike Theories Of Red Chinese Rapped in Speech

### Huge Bomb Would Be Used Only on U.S.

Berlin—UPI—Soviet Premier Nikita Khrushchev eased pressure on the West today for a German peace treaty and evacuation of Berlin.

At the same time he indirectly denounced the warlike theories of Red China.

In a two-hour, 35-minute address to the East German Communist party congress in East Berlin, the Soviet leader warned there can be no East-West disarmament agreement until the Berlin and German issues are settled.

But he refrained from any new ultimatum or deadline to the West.

Adds Grim Note  
Khrushchev added a grim note when he said the United States "now has roughly 40,000 hydrogen bombs and warheads." He said the Soviet Union also "has more than enough of this stuff."

But he said the Soviet Union has the biggest bomb of all—a 100-megaton nuclear bomb—and implied it would be used only on the United States if necessary.

"Such a bomb should not be used in Europe," he said. "Such measures could only be used outside Western Europe."

Wants Peace on Earth  
He called for a peaceful solution to East-West problems, saying "We do not want a kingdom in heaven—we want a beautiful empire on earth."

"For that reason we act with a sense of responsibility. We do not want war. But if one is forced on us, we shall hit back."

Khrushchev reviewed at length the economic progress made by Soviet Russia and said it already is pressing the United States hard in this field. He said when the Bolsheviks took power, Russia was economically far behind other European countries and the United States.

Great Power  
"Today the Soviet Union is a socialist great power that has long overtaken the other European countries in the level of its industrial production and is already treading on the heels of such a mighty capitalist country as the United States," he said.

Khrushchev clearly disappointed his East German audience by his treatment of the West Berlin problem and by the fact he obviously has put it on ice for the time being. He paid lip service to the idea of a German peace treaty but made it clear he would take no steps against the Western position.

Praises Berlin Wall  
He said the position of Communist East Germany had been greatly strengthened in the meantime, particularly by construction of the wall between West and East Berlin.

But he said the interest in a German peace treaty has not let up.

Speaking in quiet, sometimes almost professional tones, Khrushchev declared that "as long as a German peace treaty has not been signed it obviously will be difficult to expect serious progress towards concluding a disarmament agreement."

Most of the latter part of his speech was devoted to blasting Red China for its belief that war with the West is inevitable. However, he did not once mention China by name but directed his attacks instead against Peking's tiny European satellite Albania—a favorite Soviet bloc ruse.

Legislative Pay Bill Needing Signatures  
Salem—UPI—A bill to set legislators' pay at \$3,000 a year plus \$20 a day expenses while in session is still being circulated for sponsors' signatures. House Speaker Clarence Barton (D-Coquille) said today.

Information Sought By Applegate Board On Consolidation  
The Applegate school board last night sought information on what steps the District 549C board might take to handle education of children in the Applegate district should the district consider consolidation with the Medford unit.

Richard L. Offenbacher, Applegate board chairman, pointed out that the board was not attending the Medford board meeting to discuss consolidation, but to seek information.

The Applegate board sought the same information from the Josephine County Unit school board Monday night in Grants Pass.

Offenbacher said the Applegate school budget will be considered in the near future, and district patrons have expressed interest in transporting seventh and eighth graders to a junior high school.

The district now pays tuition for 47 students to Grants Pass High school, and the board feels that transporting and the possibility of paying tuition for seventh and eighth graders may become a financial burden on the district's taxpayers, Offenbacher said.

The board is interested in getting some kind of idea of what the District 549C board would do should the Applegate district consider consolidation with it.

The Applegate district will consider what action should be taken, if any, when budget meetings start.

Keith Hockersmith, chairman of District 549C board, asked the Applegate board to complete questions it would like answered, noting that the board last night was not in a position to answer questions without considering them first.

The Applegate district is one of three in Jackson county which does not provide high school facilities for its students.

Other members of the Applegate board attending last night's meeting were Karl Herriott, Lester Hill and Vernon P. Fowler. Bruce C. Matheny, principal, also attended.

Two Seniors Suspended; Action on Third Pending  
The School District 549C board last night approved suspension of two seniors for appearing at Medford High school in what the school staff judged was an intoxicated condition recently.

One youth was expelled indefinitely, or until satisfactory arrangements have been made for his return; the other youth was suspended for the remainder of the first term, and will be allowed to return to school at the start of the second semester.

School officials indicated that one youth has moved to California.

The incident, school officials said, was investigated by the Oregon Liquor Control Committee.

A third youth has been suspended from school for being in what was judged an intoxicated condition at a basketball game at Hedrick Junior High school last week end.

The board took no action on the suspension last night because a detailed report has not been received by school officials, law enforcement agencies and the Oregon Liquor Control commission. The board is expected to act on the suspension at a later date.

Elliott Becken, assistant superintendent, in reviewing the suspension cases, noted that the number is a small portion of the 450 seniors who will graduate this spring. Such cases in other schools of comparable size range between 3 and 5 per cent of the senior class, considerably more than the number of students involved in suspension cases in Medford.

# NEWS BRIEFS

WHOPPING CRANE FLOCK ESTIMATED AT 32  
Washington—UPI—The Interior Department Tuesday set the size of the last known flock of wild whooping cranes at 32, a reduction of six from the flock which flew to northern nesting grounds last spring.

JEANNACE FREEMAN MAY RECEIVE STAY  
Salem—UPI—Child slayer Jeannace June Freeman, 21, seemed assured a stay of her scheduled Jan. 29 execution today as attorneys prepared to appeal her case to the U.S. Supreme Court.

TSHOMBE MOVING TOWARD PEACE  
Elisabethville, Katanga. The Congo—UPI—Katanga President Moise Tshombe was reported moving today to bring his secessionist province back into the Congo and bring peace to this part of Africa.