

Kennedy Bill To Stress Individual Tax Deductions

WASHINGTON (AP) — Sweeping curtailment of individual deductions will bite deeply into the income tax savings to be proposed by President Kennedy in his special tax message to Congress.

The changes, it was learned, will include an over-all limit on total personal deductions. This reportedly would cover charity contributions, interest paid, state and local tax payments, casualty losses, and medical costs.

OF THE \$3.5 billion worth of revenue-raising reforms to be asked, close to \$3 billion—or roughly 85 per cent—would come from the tightening of individual

income tax rules, informed sources said.

The clampdown would make important changes, it was understood, in the tax treatment of capital gains, stock options, inheritances, dividend payments, and percentage depletion allowances.

HOWEVER, THE odds are high in Washington that Congress will trim Kennedy's tax reduction proposals substantially and will make recommendations for revisions.

The whole tentative package was received at the White House Monday from the Treasury, where officials worked on it through the

weekend. Final decisions on some points remain to be made by the President.

Kennedy laid the program out at his regular Tuesday meeting with Democratic congressional leaders, and they said later it was the main topic at the White House breakfast session.

"I think it is a good bill," said Senate Democratic Leader Mike Mansfield of Montana, "and we all support it all the way."

ALL TAXPAYERS would come out well ahead because of the \$3.5-billion reduction over three years in individual income and corporation tax rates which Kennedy has called the most urgent business before Congress this year.

But the \$11-billion saving earmarked for consumers, as a stimulus to business, would be shrunk to about \$8 billion if Congress approves the whole kit.

Scranton Outlines Revamping Aims In Address to State Legislators

HARRISBURG (AP) — Gov. Scranton asked the legislature yesterday to join him in a "great adventure" revamping state government and its laws.

Scranton proposed:

• Legislation for a referendum of the people to decide whether a constitutional convention should be held to rewrite the state's 88-year-old basic law.

• Establishment of four new governmental agencies; a separate department of mental health; a council of human services; a department of community development, and a commission of professional affairs to supervise the state's professional licensing agencies.

• Expanded provisions for medical care for the aged under the Kerr-Mills law, including: increased limits on assets that may be owned by a patient treated under the program; elimination of state liens against property to cover medical bills; determination of state aid eligibility in advance.

• A uniform civil service act that would cover virtually the entire state government to replace what Scranton termed a "be-

wildering hodge-podge of inconsistent statutory and executive programs."

• Broad reform of the state's bituminous mining laws, including: transfer of authority over strip mine law regulation from the mines department to the forest and waters department; increased bond posted by mine operators; greater degree of backfilling than now required; limit the time during which a strip mine could remain open.

Scranton's sweeping program was met with enthusiasm by most Democrats, who claimed the governor's legislative program as their own. Republican legislators gave reserved—almost cool—support to the administration blueprint.

"He sounds like a Democrat to me," said a smiling Sen. William J. Lane, D-Washington, Democrat whip.

"Very revolutionary," said Sen. George N. Wade, R-Cumberland. "Very challenging," said Sen. James Berger, GOP floor leader.

The comments of the lawmakers were typical of their respective parties.

Shippers Accept Terms To Settle Dock Strike

NEW YORK (AP) — The New York Shipping Association yesterday reluctantly accepted government-outlined terms for ending a month-old dock strike, longest and costliest in Atlantic maritime history. Losses to the industry alone were nearly three-quarters of a billion dollars.

In Washington, President Kennedy expressed gratification and a hope that other East and Gulf Coast employers quickly will fall in line with the peace proposal to ensure a quick resumption of shipping.

KENNEDY appointed a three-man mediation board, headed by Sen. Wayne Morse, D-Ore., that worked out a 37 cents an hour settlement formula last Sunday. Although the panel's findings were not binding, the President indicated he would ask for legislative action if they were ignored.

Now, said presidential press secretary Pierre Salinger, Kennedy is hopeful he can report to Congress "the simple fact that the strike is over."

THE NATIONAL Association of Manufacturers, in its official publication, called the peace for-

mula "a bare-knuckled display of government power unsanctioned by law, the direct imposition of a settlement of the longshore strike."

The striking AFL-CIO International Longshoremen's Association already had accepted the governmental peace terms, subject to ratification by its membership.

Dockers from Maine to Virginia will vote on the peace pact today and tomorrow, with a return to work in these ports possible by Friday.

French, German Treaty

PARIS (AP) — France and West Germany, long hereditary enemies, yesterday signed a sweeping treaty of cooperation designed to bind them into lasting friendship and help promote a united Europe. Their leaders hailed it with kisses.

For Chancellor Konrad Adenauer, still alert and erect at 87, it was a proud moment. Due to retire from power next fall, he is known to regard French-German partnership as the crowning achievement of his waning career.

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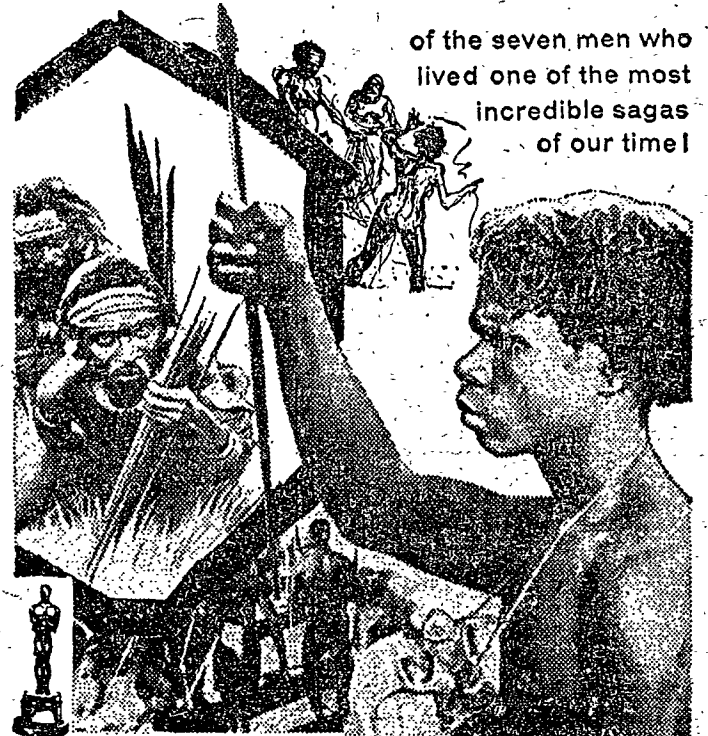
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