

HATFIELD HINTS AT INCOME TAX INCREASE

In The Day's News

By FRANK JENKINS
Hmhmhmhm.
As this is written, Oregon hasn't decided who will be the next secretary of state—or, maybe, who will be the next governor.
California hasn't solved the problem of how to continue champagne spending on a beer income.
In the nation's capital the GOP is still trying to decide whether to be conservative or to try to out-liberal the liberals—the term "liberal" in this case meaning those who are liberal with the taxpayers' money.

So—
We'll have to talk today about lesser things.

This, for example:
The worst freeze in 12 years coated Britain with ice and snow today.
It left a trail of stranded motorists and MAROONED THE DUKE OF EDINBURGH AND PRINCE CHARLES IN A PUB!

Terrible, you say?
What's Britain coming to when the queen's consort makes the rounds of the saloons with his son, the Prince of Wales?

Wait a minute.
Maybe you aren't familiar with the institution known in the tight little isle, and particularly in London, as "the pub." It isn't a dive where souses go to get crocked. It's a kind of neighborhood club where the WHOLE FAMILY goes. The children drink ginger beer and the oldsters take on a modest bit of somewhat stronger stuff—"arf arf arf," or perhaps a shot of gin and bitters. While absorbing same, they play darts and discuss neighborhood affairs.

They drag out one drink over a LONG time, and when it's downed, as like as not, they go upstairs to the little restaurant that is located over so many of the pubs and eat a modest and pleasant meal that gives the mother a welcome relief from the tedium of her kitchen chores.

The Duke of Edinburgh doesn't have to be ELECTED to the job of consort.

The Prince of Wales doesn't have to be ELECTED to the job of king. But—
If both had to be elected—
Getting caught in a London pub would involve them in no campaign scandal.

Weather

FORECAST—Klamath Falls and vicinity: Partly cloudy tonight and Tuesday with a few scattered showers, mostly as snow flurries in nearby mountains. Low tonight 23-30; Tuesday 38-44.
High yesterday 54
Low last night 39
Precip. last 24 hours .03
Same Oct. 1 1.99
Same period last year 7.38
Normal for period 5.34

Northern California — Rain or snow today in moderate to heavy amounts; showers and snow flurries tonight; Tuesday partly cloudy; colder tonight; snow level about 3,000 feet today; windy.

CRATER LAKE
High yesterday 40
Low last night 26
8 a.m. today 26
New snow 1½ in.
Snow depth 37
Last year 105

An inch-and-a-half of snow was heavy and wet, registering 1.08 inches of precipitation, rangers reported. This morning skies were overcast but it was not snowing. Chains were advised for travel over Highway 62 and required from Annie Springs to the rim today.

Sixteen cars brought 33 visitors to the park Saturday; 55 cars brought 209 visitors Sunday.

Five-day Forecasts
Eastern Oregon — Temperatures averaging above normal. Highs mostly in the 40s. Low in the 30s. Precipitation heavier than normal.

Northern California — Precipitation at beginning of period and again late in period; temperatures much above normal; normal minimum-maximum Sacramento 36-52, Red Bluff 36-53, Eureka 40-53, Santa Rosa 36-56, Blue Canyon 28-44.



SHOOTING HOURS:
OREGON
January 13
OPEN 7:05 CLOSE 4:37
CALIFORNIA
January 13
OPEN 7:04 CLOSE 4:33

SEASON CLOSURES

Oregon's 1958-1959 duck and goose season closes Tuesday at 4:58 p.m. local game management agents reminded local hunters today.
There has been some misunderstanding about the season closing this weekend. Tuesday is the final day.

The Herald and News

Price Five Cents—12 Pages

KLAMATH FALLS, OREGON, MONDAY, JANUARY 12, 1959

Telephone TU 4-8111 No. 6290

Guard Out In Search For C-124

ANCHORAGE, Alaska (AP) — Two U.S. Coast Guard cutters were searching today for a huge C-124 Air Force cargo plane believed down with nine men aboard in the vicinity of the rugged Kenai Peninsula's southeastern tip.
A Coast Guard spokesman at Kodiak said the cutter Storvick was dispatched from Kodiak, and the Sedgwick was sent out from Cordova. The Globemaster plane was last heard from as it approached Homer, 125 miles southeast of here, for an emergency landing with two of its four engines out. It never arrived at Homer, which is at the base of a 5,200-foot mountain range.

The Coast Guard said the plane had radioed its trouble and an amphibious plane intercepted it. The escort plane, however, lost the Globemaster because of bad weather.

