

# Hatfield Orders \$1.7 Million Cut

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## Herald and News

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KLAMATH FALLS, OREGON, MONDAY, JANUARY 21, 1963

Telephone TU 4-8111 No. 7043

### Weather

High Sunday 43  
Low Sunday 10  
High last night 32  
Low last night 10  
High year ago 32  
Low year ago 10  
High past 14 years 34 (1941)  
Low past 14 years 13 (1942)  
Precip. past 24 hours 0  
Since Jan. 1 0  
Same period last year 1.72  
Sunrise Tuesday 7:28  
Sunset Tuesday 5:09

### Weather

Klamath Falls, Tulelake and Lakeview—Fair through Tuesday with periods of cloudiness. Generally light wind. Little change in temperatures. Lows tonight 4 lower Klamath Basin to 10 at Klamath Falls, High Tuesday 43.

By ZAN STARK

United Press International

SALEM (UPI) — An additional \$1.7 million cut in state services was ordered today by Gov. Mark Hatfield as corporate income and excise taxes skidded further below anticipated levels.

Hatfield at a press conference said he was recommending employers' withholding taxes be paid on a monthly basis instead of quarterly to give the state's treasury a \$4 million shot in the arm for the next biennium.

He said it was too late to pick up such new revenues for the current biennium.

He said because of the falling corporate income and excise tax returns, he had to cut his 1963-65 biennium budget estimates by \$4,066,000.

Hatfield said, "selective reductions" would be made in state services for the period to June 30, but he had not yet determined where the cuts would be made.

He also announced he was proposing new legislation to change truck tax levies. The bill would cut the fees paid by trucks of less than 6,000 pounds by 4 per cent, and raise the fees for trucks over 6,000 pounds by 3 per cent.

He said the new tax structures would "remove inequities" in the present law.

The new rates were proposed, he said, after review of Illinois Road Test results which indicated large trucks were being charged an excessively high license rate.

Although the new proposals generally reflect a 3 per cent hike for trucks over 6,000 pounds, he said in effect it would require medium size trucks to pay a larger share of the tax and give relief to big trucks.

Hatfield vetoed a bill two years ago to give tax relief to big trucks, pending results of the road study.

He said he had not yet had a chance to discuss the plan with the trucking industry.

He said he could not yet comment on a proposal to finance higher education classroom construction from bonds repaid by student fees. He said he had not yet had time to study the proposal made Friday by Sen. Alfred Corbett, D-Portland, and Rep. John Mosser, R-Beaverton.

He did say, however, he felt students should pay a greater

share of the cost of education, and pointed to his recommendation that tuition fees should be raised.

When asked if he agreed an investigation should be made of the resignation of the director of the Oregon Primate Research Center near Beaverton, Hatfield replied, "More cooks in the broth at this time might complicate things."

Dr. Howard Pickering recently resigned as director of the center because of a dispute with Oregon Medical School Dean W. E. Baird.

A probe had been suggested by Rep. Grace Peck, D-Portland.

### Blast Rocks East Berlin

BERLIN (UPI) — A mysterious explosion today rocked an East Berlin residential area where visiting Soviet Premier Nikita Khrushchev and other high Communist officials were staying.

The blast occurred early this morning in the Neiderschoenhausen district in which East German Communist boss Walter Ulbricht also lives.

Some hours after the explosion Khrushchev attended the final meeting of the East German Communist party congress which re-elected Ulbricht as party chief by unanimous vote.

The Soviet premier appeared to be in good spirits. He grinned broadly and got up to shake hands with Ulbricht. Later Khrushchev joined justly in the singing of the "Internationale" that brought an end to the East Berlin meeting. Soviet Embassy officials in East Berlin said Khrushchev was staying in a government guest house in the east zone Neiderschoenhausen district. The explosion occurred in this district at 3:15 a.m., two miles from West Berlin's French sector border.

Cause of the explosion, heard by West Berlin border patrolmen on duty near the wall, was not determined. Because there were no Communist reports on the blast its exact location was unknown, but West Berlin police said it was in the Neiderschoenhausen district.

### Three Killed In Traffic

By United Press International  
Three persons lost their lives in traffic accidents in Oregon during the weekend.

