COMP. U.OF ORE.LIBRARY NEWSPAPER SECTION GEN. REF. AND DOCUMENTS DI **BIG BUDGET — BIG DEFICIT SENT TO CONGRESS** dent Kennedy today sent Congress lion-depending on your budget succeeded before too long by line or made reductions in such approach. One way would mean a budget surpluses and widely sharp-non-security functions as agricul. Secondary 1963 (billions) 1964 sluggish economy and growing would ask that the first cut in ical care for the aged under So-1964. memployment." personal income taxes be made cial Security and aid to educa-the noted in this connection that effective July 1 tion. He again sought a cabinet- ing requests, Kennedy said \$83.5 unemployment. \$35.9 he biggest deficits. He called for federal outlays in billion. He 12 months starting July 1 of But Kennedy insisted that such cut plan. He called for federal outlays in billion deficit. The other way the deficit would be \$11.9 approve his new \$10 billion tax said he felt obliged to limit such programs in view of the prospeccome war or peace-and one of \$10.3 billion deficit. The other \$94.3 \$93.8 the biggest deficits. the Treasury ran up cumulative deficits of \$24.3 billion during the 5 8.8 \$11.9 **Cash Budget** the 12 months starting July 1 of Bat Kennedy insisted that such cut plan past five years even though he other extension of Korean war ex-and his Republican predecessor in the White House had anticipat-ed surpluses totaling \$8 billion. tive revenue loss under his tax Revenues \$108.4 \$112.2 Lecturing the lawmakers, some program Spending \$116.8 \$122.5 d whom are skeptical of reducing No Discount On Defense Deficit \$ 8.4 \$ 10.3 The FEDERAL BUDGET taxes without companion spending But declaring that "there is no Either way, spending would b the Chief Executive de-Two Kinds of Deficits he the biggest ever, topping even the discount price on defense." asked for \$51 billion in military peak World War II year of fiscal 201 Payments Saillion

It also was the first time

the 1962 level of \$554 hillion.

Kennedy based his revenue esti-

"This would indeed be unfortu- most immediately

KLAMATH FALLS, OREGON, THURSDAY, JANUARY 17, 19

there are two kinds of deficits

growth. The other, he said, is

tax message to Congress

Isuch funds into the e

corporations

temporary deficit resulting from

funds, up \$2.7 billion from this 1945 when outlays hit \$38.3 bil said

promote fuller use of our re-sources." Ine President allotted \$3.9 001- It also was the first time a fon for foreign aid and urged the Chief Executive intentionally had tawmakers not to repeat last sent a unbalanced budget to Con-

year's deep cuts. He said Red gress since fiscal 1956, Eisenhow-

reforms." Unese items. The President seemed omy will see "some initial...stim-billion in fiscal 1964 Conservative Sen. Harry F. to prefer the "cash budget" ap-ulus expected from adoption of He also indicated t

Byrd, D-Va, also was sharply prouch, pointing out that many my tax recommendations." With individuals to get tax relief eritical. He said that if Congress non-government groups and schol- out tax cuts there would be slow-

tween chronic deficits arising out with most of the \$2 billion increase \$12.4 billion recorded in fiscal 1959 ized

unexpectedly. Republicans China's attack on India and Com- er predicted a \$2.4 billion deficit

of a slow rate of economic growth, going for the program to land by President Dwight D. Eisen-and temporary deficits stemming men on the moon by 1970.

Democrats who spoke out praised ers" of the importance of the \$1.6 billion surplus

the budget:

ed in his State of the which ends next June 30:

\$122.5 Receipts \$112.2 Defense \$3.0 Space, and 45.8 Individual income laxes International Social Security, Corporation 23.8 Health, and Wellare 27 4 lacome Texes 16.6 Employment Veterans Intes | Interest 1.7 13 7 Excise Taxes Aff Other 18.4 12.3 All Other ESTIMATE FISCAL YEAR 1964 Executive Office of The President - Bureau of The Budget

By FRANK JENKINS

There's NEWS today. Who's making it-and where Mr. Kroosh is making it - i East Berlin, where the Sixth Com munist Party Congress of East Germany is in session.