The stricken transport, according to the Coast Guard, was flying at low altitude, barely high enough to clear the snow-covered peaks. Officials theorized the pilot might have turned back to sea and ditched in the Gulf of Alaska.

The Air Force planned to send up two amphibious planes and two helicopters and the Coast Guard was to have another two amphibians to aid in the search.

The C-124 was based at Travis Air Force Base in California. It took off from McChord AFB in Washington shortly after noon Sunday bound for Kodiak, Alaska. It carried 34,500 pounds of cargo.

Officials at Travis said the plane left there with 10 men aboard, but one man got off at McChord. Reported missing were seven crewmen and an extra pilot and navigator attached to the 8th Air Transport Squadron.

P.T.&T. Gets Only Portion Of Request
SALEM (AP) — Public Utilities Commissioner Howard Morgan today granted the Pacific Telephone and Telegraph Co. only a \$739,097 annual rate increase.

The company asked for a \$4,838,000 annual increase. The company was forbidden to increase any residential or long-distance rates in the state.

Morgan said he found that the existing toll charges are higher than those in adjoining states.

The increase granted by Morgan is applicable only to some special service and equipment charges, and to business phones in a few cities.

The order was the last official act by Morgan. He resigned effective at noon today.

In his order, Morgan eliminated 10 million dollars from the company's intrastate base, and transferred most of it to the company's interstate operations.

Morgan said this action makes the company's request unjustified.

"There is no reason why the citizens of this state should bear more than their fair share of the company's interstate expenses when the company has a clear avenue (application for relief to the Federal Communications Commission) available to it," Morgan said.

He said the company is almost certain to appeal his order to the Marion County Circuit Court.



NO. 2 MAN in the Soviet Union, a nation preoccupied with rockets, examines what looks like a rocket but isn't. It is an ultrasonic dishwasher, one of many fascinating sights opened to Deputy Premier Anastas Mikoyan on a U.S. tour that took him to Los Angeles today.

Russian's Goodwill Tour Extends Into Lotusland

HOLLYWOOD (AP) — Anastas I. Mikoyan carried his intensive whirlwind goodwill campaign for the Soviet Union into motion picture land today with film industry representative Eric Johnston as his host.

The Soviet first deputy premier attended a dinner in his honor Sunday night at the swank Beverly Hills Hotel. The affair, arranged by Johnston, was attended by a select group of leading Southern California business figures.

In the course of a question period, Mikoyan denied that agreements made with the Soviet Union are regarded by the Soviet government as mere scraps of paper.

He thus answered a statement by President Eisenhower, without referring to the President by name, made in his State of the Union address Friday.

Mikoyan said that, on the contrary, there are some people who think "imperialists" keep international agreements only when it suits them.

He said "we also have the feeling that you have violated agreements."

He suggested it would be better if Americans, instead of regarding themselves as saints and thinking of the Soviets as perfidious people, would take the attitude that both sides are saints and both at times are perfidious.

Mikoyan's remarks to the southern California business leaders repeated the peace and trade themes that have been stressed during his trip.

He put in a particularly strong bid for removal of restrictions on trade with the Soviet Union and increased Soviet-American trades.

In a number of instances, he repeated exactly the same phrases used elsewhere.

Before going to the Johnston

appealed for approval of the compromise resolution. He described it as the reasonable course to follow.

Johnson told reporters before the start of the session he saw some hope for a final showdown vote on the whole issue before tonight.

"We do not have a filibuster on our hands and we're not going to have one, as far as I can see," he said.

Southern senators who are opposed to any change in the present rule could have launched a filibuster against taking up the proposals to alter it. But instead they consented to an agreement limiting debate on amendments to

World News In Brief

By United Press International

FILIBUSTER — Washington — The Senate meets two hours earlier than usual to resume debate on the filibuster issue.

MIKOYAN — Los Angeles — Mikoyan to spend part of the day like other tourists, visiting a movie studio.

GLOBEMASTER — Kodiak, Alaska — Globemaster cargo plane presumed down south of Anchorage with nine or 10 men aboard.

CRASH — Rio De Janeiro — Thirty-

six die in flaming wreckage of Lufthansa Super Constellation.

GRAHAM — Dallas — Billy Graham makes plans to fly to Mayo Clinic for treatment of "rare" eye ailment.

CUBA — Havana — Tourists flock back to Havana; rebel factions turn over arms to Castro; executions continue in interior.

SPACE — Washington — Top officials believe United States is rapidly overtaking Russia in space race and will oppose Democrats' efforts to increase budget.

U.S. Places Order For Space Capsule

BULLETIN

WASHINGTON (UPI) — The National Aeronautics and Space Administration today ordered McDonnell Aircraft Corp., St. Louis, to build the first U.S. "space capsule" to carry a man into an orbit around the earth.

