Bonds To Finance College Classroom Construction Receives Support

Economic Message Highlights

Business Investment Rise Expected for Coming Year

Washington – (UPI) – Highlights of President Kennedy's economic report to Congress:

OUTLOOK

No recession is expected in 1963. Business investment should rise moderately, partly because of the prospect of tax cuts and reforms. Consumer buying should increase and government purchases are expected to rise by $2 billion a quarter. Housing construction probably will continue at the 1962 level.

INDIVIDUAL TAXES

The initial phase of a tax cut should take effect July 1 to produce an immediate increase in take home pay. Taxes should be cut in three stages, ultimately reducing the range of rates from the current 20 to 91 per cent of income to 14 to 65 per cent. Taxpayers in the lowest bracket would receive the largest cuts. This would add about $3 billion to expendable consumer income in the second half of this year and another $8 billion a year if the full range of cuts are effective by 1965.

CORPORATE TAXES

Corporate tax cuts should add to individual income through increased dividends. Corporate tax cuts also are essential to stimulate rapid expansion and modernization of industrial plants, which will result in industrial growth and fuller employment. Replacement of capital is not enough to increase the nation's capacity to produce. There will be a recommendation made to cut corporate income taxes, retroactive to Jan. 1 of this year, from 30 to 22 per cent. Proposals will be made later to reduce the corporate tax rate from 52 per cent to 47 per cent to increase investment incentives.

Effects On Revenues

The proposed reductions will ease the burden on state and local governments because increased growth and prosperity will increase their revenues from existing rates. State and local governments need increased revenues more than the federal government. Their spending has increased 243 per cent since 1948. During that period federal spending increased 166 per cent. State and local debts increased by 335 per cent during the period while the federal debt went up only 18 per cent.

Future Fiscal Policy

Congress should continue to work on a plan to give the president authority for a quick tax cut in case of a recession. It also should appropriate the balance of the funds authorized for programs under the public works acceleration act as an effective anti-recession weapon.

Transportation

The need for regulation remains, but technological changes permit greater reliance on competition between transportation systems to increase service and efficiency. The expanding federal highway system, further development of airports, urban mass transportation systems, improvement of canals, rivers and harbors are all urgent problems needing immediate attention. Action is urgently needed on the transportation message of 1962 calling for less regulation, consistent taxation and user charges and support for metropolitan transit facilities.

Institutions, Markets

Studies are being made of problems caused by growth of corporate pension funds, the role of federal lending and credit guarantee programs, and federal legislation and regulations on private financial institutions. These reports will be used by the advisory committee on labor-management policy, the budget bureau, the treasury department and various federal credit agencies.

PRICE OF SILVER

Congressional action is needed to eliminate the requirement that the treasury support the price of silver. In order to release silver for coinage purposes, Congress also should repeal laws which prevent withdrawal of silver certificates.

EMPLOYMENT LEGISLATION

Legislation will be proposed to increase the number of workers covered and the amount and duration of permanent unemployment compensation. There also will be a recommendation for extension of the $1.25 an hour minimum wage to cover more workers.

RESEARCH

Proposals will be sent to Congress to develop a federal-state engineering extension service and to increase the opportunities for civilian industry to benefit from government financed research. Other legislation will propose changes in tax laws to increase business investment in research equipment. Support also will be proposed for research and technical information services and industry research associations.

EDUCATION

The President promised to send Congress a number of proposals to strengthen the quality and increase the capacity of the American Education system. These recommendations were not detailed.

Foreign Briefs

Jerusalem–(UPI)–Jerusalem Attorney Shimo Toussia-Cohen will take over the attorney general's post formerly held by Gideon Hausner, according to reliable sources here.

Hausner, one of the prosecutors of executed Nazi Adolf Eichmann, resigned as attorney general last month over a disagreement with a justice minister. Toussia-Cohen is a former district court judge.

'DEFENSE OF FASCISM' CHARGED AGAINST YOUTHS

Baris, Italy–(UPI)–Police lodged charges of "defense of Fascic" against 29 youths Sunday for allegedly singing fascistera songs in the streets here.

Police said the group was arrested because its members were asked to stop singing and refused. Twenty-seven of them were released later, but two were held for further questioning.

ALGERIA TO WITHDRAW TUNISIA MISSION

Algiers, Algeria–(UPI)–Foreign Minister Mohamed Khemisti said Sunday night that Algeria will withdraw the head of its diplomatic mission in Tunisa.