Standing on a COMMUNIST and TALKING TO latiorm COMMUNISTS, Premier Khrushchev poured scorn on Red China's war and peace theories-which ire based on WAR, war to the knife, for Communist control o the world

warned that neither commua nuclear war because such a construction of federal transmiswar would bring UNIMAGIN, aion lines to carry Columbia River ABLE destruction. Talking over power to California. the heads of the East German ommunist puppets to the Chi-

nese communist leaders in Peking, said, in effect: 1. The U.S. has 40,000 atomic drained off through the intertie.

or nuclear warheads, and if all of them were dropped 700 mil-vide for the sale and exchange lion to 800 million people would of power between California and included funds for strengthening for the sale and exchange be killed and whole nations would the Northwest, resulting in sub-interconnections with Canada for be wiped out. 2. Russia, of course, has an gions," Kennedy said in his budg-

EVEN MORE POWERFUL atomet message to Congress. arsenal than the U.S., but A request for \$21.5 million for there's a catch to it the intertie was included in a to-3. The catch is this tal of \$74 847 000 budgeted for the

Russia's 100-megaton bomb (the quivalent of 100 million tons of 'NT) is so fantastically powerful ant Russia DARES NOT draw if a that Russia DARES NOT drop it \$4 million for the transmission

West Germany CAUSE ITS or France EFFECTS BECAUSE WOULD HIT YOU TOO. (By would hit you too. (By Zoning Plan ists of East Germany, Po land, Czechoslovakia, etc.)

He added

The BPA budget reque sharply from this year's \$42.7 million, included nearly \$61 million Kennedy also told Congress that for construction. "prompt action" was expected on

registration intended to assure the Pacific Northwest that power needed in the area would not be quest. The funds budgeted for the West

exchange and sale of power under the Columbia River Treaty.

Canada, provides for the constru tion of storage dams by Canada The United States would deliver

would be built to carry more ower to industries in the Pacific

Vorthwest. Department officials said se on miles of high voltage line and 11 new substations would b **Oregon Construction Money Asked** Vote Queried built for the BPA, which is re

pared with the current fiscal year finances and because of the lost rate on

FORCE

TOUR OF KINGSLEY FIELD - Members of the Klamath County Chamber of Com merce Aviation Committee and the city manager visited Kingsley Field Tuesday, Jan. 15. Base Commander Col. Edwin J. Witzenburger welcomed the group at a luncheon. and Lt. Col. James B. Selkregg conducted the tour. Shown, top to bottom on jet ladder, are Cliff Clayton, Les Liston, Harold Loibl, Chamber Manager George Callison, Harold "Bud" Cloake, Mel Miller, Jim Olson, Bob Moore, West Coast Airlines manager; Robert Kyle, city manager, and Joe Sawyer, airport manager. — AF Photo

House Studies Pay Hike For Oregon Legislators

A hill setting posed revision of the Oregon Con-Imeasures." They include SALEM (UPD) legislators' pay at \$5,000 a year stitution, plus \$20 a day while the legisla- In the tion of Eastern Oregon timber ap In the House, a bill to repeal praisals to county assessors, and ire was in session was intro-the controversial 1981 ambulance tax changes for timberlands own regulation law was introduced by ed by centrally assessed a Rep. C. R. Hoyt, R-Corvallis. A panies, uced in the House today.

The measure was sponsored by 42 of the 60 representatives, and 19 of the 30 senators. Both Demo-crats and Republicans were listed posed Wednesday by Sen. A. J. enable them "to be taxed at a Naterlin, D-Newport. Rep. Richard Eymann, D-Mar-per cent, even where their princi

mong the sponsors. In the Senate, bills calling for reation of conciliation courts, providing "hazardous duty" pay or all state policemen, and broad sning the state's obscenity laws include movies were

duced. Sen. Al Flegel, D-Roseburg, submitted the bill calling for \$600 a year "hazardous duty" pay for tate police. Eight hills were submitted by

elations suits."

en, R. F. Chapman, D-Coos Bay. SALEM (UPI)-"Cut my budget tax bills requested by the Tax One calls for creation of concilia \$65,000 and you lose \$450,000 in Commission. tax collections," tax commission- Eymann s ion courts to handle "the full and oper consideration of domestic Eymann said committe

er Fred Hoefke told the first ings would be open to the p Another requires approval of meeting of the House Taxation "whenever possible," and added he State Board of Higher Educa-Committee Wednesday, "Let's be frank," Hoefke ex-lained. "If we have the person-He outlined the governor's proplained. "If we have the person-

tion in addition to approval by the state board of education for

that the press would not be ex-

cola, introduced a series of tax pal activity is the disc bills he termed "housekeeping commercial paper." **Tax Expert Warns** intro-**State On Economy**