The work is expected to take at least two years, informed officials said. The space agency said that the manned satellite would cost more than 15 million dollars.

WASHINGTON (AP) — Sen. Stuart Symington (D-Mo) challenged Vice President Nixon today to prove the United States is now ahead of Russia in ballistic missiles.

Symington told the Senate that if Nixon made an observation to that effect, "it is not correct—and I do not know a single impartial expert in the missile field who would support it."

The senator is a former Secretary of the Air Force under President Harry S. Truman and a member of the Senate Armed Services Special Space Committee.

He took issue with information given newsmen Sunday that Nixon says the United States is ahead of Russia in developing military missiles and is catching up fast in other phases of the space race.

Symington called on Nixon to provide in percentage the number of operational ICBMs the United States will have at the end of this year compared with the number U.S. Intelligence estimates the Soviets will have.

Symington mentioned often as a potential Democratic candidate for the presidency, spoke out in the Senate shortly after Nixon left his place as presiding officer.

The question of where the United States stands in the space race is expected to come under renewed scrutiny in both the Senate and House this session.

Rep. Overton Brooks (D-La.), prospective chairman of the new House Space Committee, said today he could not yet speak for the House group since it had not been officially organized nor his chairmanship confirmed.

However, Brooks said, "I personally would favor holding hearings."

The Louisiana Democrat spoke in an interview against a background of conflict over whether this country is lagging in the space contest and whether it should step up its effort.

The temporary House Space Committee of the last Congress, headed by Democratic Leader John W. McCormack (Mass.), issued a final report over the weekend picturing the Soviets as perhaps 1½ years or more ahead of the United States in space progress.

Brooks was a member of the temporary committee as well as a senior Democratic member of the House Armed Services Committee.

The space committee saw America's extinction as the likely cost of Soviet victory in the space race. Calling for the utmost national effort, it quoted estimates that even with a thoroughgoing program it will take the United States "at least five years to close the gap."

Vice President Nixon holds a different view, according to information given newsmen Sunday.

Nixon, who sits in top strategy councils, says the United States is ahead of the Soviet Union in developing military missiles and is catching up fast in other phases of the space race.

He was apparently sandy and his eyes blue. He was clad in sun tan pants with a tan and rust plaid shirt, of wool or flannel. He carried a blue steel revolver, probably a .38, with a barrel visible six inches long.

The mask was made of a chalk brown stocking, apparently silk. The eye slits were neatly made, with rolled edges, which had possibly been sewn.

Approximately \$40 of the loot was in silver.

Broad Reorganization Asked Of Legislature

Governor Would Keep OTI Here, Create School Similar At Portland

By PAUL W. HARVEY JR.
SALEM (AP) — Gov. Mark Hatfield asked the 30th Oregon Legislature today for sweeping reorganization of the state government, and hinted that it should increase income taxes on persons in the lower brackets.

In an address prepared for delivery at his inaugural as Oregon's 28th governor, the Republican governor told the Democratic-controlled Legislature it should adopt an interim committee recommendation that the governor

tax rates, whichever is higher. A married couple earning \$12,000 a year now pays no tax. Under the new proposal, it would pay \$12.

He had no specific comments on the 299-million dollar budget submitted by Holmes, but promised he would have specific recommendations about it later.

Hatfield's other important recommendations:

1. Lengthen the school year, study school financing and school construction, transfer Oregon Technical Institute to the Board of Higher Education but keep it in Klamath Falls, plan a second technical institute in Multnomah County, revise the rural school district law, expand the educational program for gifted children, have selective admission for colleges, set up a state scholarship fund for higher education, increase the Board of Higher Education from 9 to 12 members, and increase the Board of Education from 7 to 9 members.

2. Require insurance companies to provide motorists with protection against damages or injuries caused by drivers who don't have liability insurance. This is Hatfield's answer to Holmes' proposal to require every motorist to carry liability insurance.

3. Prohibit job discrimination because of a person's age.

4. Increase employer's payroll taxes and take other steps to keep the Unemployment Trust Fund solvent.

5. Give property tax exemptions to persons over 65 years old who have income under \$2,500 a year and whose home is worth less than \$7,500. Adopt capital gains provision and eliminate inequities in the personal property tax.

6. Have the superintendent of public instruction, now elected, be given power to reorganize state departments, boards and commissions. Any such plans proposed by the governor would be subject to legislative veto.

Hatfield also renewed his plea for a convention to rewrite Oregon's 100-year-old constitution. Outgoing Democratic Gov. Robert D. Holmes in his farewell message also supported the reorganization and constitutional convention proposals.

