

Expansion Sought by Plant Here; New Water Projects Advised



By Charles A. Sprague

When Harold E. Stassen elected not to become a candidate for the U. S. senate in 1946 and instead to go into the presidential contest as a "free lance," there were many politicians who shook their heads over his decision.

Events have not fulfilled the predictions of these wisecracks. Stassen is quite in the public eye and has been for many months. He is moving about with growing sureness of foot.

While Governor Dewey sits at Albany and avoids most of the subjects of national controversy Stassen wades into them and often comes up with a fresh, original viewpoint.

Mishap Fatal To Salem Baby Probed Here

City police today were investigating Salem's first fatal traffic accident of 1948, which claimed the life of Judy Ann Hakanson, 2-year-old daughter of Mr. and Mrs. Leonard H. Hakanson, 1535 N. Liberty st.

The girl suffered a fractured skull and numerous other injuries when a car driven by her father smashed into the rear of a parked logging truck at South Commercial and Iowa streets.

Hakanson and his wife were also injured, but were dismissed from the hospital after treatment.

Funeral services will be held Thursday, January 15, at 1:30 p. m., at the Clough-Barrett chapel, the Rev. M. A. Getzenander officiating.

Weather

Table with columns for location (Salem, Portland, San Francisco, Chicago, New York) and weather conditions (Max, Min, Precip).

FORECAST (from U. S. weather bureau, McNary field, Salem) Fair today becoming cloudy tonight. Warm tonight. High today 50, low tonight 35.

Animal Crackers



"Well, it reduced me all right—but I guess my neck was sticking out."

Rates to Stay To Provide for Growing Needs

City Manager J. L. Franzen Monday advised against lower water rates for Salem and showed the city council an \$806,383 blueprint for water department projects he said are needed as rapidly as the work can be accomplished.

His report accepted by the city council at city hall last night was a reply to Alderman David O'Hara's suggestion that water department surplus funds might justify reduced water rates.

Franzen said 17 projects needed this year would require \$94,552 more than the total available water department cash of \$571,830 plus an estimated \$140,000 of water department earned income expected this year exclusive of bond retirement money.

New Reservoirs Urged

Chief projects recommended by the city manager are a \$450,000 new reservoir tank with 20,000,000 gallon capacity, an additional 1,000,000 gallon reservoir unit on Candalaria Heights (estimated at \$30,000), nearly a mile of 24-inch water pipe from 21st and Mill to 24th and Center streets and smaller pipe line extensions in various city areas including the new Mapleton addition, expected to total another 2 1/2 miles in length.

Museum Approved

In another development before the city council, alderman agreed the Bush home on Bush's pasture, called by State Archivist David C. Dunaway "a beautiful example of 1870 architecture and furnishings," will become a city museum when the city eventually gains control of the building.

Dunaway said the Salem Art association, with assurance the city will preserve the building, would buy and store the furnishings until the house passes to city control along with the "pasture" already acquired for city park purposes.

Steps were taken by the council to ease zoning code restrictions following requests by A. W. Johnson for special permission to add an apartment to a zone 1 residential house at 744 N. Capitol st., and I. Henderson to exceed marquee size restrictions for the State theatre. City Attorney Chris Kowitz was instructed to draft zone code amendments liberalizing small apartment use in zone 1 and marquee sizes.

Public hearings set for January 26 on a zone change to restricted business class for medical-dental office purposes of Center street property near Salem General Hospital.

J. S. Bush, seeking business zoning for a locker plant at Maple and Locust streets, was only dissenter at a hearing on recommended zoning of recently annexed areas. The bill was passed on to second reading.

Six street improvement assessment ordinances were passed. Among new regulations introduced and passed on to possible final action at the next meeting were bills establishing city procedure for elections, referendums and initiatives (an adaptation of state procedure which has been generally allowed heretofore) and a bill to control use of fumigants poisonous to humans.

Old Theatre Hit by Fire

SAVANNAH, Ga., Jan. 12 (AP)—Fire breaking out in the auditorium ceiling of the historic Savannah theatre tonight drove about 200 persons into the street from the late evening motion picture show.

There was no panic and no injuries were reported in the hasty evacuation of the building.