Otis Huffman, 35, Hermiston, was killed when his pickup truck went off State Highway 32 and overturned near Hermiston Saturday night.

A 56-year-old woman died in a one-car accident on the Redwood Highway near Grants Pass Saturday. The victim was Mrs. Gertrude Glidden of Selma,

### In The Day's News

By FRANK JENKINS

What's new today?

Well, on the world front, Soviet Premier Nikita Khrushchev has told President Kennedy he is willing to accept TWO OR THREE on-site inspections per year in an effort to negotiate a nuclear weapons test ban.

In an exchange of letters made public last night, President Kennedy replied that he is "encouraged" at Mr. Khrushchev's agreement to the PRINCIPLE of on-site inspection for policing a test ban.

But, he added, he doesn't think Khrushchev's offer goes far enough to assure an adequate system of safeguards. As to Lat, he is undoubtedly right at this moment in history.

What may come of it?

The U.S. state department says in a formal statement this morning "it is to be hoped" that the Soviet Union now will negotiate "on the number of such inspections and other related arrangements in a realistic and meaningful way."

"High U.S. officials" discussing the reversal in Soviet test ban policy stopped short of saying that it represents a real breakthrough in the long deadlock of test-ban talks with Russia, but they think it MIGHT lead to a breakthrough in the near future.

What to think of it all?

Let's put it this way:

We are quite certain that we have nuclear weapons enough to blow Russia to kingdom come if we should turn them all loose at one time. Mr. Khrushchev half admitted that in a statement the other day.

And—

It seems reasonably certain that if she got them all off at once, and their aim was good enough, and if her targets in the U.S.A. were widely enough scattered—Russia has nuclear weapons enough to blow US to kingdom come.

That being true—

As it seems to be—

Nothing could be fantastically CRAZIER than sailing ahead on a course that leads inevitably to destruction of the world as we know it.

The big need of the world, at the present moment, is a little plain common sense on both sides.

### Ambulance Fee Bill Submitted

SALEM (UPI)—Sen. A. J. Naterline, D-Newport, submitted a bill in the Senate today to eliminate the \$100 license fee for ambulances operated by non-profit organizations.

A bill enacted by the 1961 legislature required all ambulance operators to pay the fee. Since that time non-profit groups which operate ambulances as a community service have objected to the cost of the license.

## JFK Sees Business Gain If Taxes Cut

WASHINGTON (UPI) — President Kennedy today forecast moderate business gains this year and appealed to Congress to give the economy an added stimulus by cutting taxes.

The President said in his annual Economic Report that he wants his proposed reduction in individual income taxes to take effect next July 1.

He also asked the lawmakers to cut corporate tax rates from 30 to 22 per cent on the first \$25,000 of income, retroactive to Jan. 1. A bigger corporate tax reduction will be proposed later.

As he did in his State of the Union and Budget messages, Kennedy emphasized his tax cut plan. Without it, he suggested, there might be a recession and the \$11.9 billion deficit projected for fiscal 1964 might go even higher.

### Reaction Split

Initial congressional reaction to the Economic Report generally was split along party lines, with Republicans accusing Kennedy of fiscal irresponsibility and Democrats praising his proposals.

House Republican Whip Leslie C. Arends, Ill., said cuts in federal spending could be made "without damaging national security." Rep. Gerald Ford, R-Mich., leveled the charge of irresponsibility and said domestic spending should be cut back to the 1962 level.

Senate Democratic leader Mike Mansfield, Mont., hailed Kennedy's program as necessary to continue economic recovery and avoid another recession. Senate Democratic Whip Hubert H. Humphrey, Minn., said the tax cut would stimulate purchasing power and thereby employment.

The President's tax cutting proposal — as a device for stimulating economic growth — has generated considerable congressional criticism.

In his message today, Kennedy appeared to be trying to reassure the skeptical, convert the adam-

ant and whip up more support from the man in the street.

### Supports Program

Chairman Walter W. Heller of the President's Council of Economic Advisers said a 1963 tax cut would be "insurance" against a recession.

He said that while the President's forecast of moderate business expansion in 1963 was not contingent on tax reduction, it could be affected by it.

Heller told a news conference that a tax reduction this year could speed up the growth rate of the economy in the final months of 1963 and result in a better record than Kennedy forecast.