Hatfield's hint of higher taxes for low bracket taxpayers came in this statement:

"To meet our current and urgent needs, I commend for your attention revision of our income tax to increase participation in sharing the costs of government. Income remains the best measure of ability to pay and every income earner owes at least a small fraction for the services he receives from his government."

Hatfield said this suggestion is in accord with the recent report of Dr. John F. Sly of Princeton Surveys.

The Sly report recommended that every wage earner be required to pay a gross income tax of one per cent or the present

appointed by the Board of Education. Consider whether the attorney general and labor commissioner, also elected now, should be appointed.

7. Adopt a system whereby a commission of lawyers would nominate persons to be appointed to the Supreme Court. The governor would appoint from this list. Withhold from adding two more justices to the Supreme Court because the court's delays might be alleviated by the recent provision that circuit judges can be named as temporary justices.

8. Either increase the gas tax one cent a gallon, or be prepared to have the state lag behind in highway construction for failure to be able to match federal funds.

9. Repeal the 1953 law which bans picketing for the purpose of forcing workers to join a union. Require secret ballots in labor union elections and strict accounting of union funds.

Besides asking for authority to reorganize the state government, Hatfield had some specific recommendations along this line.

Among these are proposals to have the Department of Agriculture run the state fair, have the Water Resources Board take over the functions of the Hydroelectric Commission and state engineer, permit the state forester to close forests during deer seasons, transfer the inheritance and gift tax division from the state treasurer to the Tax Commission, transfer collection of truck taxes from the Public Utilities Commissioner to the Motor Vehicle Department, and abolish numerous non-functioning boards.

NIXON TO SPEAK
PORTLAND (AP) — Vice President Richard Nixon will speak at a Centennial dinner in Portland on Feb. 14, Oregon's 100th birthday anniversary. Earlier in the day, Nixon will speak at statehood ceremonies in Salem.



MARK HATFIELD

be given power to reorganize state departments, boards and commissions. Any such plans proposed by the governor would be subject to legislative veto.

Hatfield also renewed his plea for a convention to rewrite Oregon's 100-year-old constitution. Outgoing Democratic Gov. Robert D. Holmes in his farewell message also supported the reorganization and constitutional convention proposals.

Hatfield's hint of higher taxes for low bracket taxpayers came in this statement:

"To meet our current and urgent needs, I commend for your attention revision of our income tax to increase participation in sharing the costs of government. Income remains the best measure of ability to pay and every income earner owes at least a small fraction for the services he receives from his government."

Hatfield said this suggestion is in accord with the recent report of Dr. John F. Sly of Princeton Surveys.

The Sly report recommended that every wage earner be required to pay a gross income tax of one per cent or the present

appointed by the Board of Education. Consider whether the attorney general and labor commissioner, also elected now, should be appointed.

7. Adopt a system whereby a commission of lawyers would nominate persons to be appointed to the Supreme Court. The governor would appoint from this list. Withhold from adding two more justices to the Supreme Court because the court's delays might be alleviated by the recent provision that circuit judges can be named as temporary justices.

8. Either increase the gas tax one cent a gallon, or be prepared to have the state lag behind in highway construction for failure to be able to match federal funds.

9. Repeal the 1953 law which bans picketing for the purpose of forcing workers to join a union. Require secret ballots in labor union elections and strict accounting of union funds.

Besides asking for authority to reorganize the state government, Hatfield had some specific recommendations along this line.

Among these are proposals to have the Department of Agriculture run the state fair, have the Water Resources Board take over the functions of the Hydroelectric Commission and state engineer, permit the state forester to close forests during deer seasons, transfer the inheritance and gift tax division from the state treasurer to the Tax Commission, transfer collection of truck taxes from the Public Utilities Commissioner to the Motor Vehicle Department, and abolish numerous non-functioning boards.

NIXON TO SPEAK
PORTLAND (AP) — Vice President Richard Nixon will speak at a Centennial dinner in Portland on Feb. 14, Oregon's 100th birthday anniversary. Earlier in the day, Nixon will speak at statehood ceremonies in Salem.



THE HONOR of becoming the first pro tem president of the Oregon Senate for the first time fell to Sen. Harry D. Boivin, left, Klamath Falls Democrat. The office was created during a Senate caucus Sunday. Boivin will substitute for Senate President Walter J. Pearson, Portland Democrat, right, when Pearson does not occupy his seat. Boivin was speaker of the House in 1937.



Boivin will substitute for Senate President Walter J. Pearson, Portland Democrat, right, when Pearson does not occupy his seat. Boivin was speaker of the House in 1937.