

December Cost of Living in Sharp Decline

Congressmen Fast Casting Aside Kennedy's Proposals for Tax Reform

Washington - (UPI) - Congressmen fast-cast President Kennedy's proposed \$13.6 billion tax cut gingerly to its bosom today. But the off-setting "reforms" he wanted as part of the package were fast being cast aside.

One man's tax "loophole," it appeared, is always another's vested right, and usually is essential to the national welfare besides.

Rep. Hale Boggs (D-La.), House Democratic whip and a close friend and supporter of the President, put it more succinctly than most.

"In my opinion," Boggs said, "the tax reduction bill will pass in this session of Congress, but as I have said in the past, I doubt seriously if any of the so-called tax reforms will be adopted at this time."

Kennedy told his news conference Thursday it was "very important" that Congress enact both tax cuts and reforms. It would be unwise, he said, to pass tax cuts without approving revenue-producing reforms. If the new revenue isn't produced, then the tax cuts will have to be reduced, he said.

Kennedy said in his tax message he hoped to recoup \$3.4 billion of the estimated loss under the cut by eliminating certain "unwarranted special privileges" under existing law.

Part of this recovery would

come from a new limitation on the deductions individual taxpayers now may take for such things as expenses, and local and state taxes.

The oil and gas industry, which traditionally has enjoyed a special 27 1/2 per cent depletion allowance, also would have to pay more.

The home building industry already was organizing a fight against the curb on deductions, on the ground it would eliminate one of the incentives to home ownership and thus work against the continued prosperity of this vital segment of the economy.

Lawmakers generally spoke favorably of the need for a tax cut, and Chairman Wilbur D. Mills (D-Ark.) set up early hearings to start Feb. 6 - on the President's plan.

Foreign Briefs

BULGARIAN LEADER TO MEET TITO
 Berlin - (UPI) - Bulgarian Communist Leader Todor Zhivkov will meet Yugoslav President Josip Broz Tito in Belgrade, the East German news agency ADN said today.

It reported Zhivkov was on his way home from the East German Communist party conference here, but did not say what he and Tito would discuss.

COMMONWEALTH OFFICIAL TO VISIT KENYA
 London - (UPI) - Commonwealth and Colonial Secretary Duncan Sandys will visit Kenya the middle of next month to prepare for the country's independence, according to an announcement from the commonwealth relations office here.

ISRAELI WATCHMEN WOUNDED BY GUNFIRE
 Jerusalem - (UPI) - Two Israeli watchmen were wounded by submachine gun fire Thursday in separate attacks by infiltrators from Jordan and the Gaza Strip, according to an Israeli spokesman here.

He said the Israeli government protested the incident to the mixed armistice commission. The infiltrators escaped.

Three Drivers Are Cited by Police
 Three drivers were cited Thursday by Medford police following investigation of four non-injury vehicle accidents, according to reports.

Lawrence Leroy Padra, 17, Ashland, was cited for not having an operator's license, and Charlotte Brennemann, 78, of 800 Whitman ave., was cited for failure to yield the right of way after their vehicles collided about 4:15 p.m. at Eighth and Fir sts.

A city-owned parking meter on Front st. between Main and Sixth sts. was damaged about 3:55 p.m. when it was struck by a truck operated by Robert James Dozier, 33, Tiller.

Joseph Leach Hendrickson, 77, of 406 Beatty st., was cited for failure to yield the right of way after the vehicle he was driving collided with a car operated by Julianna Sharp, 18, of 319 Vancouver ave., about 5:25 p.m. at Bartlett and Jackson sts.

Ruby Jane Moyer, 725 Broad st., reported to police that her car had been damaged by an unknown vehicle some time between 7:10 and 7:45 p.m. Wednesday while it was parked on Ashland ave. between Ninth and Smith sts.

Lubricants made from petroleum were used for the first time in 1869.

Lower Food Prices Credited For Index Change

Washington - (UPI) - The cost of living registered its sharp monthly dip in four years in December, mainly because of lower food prices. But cold weather is expected to send food costs up again this month.

This was reported today by Robert J. Myers, deputy commissioner of the Bureau of Labor Statistics. He said the December drop of two-tenths of 1 per cent was the greatest monthly decline since 1958 in the department's consumer price index.

Drop Twice as Sharp
 Myers said the December decline was twice as sharp as the usual drop for the month. This trimmed the price index to 105.8 per cent of the 1957-59 average both for December and for the year as a whole.

The commissioner said the hard freezes, particularly in the South and the Southwest, were expected to cause a "substantial jump" in food prices during January.

He indicated this meant the overall cost of living probably would rise about two-tenths of 1 per cent, or back to the November level of 106 per cent.

Fruit, Poultry Down
 Food prices fell six-tenths of 1 per cent in December. This was due largely to substantial reductions in prices of fresh fruits, poultry and pork before effects of harsh freezes were felt.

Oranges dropped 13.5 per cent because of earlier prospects for good production. Myers said they now are expected to rise sharply because of recent severe freezes in Florida.

The over-all price index last month was three-tenths of 1 per cent below the all-time high reached last September. The food price section, at 103.5, was 1.2 per cent below the September peak but 1.5 per cent higher than in December, 1961.

Water Fight Threat Noted in California

Sacramento - (UPI) - The north-south argument over water at one time believed to have been solved by Gov. Edmund G. Brown's water plan, is breaking out anew in the 1963 legislature.

But this time it could very well be an urban versus rural battle.