46 Rescued From Ship Burning in Mid-Ocean

NEW YORK, Jan. 12 (AP)—Two rescue ships, battling dangerously high seas, tonight rescued all 46 persons who abandoned the flaming Joseph V. Connolly, army "funeral ship," in the North Atlantic early today.

The survivors — 45 crewmen and one passenger — were in lifeboats about nine hours in high seas whipped by a northeast gale before being picked up.

The army said 27 of the men were taken aboard the Union Victory and 19 aboard the Gen. R. E. Callan, another army transport.

Three of the survivors of the Union Victory were believed seriously injured, the coast guard said.

Both the General Callan and the Union Victory were bound for Europe before the rescues but were directed by the coast guard to proceed to Halifax, Newfoundland, with the Connolly's survivors.

The Connolly, which inaugurated the return of American war dead from Europe last October, was reported by the coast guard to be a total loss. It said the ship had heeled over on its side and was burning fiercely.

Kindly field, Bermuda, which sent four planes to the scene of the disaster 900 miles east of New York to aid in the search for the lifeboats, said the plane had described the 40-mile gale and mountainous seas hampering the rescue ships.

The 7,176-ton Connolly left here last Thursday en route to Antwerp with 445 empty caskets to return additional bodies of American war dead from Europe.

Police Chase Nabs Suspect For Lebanon

BEND, Ore., Jan. 12 (AP)—Leonard J. Michelson, 25, of Bly, Ore., was captured today by state police officers in the Squaw creek area north of Sisters where he hid after smashing through a road block and shotgun fire five hours earlier.

State Police Sgt. L. L. Hirtzel said Michelson was wanted in Lebanon for an attempted robbery of the Smith jewelry store last night and also was held for Multnomah county authorities on a stolen car warrant.

Sgt. Hirtzel said the Bly resident had been seen by the Lebanon jeweler and fled without taking anything after breaking the store window.

Earlier today, the 1947 Kaiser sedan smashed through a road block just west of Sisters. Police opened fire with shotguns. They located the abandoned car near Sisters several hours later and traced Michelson to the Squaw Creek area.

Police said Michelson did not resist arrest. He was reported. The automobile was reported stolen in Portland over the week end.

Keizer Approves '48 School Budget

KEIZER, Jan. 12 (Special)—Voters of the Keizer school district Monday night balloted unanimously to approve the district's 1948 school budget.

A small turnout of voters approved the \$116,955 tentative budget which is subject to review and equalization by the county school board.

New Rail Spur Asked by Cold Storage Firm

A move to enable Terminal Ice & Cold Storage Co. to become the largest refrigerated storage plant on the west coast was underway Monday night when Salem's city council was asked to approve a franchise for a new spur track at Front and D streets.

The firm which has a storage plant at 990 N. Front st. was reported ready to expand its storage space by 50 per cent — to more than 1,500,000 cubic feet — if it can be served by a spur track which would cross Front and D streets in curving from present railroad tracks on Front street to the Terminal Ice property between Front and Commercial streets and north of D street.

Company officials did not estimate value of the improvement but it was considered "generally" a project which would cost well over \$100,000.

Endorsement for the Terminal Ice building proposal was voiced earlier Monday by the industries committee of Salem Chamber of Commerce headed by William H. Baillie, who said the enlargement of cold storage space is a Salem need.

Alderman James Nicholson submitted an ordinance bill which would franchise Oregon Electric railway for 20 years to operate the spur track, provided the ice company will lay a five-foot paved sidewalk along D street between the spur tracks and the street, pave sidewalks at the southeast corner of Front and D street where the track would cut off a corner of Terminal Ice property and allow no truck loading on D street.

The franchise bill was given initial reading and will come up for possible final action at the next council meeting on January 26.

In a letter to the council Lowell E. Kern, executive vice president of Terminal Ice, said the project would be a two-story 187,000 cubic feet of storage space, in the block of industrial zone property the company now owns.

"It is imperative the Willamette valley area has available additional freezing and cold storage space to take care of crops now in the ground," Kern's letter stated.

Grounded Ship Not in Danger

SEWARD, Alaska, Jan. 12 (AP)—Eleven seamen whose small Alaska steamer, the Aleutian Mail, ran aground this morning on the southwest tip of Unimak island were reported tonight to be in "no immediate danger," and awaiting rescue early Tuesday by the coast guard cutter Cedar.