Tax Rate Eyed

They also included a measure

identifying financial institutions to

Weather Herald and News Klamath Falls, Tulclake and - Mostly fair through Friday with generally light winds and little change in temperature Lows tonight 6 in lower Klamath Basin to 12 at Klamath Falls. Highs Friday near 40,

Funds Requested For **BPA** Intertie

WASHINGTON (UPI) - Presi-ilines was included Taiking straight to Red China. dept Kennedy today asked Con-Itor California's huge central valnism nor anyone else can win in gress for \$25.5 million to begin ley project.

Weather

Interior Department officials

The treaty, not yet ratified

Additional transmission lines a

"Our present choice is not be-

Republicans Object

and space but were cautious in

bigger federal spending or by funds, having promised tax savings gob _____

bled up through Kennedy's tax tive budget"

deficit probably would approach finances.

their over-all appraisals.

either

specific programs such as defense program.

ween a tax cut and a balanced year.

from a tax program designed to The President allotted \$4.9 bil-

termed Kennedy's spending plans imunit guerrilla warfare in South that year only to have an eco-incredible, cynical and illusionary Viet Nam are "current remind" nomic upswing convert it into a Democrats who spoke out praised ers" of the importance of the \$1.6 billion surplus. 19¢ (INCLUDES TRUST FUNDS) individual Employment Fiscal Year 1964 Estimate 14¢ lates Income Taxes "The first type of deficit is Kennedy took two approaches to mates on the assumption that the sign of waste and weakness Gross National Product-the total Kennedy declared. "The seco 11¢ tuise 38¢ House Republican Leader Char-les A. Halleck of Indiana said the budget" which takes into account taxpayer would be the loser-ould charter in the second would rise to \$578 billion this while the Chief Executive did taxpayer would be the loser-ould charter in the second would rise to \$578 billion this while the Chief Executive did not disclose his tax cutting time-Interest Biker Jases Feletans Bettowing Be IVe and a second and a second through inflation fired by Social Security and highway trust modest increase of \$24 billion over table in advance of his specia 5c 6¢. later -The old-tashioned "administra-tive budget" which excludes on the expectation that the econ-duce federal income by some \$3.3 Social Security. Realth, and Welfare Delense, Space, He also indicated that he want Where it goes 23¢ and International presumably on went along with the Chief Exec-ars believe it provides a "much er economic growth and smaller utive's tax cut plan, the federal more complete picture" of federal revenues, the President said. All Other 51¢ 15¢ \$14 billion. He said Kennedy's The two methods gave this view nate," Kennedy added, "both be-claimed savings were "question- of Kennedy's proposals as com- cause of the effect on government tend the present 52 per cent tax six more Executive Office at the President - Barean at the Sudget opportunities and the human mis- months until Jan. 1, 1964. On the

Where it comes from The BUDGET Corporation lecome lares DOLLAR

Proposes Extension level department of urban affairs free world "must be prepared at The President also proposed an to help cities solve their problems. all times to face the perils of

costing the Treasury \$1.6 hillion sion of Congress. Istration will continue develop in annual revenues. He likewise. The President asked for an imment of strong retailatory forces is now clear." Kennedy proposed raising another \$100 mil mediate extension of the present capable of surviving surprise at-that the restraining effects lion through new user taxes on temporary \$308 billion ceiling on tack and striking back; improved seen a tax cut and a balanced year. He also sought a record lion. The deficit would be the big of the tax system on the econ-odget. The choice, rather, is be \$5.1 billion for space programs, gest in peacetime save for the only were not adequately real-

air freight and plane and barge the fuel. national debt and said he air and missile defenses, stronger would seek a further like later and more flexible conventional In the field of legislation, Ken-this year, possibly to \$200 billion, forces and a civilian fallout she nedy renewed his appeal for such He said the debt was expected to ter program. The President told lawmakers skeptical of his philosophy that