Tunsian President Habib Bourguiba recalled his ambassador from Algeria Saturday. The day before, Bourguiba had accused Algerian Premier Ahmed Ben Bella of encouraging Tunisian anti-government plotters.

Petitions Filed With Rural Board

Remonstrance petitions containing 50 signatures were received today at noon by the rural school board at its regular meeting. The petitions were filed by a group of Barnett rd. area residents, it was reported.

Rural school board members said that the signatures will have to be verified by the county elections department before further action is taken by the board.

The petitions were filed after the rural school board last week rejected a proposal to consolidate Phoenix-Talent and Medford school districts.

According to law the remonstrance petitions must be signed by ten per cent or 50 persons, whichever is less. An election will be called on the questions following the checking of signatures.

CAB ISSUES RULING

Washington –(UPI)– The Civil Aeronautics Board ruled Thursday that the $425 deposit required for air travel credit cards is illegal unless 5 per cent interest is paid on the money. Travel credit itself is not illegal, the board said, but unless the cardholders get interest, the plan is "discriminatory and unduly preferential."

Payment Would Be Made From Student Fees

Salem – (UPI) – A plan to construct college classrooms by bonding and to repay the bonds with student fees won support today from House and Senate leadership.

House Speaker Clarence Barton (D - Couquille) said it would be a "sound practice."

"I am all for building any buildings by bonding," he said.

Senate President Ben Musa (D-The Dalles) said, "I can't see anything wrong with it if it can be done in the framework of the law."

"Those who want to be educated, let them pay for it," he said.

The plan was suggested Friday by Sen. Alfred Corbett (D - Portland) and Rep. John Mosser (R-Beaverton).

It would transfer a specific amount of student tuition money into a special fund to be used to finance bonds for instructional buildings, laboratories, and other classroom facilities.

Replaced With Grant

The money taken from the tuition fund would be replaced with a general fund grant.

The plan is similar to the one now used to build dormitories.

Corbett said today bonding attorneys have been asked for an opinion on the legality of the proposal.

Barton noted telephone companies, power firms, hospitals, and elementary and high schools all rely extensively on bonding for capital construction.

"I don't see why it doesn't make equally good sense for the state of Oregon," he said.

Referring to hesitation over bonding, he added, "All we've done is neglect needs because of this holy cow."

Fine Suspended in City Loitering Case

Foster Greb, proprietor of Foss' Billiards, 415 East Main st., had a $25 fine suspended in Medford municipal court this morning on a charge of permitting juveniles to loiter on his premises after he was found guilty in a trial before Judge Justin Smith Jr.

The charge grew out of an incident on the morning of Oct. 22 when Clyde Fichtner, attendance officer for School District 549C, found two 14-year-old boys in the establishment.

One of the youngsters, a student at McLoughlin Junior High school, testified that he and his companion were about half way through a game of pool when Fichtner entered the building. The other boy is now in MacLaren School for Boys.

Defense witnesses, however, testified they did not actually see the boys playing a game. Greb said he was out of the room at the time, and had no knowledge the boys were in the building until Fichtner came to tell him what had happened.

Ballot Tampering Hearing Resumes

St. Helens–(UPI)–The Columbia grand jury today was scheduled to resume its investigation into charges of ballot tampering in the November sheriff's race in the county.

The investigation started last week. Republican Roy Wilburn was declared winner of the election against Democratic incumbent Spencer Younce by two Circuit Court judges after they voided a recount.

Unseen Audience Nabs Three Burglars

East Los Angeles – (UPI) – Three burglars worked for two hours in the pre-dawn loading $40,000 worth of appliances from a trading stamp warehouse into a truck.

They drove to a private home where they and two persons charged with receiving stolen goods were arrested by 12 sheriff's deputies who had watched the robbery and followed the truck by helicopter after receiving a tip.

Portland State Campus Enlargement Proposed

Portland – (UPI) – Dr. Branford P. Millar, president of Portland State college, today proposed to more than double the fast-growing school's campus area.

Dr. Millar made the proposal to the State Board of Higher Education here. He asked that it approve expanding the campus to 22 blocks. The 5,500-student school now occupies nine blocks.

Lane County Report

Difference Noted in Rural, Urban Juvenile Offenders

Washington –(UPI)– A report submitted to a presidential committee suggested today that juvenile offenders in rural and urban areas are different breeds of cats.

