

# JFK ASKS NEW LIMITS ON TAX DEDUCTIONS

WASHINGTON (UPI) — President Kennedy asked Congress today to recapture about a fifth of his proposed \$11 billion tax cut for individuals by clamping drastic limits on deductions.

As a result, between 750,000 and 1,000,000 low-income taxpayers would be removed from the tax rolls. This would be in addition to certain old people who would be relieved of tax liability under other rule changes.

As previously revealed, Kennedy's plan would reduce individual income tax rates in three annual steps from the present 20 to 91 per cent to a new range of 14 to 65 per cent.

Democratic leaders believe—and all advance signs indicate—that Congress will wind up voting a tax cut this year. But they believe Kennedy will get few of the revenue-boosting "reforms" he wants.

Other major points: **Individual Withholding**—To reflect lower tax rates that would apply to 1963 income, the withholding rate would be cut almost 14 per cent, effective July 1.

Corporations—They now pay 30 per cent in taxes on the first \$25,000 in earnings. This would drop to 22 per cent on 1963 income. Earnings above \$25,000 now are taxed at 52 per cent.

Child Care—A widowed mother or father now gets a special \$600 tax exemption to help offset cost of child care. This would be raised to \$900 if there are two children and to \$1,000 for three children or more.

Persons Over 65 — They now get a double exemption—\$1,200 instead of \$600. They also can claim a special retirement income credit. Under Kennedy's plan they would lose both these advantages.

Capital Gains — Profits from sale of securities or other properties held for six months now are taxed at a special low rate that ranges from 10 to 25 per cent, depending on the individual's tax bracket.

## In The Day's News

By FRANK JENKINS  
From Washington this morning: The Cuban issue erupted with renewed force in the Senate yesterday over reports of a new around-the-clock Soviet military build-up on Fidel Castro's island.

Senator Wayne Morse of Oregon called for an immediate investigation. He asked the State Department for a quick briefing for his Senate Latin-American affairs subcommittee.

Senator Keating says that Cuba is now TEN TIMES stronger than it was last July 1 just before the Soviet missiles and bombers—later withdrawn under pressure from President Kennedy—were landed there.

What's really happening in Cuba?  
And WHY is it happening?  
It's hard to say.

So MUCH big-time politics is wrapped up in the Cuban situation. When President Kennedy told Premier Khrushchev to GET HIS OFFENSIVE MISSILES OUT OF CUBA, OR ELSE, and Khrushchev GOT THEM OUT, and was quick about it, with no back talk, it was a tremendous victory for President Kennedy.

What's in the wind?  
We can only guess — but this seems to be a REASONABLE guess.

If really Old Khrushchev had it in mind to the first place to build Cuba into a nuclear base from which he could launch a nuclear attack on the United States that would so cripple us that we would be unable to retaliate DECEIVABLY, he was forced to pull in his horns. He found President Kennedy tougher than he had expected.

## Weather

High yesterday	47
Low last night	31
High year ago	20
Low year ago	8
High in past 14 years	55 (1923)
Low in past 14 years	-3 (1924)
Precip. past 24 hours	29
Since Jan. 1	21
Same period last year	1.72

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## Legislators Study State's Higher Education Program

### New Red Buildup In Cuba Revealed

WASHINGTON (UPI) — State Department officials will brief the Senate Latin American affairs subcommittee Friday on reports of a new Soviet military build up in Cuba.

### Milk Price Gets Study

SALEM (UPI) — The price of milk and the size of a loaf of bread got their first legislative consideration today at a meeting of the House Committee on Food and Dairying.

Sen. Wayne Morse, D-Ore., asked the State Department to provide information Wednesday amid Republican demands for a new Senate investigation of the abortive 1961 invasion of Cuba.

### House Committee Readies Bills To Cut Property Tax

SALEM (UPI) — Bills to cut local property taxes by 10 to 25 per cent, as much as 45 per cent were introduced today in the House Tax Committee.



**CORDIAL GREETING, MAORI STYLE**—Mrs. Olive B. Cornett affixed a Kiwi pin on the lapel of Jim Monteith, Klamath County Chamber of Commerce president, before touching noses with the recipient in the manner of a Maori tribal member of New Zealand.

### Budget 'Not Padded,' Walsh Claims In Fiery Presentation

SALEM (UPI) — "We aren't coming in here with any idea our budget can be cut," Higher Education Board President William E. Walsh said Wednesday to the education subcommittee of the Joint Ways and Means Committee.