If Congress turned down the tax plan, Heller said, "the let-down that would come might be so strong that it would heighten the chance of a recession."

### Predicts Gains

Kennedy predicted the nation's total of goods and services produced this year — the gross national product (GNP) — would rise to a record \$578 billion. This would be about \$16 billion more than in 1962.

"The outlook for continued moderate expansion in 1963 is now favorable," he said.

Kennedy said he did not fear a recession in 1963. He is more concerned he said, about the

invasion. Kennedy said American forces were in the area, but the President had made it clear from the beginning that "American manpower, American airpower and American ships" would not take part in the invasion.

However, the attorney general said if the invasion force had been spotted by Castro forces before it could land troops, it was to return to its base in Central America. In that event, Kennedy said American forces had orders to "protect them from attack."

### Troops Take Congo Area

ELISABETHVILLE, Katanga, The Congo (UPI) — U. N. troops entered President Moise Tshombe's last military stronghold of Kolwezi without resistance today. U. N. military sources reported.

(A U. N. spokesman in Leopoldville confirmed the report.)

The sources said a U. N. advance party entered the city and secured the airfield without a shot being fired. They said it appeared the city will be surrendered peacefully as promised by Tshombe.

Tshombe has once vowed to defend Katanga to the last man.

A U. N. spokesman said Indian troops crossed Delcommune Dam, about seven miles from Kolwezi, and found it intact. There had been some fears that disgruntled white mercenaries would carry out threats to blow up vital installations there.

Informed sources said Tshombe and the U. N. military command Maj. Gen. Prem Chand, would wait at Kolwezi's airport for troops being flown in from Elisabethville about 165 air miles away.

The takeover of Kolwezi appeared to bring the military phase of the U. N. Congo operation near a close, although there were reports of troop actions in the Kongo area and at Baudouinville on Lake Tanganyika Sunday.

Sources said several hundred armed Katangese mercenaries fled Kolwezi Sunday toward the border of Portuguese Angola. Central Congo Premier Cyrille Adoula has warned that any mercenaries captured would stand trial.

A U. N. spokesman in Leopoldville said Nigerian troops have completed clearing the Kongo area, capturing large amounts of arms and ammunition. U. N. troops also took over Albertville to "restore normal conditions" at the request of the local population, the U. N. reported.

### Bob Denies Air Cover Promised

WASHINGTON (UPI) — Atty. Gen. Robert F. Kennedy said today "there was never any plan" to provide U. S. air support for the ill-fated Bay of Pigs invasion.

"The air cover at the beaches was definitely inadequate but not because of some last-minute decision by the President," the attorney general said.

In a copyrighted interview with U. S. News and World Report, Kennedy said the plans for the invasion were drawn up by the Central Intelligence Agency, but he said the President gave the final go-ahead and took full responsibility for the failure.

Kennedy said American forces were in the area, but the President had made it clear from the beginning that "American manpower, American airpower and American ships" would not take part in the invasion.

However, the attorney general said if the invasion force had been spotted by Castro forces before it could land troops, it was to return to its base in Central America. In that event, Kennedy said American forces had orders to "protect them from attack."

But there was "never any plan" to have American planes provide cover on the beachhead, Kennedy said. He said the idea of air cover was never suggested by the President's advisers at any stage of the invasion planning.

House Speaker Clarence Barton, D-Coculle, said it would be a "sound practice."

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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.

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.

Hatfield denied today he was trying to duck responsibility for a proposed tax increase.

"Mr. (State Rep. Victor) Attyeh is introducing my bill — the bill that I am supporting," the governor said flatly.

The measure is the net receipts state income tax proposal to broaden the tax base and pick up new revenues.

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earth tremors which are hard to distinguish from underground nuclear tests without on-the-spot inspection.

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But his Dec. 28 letter, a reply from Kennedy Dec. 28, and a further Khrushchev letter Jan. 7—all released Sunday night — led to U.S.-Soviet test ban talks in New York last week. These talks will be moved to Washington Tuesday with Britain also taking part.

Though U.S. officials were "encouraged" by Khrushchev's move, they cautioned that Russia has many times in the past come fairly close to a test ban agreement without actually getting there.

Khrushchev offered to permit "two to three" inspection teams a year to visit Russia to check on

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