Dr. Kenneth Polk, director of a group planning an all-out attack on youth problems in Lane county, Ore., told the President's Committee on Juvenile Delinquency and Youth Crime that a different approach was needed in rural areas.

"My impression is that in rural areas a large proportion of what is called delinquency could be more accurately called hell-raising," Dr. Polk said.

"The boys here (in Lane county) don't consider themselves delinquent, in fact they are insulted if you use that term," he said.

"To them, a delinquent is one who wears a black leather jacket, has a switchblade knife, has long hair combed into a ducktail, and wears motorcycle boots.

Different Meaning

"The urban slum youths knows well that his behavior is criminal," he said. "The youth in the rural area may have serious problems, and may get into a lot of trouble, but it has a different meaning to them."

All present data, he said, indicate a great increase in delinquency in Lane county and other rural areas.

"Yet these problems are very different than those found in the big cities," he said. "We don't have narcotics use, or large fighting gangs—they're just nonexistant."

For example, he said, statistics show that the top youth offense in Lane county — drinking — accounts for 22.5 per cent of the juvenile arrests in the area. In Los Angeles, he added, drinking is far down the list, accounting for only two per cent of court referrals.

Difference in Perception

"I don't think there's any actual difference in the amount of drinking by juveniles in the two areas," Dr. Polk said. "I think there's just a difference in the perception of the problem.

"In Lane county, drinking is considered serious enough to warrant court attention. I suspect that in Los Angeles, if the boys were just drinking, the police don't worry too much about it."

The Lane county youth study board, which Dr. Polk directs, has been given a $129,000 grant by the President's committee to study youth problems. Similar grants have been made to 14 larger cities across the country.

92 Spend Week End In Underground Fallout Shelter

Livermore, Calif. – (UPI) – Ninety-two men, women and children spent 36 hours in an underground fallout shelter near Livermore during the week end. They emerged Sunday, cold but otherwise healthy.

The experiment was the first full-scale shelter drill of Survival Associates, Inc. Taking part were 50 adults and 42 children, ranging in age from five months to 65.

Dr. Duane Sewell, a nuclear physicist at the University of California's Livermore Radiation Laboratory and vice president of Survival Associates, pronounced the experiment a complete success.

"I wouldn't hesitate to take 150 people in there for three weeks," he said. The 25 participating families entered the shelter at 8 p.m. Friday and came out at 8 a.m. Sunday.

The shelter, which cost $50,000, is 125 feet long and 25 feet wide, with a concrete floor, steel ceiling and 34 one-family compartments measuring seven by seven feet.

The shelter temperature ranged between 55 and 62. The ground temperature outside was 42 when they emerged Sunday. Individual families used hot plates to cook their own meals, consisting of cooked wheat, raisins, chicken noodles, coffee and canned milk.

Most of the participants in the experiment are attached to the Livermore laboratory. Family memberships in the corporation cost $1,600 plus $10 a month dues for taxes and upkeep.

Elderly Couple Burned at Portland

Portland – (UPI) – A fire at an apartment house severely burned an elderly couple, caused injuries to three firemen and made 10 persons homeless Sunday.

The fire razed a two-story frame apartment building. Damage was estimated at $15,000. Cause was believed to be an overheated oil stove.

Ellis Richie, 76, and his wife, Mary, 70, were hospitalized in serious condition with burns.

Tshombe's Last Stronghold Falls

Kolwezi, Katanga, The Congo – (UPI) – Katanga's fight for independence from the Congo ended today with the fall of President Moise Tshombe's last stronghold of Kolwezi.

A column of United Nations troops advanced to the center of the city without a shot being fired Tshombe's forces made no attempt to carry out their threat of sabotage to mining installations that produce 80 per cent of the world's cobalt.

The remnants of Tshombe's army cheered the UN troops as they entered the city behind a spearhead of four American - built tanks and three armored cars.

Bankruptcy Petition Filed in Portland

Portland – (UPI) – A former owner of an Albany bowling alley and his wife have filed for bankruptcy in Federal Court here.

Mr. and Mrs. Carroll Gene Richardson filed petitions listing $227,700 in debts and $3,700 in assets with $3,250 as exempt.

HAS HEART ATTACK

London–(UPI) – William Cardinal Godfrey, 73, Roman Catholic primate of England, suffered a mild heart attack Saturday night but later showed some improvement, according to a statement from the cardinal's residence.

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