Assemblyman Edwin L. Z'berg (D-Sacramento) said today he was ready to start the battle in the lower chamber - and chances are it will be picked up in the senate.

"I think people are just beginning to realize that farmers aren't going to be able to afford water from the state water program," Z'berg told a newsman.

Would Grant Subsidy
 As a result, he said, he will introduce a bill to grant a subsidy to farmers who cannot afford the tariff for state water.

Under Z'berg's proposal, the state department of water resources would determine who could or could not afford to pay the going rate for water.

If they could not afford the going rate, the farmers would get the water for whatever they could pay but they would be limited in the amount of acres they could irrigate with the water.

Z'berg said he also would introduce a bill to provide a public power preference for the power generated by the water project.

But it would not necessarily grant a subsidy to public power agencies. The bill would allow the state to decide what was a reasonable rate for the public agency to pay. If this happened to be lower than the bid of a private agency, the state would be able to grant the power.

But, as an indication of the kind of opposition such bills face, Assemblyman Carley V. Porter (D-Compton), chairman of the lower chamber water committee, had this to say:

"I'll be against any bills like that."

In other actions Sen. Donald Grunsky (R-Watsonville) introduced a bill Thursday to repeal a two-year-old law that requires school districts to spend between 50 and 60 per cent of their incomes on teachers' salaries.

THEY GREW HAIR!



Mr. Newhouse, (left), gave about 20 minutes of his time for the Harlow free hair and scalp consultation and re-grew his hair.

Mrs. Haller, (right), shows her results by the Harlow home treatment system.

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Just go to the Medford Hotel in Medford, Oregon, on Sunday, January 27, between 1:00 P.M. and 8:30 P.M. and ask the desk clerk for J. D. Welch's room number.

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*Your Authorized Plymouth-Valiant Dealer's Warranty against defects in material and workmanship on 1963 cars has been expanded to include parts replacement or repair, without charge for required parts or labor, for 5 years or 50,000 miles, whichever comes first, on the engine block, head and internal parts, transmission case and internal parts (excluding manual clutch), torque converter, drive shaft, universal joints (excluding dust covers), rear axle and differential, and rear wheel bearings, provided the vehicle has been serviced at reasonable intervals according to the Plymouth-Valiant Certified Car Care schedules.

DICK KNIGHT CO., 33 S. Riverside, Medford, Oregon

Stocks Follow Narrowly Mixed Price Pattern

New York - (UPI) - Stocks followed a narrowly mixed price pattern today.

Chemicals and steels reflected the general trend, moving within a narrow range. Chrysler lost nearly a point in an otherwise steady motor group but oils showed no significant price change.

DOW JONES AVERAGES
 New York - (UPI) - Dow Jones final stock averages: 30 industrials 676.99, off 0.59; 20 railroads 149.33, up 0.35; 15 utilities 135.16, up 0.42; and 65 stocks 239.45, up 0.16. Sales Thursday were about 4.81 million shares compared with 4.82 million shares Wednesday.

Thursday's prices on selected stocks:

Allied Chemical	44 1/2
Alum Co Am	38 1/2
American Air Lines	19 1/2
American Can	46 1/2
American Motors	20 1/2
A. T. & T.	120 1/2
American Tobacco	20
Anaconda Copper	44 1/2
Armco	33 1/2
Bentley Corp	28 1/2
Bethlehem Steel	31 1/2
Brunswick	18 1/2
Caterpillar Corp	27 1/2
Chrysler Corp	81 1/2
Coca Cola	60
C.R.S.	49
Columbia Gas	26 1/2
Continental Can	46 1/2
Crown Zellerbach	20 1/2
Crucible Steel	13 1/2
Curtis Wright	18 1/2
Dow Chemical	60 1/2
Du Pont	24 1/2
Firestone	26 1/2
Ford	43 1/2
General Electric	78 1/2
General Foods	84 1/2
Georgia Pacific	46 1/2
Greyhound	34 1/2
Gulf Oil	40 1/2
Homestake	48 1/2
Idaho Power	23 1/2
I.B.M.	41 1/2
Int Paper	28 1/2
Johns Manville	43 1/2
Kennecott Copper	71
Lockheed Aircraft	20 1/2
Martin	21 1/2
Merk	62 1/2
Montana Power	37 1/2
Montgomery Ward	34 1/2
National Biscuit	43 1/2
New York Central	15 1/2
Northern Pacific	40
Nac Gas Elec	34
Pennac J. C.	43
Penn RR	14
Perma Cement	14 1/2
Phillips	48 1/2
Procter & Gamble	72 1/2
Radio Corporation	63 1/2
Richfield Oil	41 1/2
Safeway	46 1/2
Santa Fe	26 1/2
Shell Oil	26 1/2
Secony Mobil Oil	29 1/2
Southern Co.	54 1/2
Southern Pacific	29 1/2
Sperry Rand	60 1/2
Standard California	64 1/2
Standard Indiana	48 1/2
Standard N.	30 1/2
Stokley Van Camp	23 1/2
Sun Mines	10
Texas Co.	62 1/2
Texas Gulf Sulfur	14 1/2
Texas Pacific Land Trust	27 1/2
Think	21 1/2
Trans America	46 1/2
Trans World Air	19 1/2
Tru Controlling	45 1/2
United Carbide	109 1/2
Union Pacific	39 1/2
United Air Craft	33 1/2
United Air Lines	37 1/2
U.S. Plywood	40 1/2
U.S. Steel	47 1/2
West Bank Corp	27 1/2
Westinghouse	35 1/2
Youngstown	62 1/2

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