Walsh, a Coos Bay attorney, pounded the table with his fist, and poked his eyeglasses toward legislators as he barked "This is our budget. It is not a rubber stamp for educators."

Walsh, speaking in a loud and gruff voice, looked bodily at the subcommittee members as he pounded the table and snapped "This budget is not padded."

Rep. Stafford Hansell, R-Hermiston, asked Walsh's views on one board to handle both higher and lower education.

Walsh replied, "All we can do is handle higher education. One board is all right if you want to delegate authority to staff people."

Chairman Daniel A. Thiel, D-Astoria, said the subcommittee wants a full study on out-of-state enrollments. Sen. Alfred H. Corbett, D-Portland, added "We are supporting education for groups from 13 or 14 states."

Lieuallen told subcommittee members the board Tuesday had upped tuition fees for out-of-state students, and planned a series of \$60 a year increases in the fees to bring the charges up to the

actual cost of instruction. Further orientation discussions will be held at the subcommittee's next meeting, then detailed studies of budget requests will begin.

Other Highlights  
Veterans — Sen. Vernon Cook, D-Gresham, chairman of the Senate Committee on Military Affairs, announced activities of the Department of Veterans Affairs will be reviewed Jan. 29. Also facing review are the state's military department, and civil defense agency.

Property Taxes — A Corvallis professor told the House Tax Committee farm property taxes are oppressive. Committee members said bills are being prepared to try to do something about it.

## Weather

Klamath Falls, Tulelake and Lakeview—Mostly fair with some high cloudiness on Friday. Continued mild. Lows tonight 8 in Lower Klamath Basin to 14 in Klamath Falls. Highs Friday near 45. Light variable winds.

### Anti-Zoning Petition Given To Planners

A petition with 2,594 signatures protesting zoning was presented to the county planning commission by Taxpayers League member Odella Antley at Wednesday night's public hearing on the suburban zoning proposal.

The meeting was the last of four held to gain testimony concerning the plan from the residents of the suburban area. Only 60 persons attended the hearing, a scant third of the number that attended the previous three hearings.

Only eight people testified Wednesday night and they all opposed the suburban zoning proposal. The text of the league's petition read, "We, the undersigned, do respectfully petition the Klamath County Court first, to drop the plan for zoning of private property by the County Zoning and Planning Commission (sic) or Second, to drop the plans until submitted to the voters at the next election."

The Klamath County Planning Commission will have 30 days to present its recommendation to the county court. The court will make its decision partially on the basis of the commission's recommendation and on the basis of the testimony that has been presented at the last four public hearings.

It is speculated in most quarters that the residents of the suburban area alone will get an opportunity to vote on the proposal either at a special election or at the next general election.

### Sewer Line Connection Fee Upped

Effective Feb. 1, the connection fee to hook up with pipe lines of the South Suburban Sanitary District will be increased from \$90 to \$100, according to information disclosed by the district Thursday.

Connection orders received before the rate change is to take place will be charged under the old rate even though the customer may not wish to have the installation made until some future date, the district said.

## 140 Killed In Record Cold

By United Press International  
The century's worst cold wave smashed south today, shattering temperatures in the closing schools and resulting in the deaths of more than 140 persons.

Low temperature records that have stood since before the turn of the century were shattered. Damage to grazing crops across the southland ran into thousands of dollars and Florida citrus groves geared for another cold season.

Violent snowstorms off the Great Lakes dumped 11 inches of fresh snow in Pennsylvania and New York. West Virginia was hit with 10 inches of new snow and lesser amounts fell elsewhere. Roads were treacherous from Michigan to the middle Atlantic states and drivers were warned to stay home.

Thousands of schools were closed by drifting snow and cold from Pennsylvania to Iowa. United Press International counted 143 weather-attributed deaths. Indiana led the nation with 29. Illinois had 19, Ohio 11, and Texas and Michigan recorded 10 each. New England had 15 deaths.



**SUCCESSFUL BULL SALE** — The third annual bull sale sponsored by the Klamath Cattlemen's Association resulted in the sale of 79 bulls Wednesday afternoon for a total of \$40,770. The sale included 69 Herefords averaging \$531 each, two Short-horns averaging \$400, and nine Angus averaging \$480. Total sale average was \$522 per bull. Norman Jacobs is president of the sponsoring group. Howard Holliday, treasurer, reported that the sale was well-attended and considered highly successful. Bob Rhodes handled the auctioneering.