A distress call radioed by the craft's owner and Captain Jesse H. Petrich of Seward, said the 263-ton, wooden-hulled Aleutian Mail struck two miles northwest of Arch Point on Unimak, first island of the Aleutian chain.

The steamer radioed the Ketchikan coast guard station tonight that seas have quieted to a "dead calm," but there were indications the weather would worsen during the night.

GOP Sees 'Extravagance' In Budget of \$39 Billion; Willamette Work Urged

Detroit On Slate For Funds

WASHINGTON, Jan. 12 (AP)—A \$156,767,100 development program for the Columbia basin area was proposed today in federal budget requests submitted to congress.

The outlay for 1949 included \$52,928,100 for rivers and harbor work in Oregon, Washington and Idaho, \$36,275,000 for the Bonneville administration, \$48,000,000 for the Columbia basin reclamation project in Washington and \$19,564,100 for other reclamation projects in the Pacific northwest.

The biggest single appropriation asked was the \$48,000,000 for the Columbia basin reclamation work — a project to bring 216,000 acres of land under irrigation by 1952 and expand power facilities. Estimated expenditures in the current 12-month period were \$36,470,968 for the project.

Next in size was the Bonneville administration, which asked \$36,275,000 for 1949, and \$22,000,000 in supplemental funds for the remainder of this year. These were asked for completion of 115 additional miles of transmission lines and five new substations, plus work to be done on 1,519 additional miles of transmission lines and accompanying substations to be completed in future years.

The rivers and harbors proposed appropriation listed \$30,000,000 for construction of McNary dam, which army engineers hope to complete by 1954.

Also in the rivers-harbors bill was \$14,155,000 for the Willamette valley flood control project, including Dorena reservoir, \$3,500,000; Lookout Point reservoir, \$7,000,000; Detroit reservoir, \$3,500,000; Willamette river bank protection, \$500,000; Fern Ridge reservoir, \$155,000; Pudding river, \$29,000.

(Additional details on page 2)

Stassen Flays Pauley's Right To Army Post

WASHINGTON, Jan. 12 (AP)—Edwin W. Pauley's right to keep his army department post after making nearly \$1,000,000 in commodity speculation was challenged by Harold E. Stassen today in an open letter to President Truman.

The republican presidential aspirant dictated his "blast" against Pauley, special assistant to Secretary of the Army Royal, by telephone from Sheridan, Wyo., to his Washington office. It said:

"Now that Mr. Pauley has admitted the extensive nature of his operations, I respectfully ask the question of the president. I ask it in particular view of the urgent need for leveling off food prices and of the anticipated heavy governmental purchases of food in 1948.

"Does a man who has admitted under investigation that he made approximately a million dollars (\$932,703 to be exact) in personal profit, by speculating since the war in increased prices of food and commodities, belong in the position of assistant to the secretary of the army for procurement and industrial mobilization?"

Pauley, in a telegram to Stassen last night, denied that his trading was based on "inside information" and accused Stassen of making "false statements."

Land Vehicle At 1,019 mph Passes Sound

MUROC AIR BASE, Calif., Jan. 12 (AP)—The sonic wall, which the fastest airplanes for months have been assaulting, was effectively battered down by an unmanned land vehicle which reached 1,019 miles an hour, Northrop aircraft engineers announced today.

The device, a 1,500 pound metal rocket-propelled sled, traversed 2,000 feet of standard gauge railroad track in less than two seconds, then, reaching the end of the line, bounced off across the desert.

Northrop Project Engineer S. E. Weaver disclosed that the first high speed test was made Sept. 20, 1946, and that the 1,019 mph run was made March 7, 1947. The tests have been conducted at the air base here under utmost secrecy.

The prime purpose of the experiment, Weaver said, is to determine the practicality of an open door wind tunnel which would reverse the process of the conventional tunnel, in tunnels now in use, air is rammed past a suspended model. Under the new system, the model plane would be pushed through the air at supersonic speeds and the effects observed.

Fasts Again



NEW DELHI, India, Tuesday, Jan. 13. (AP)—Mohandas K. Gandhi, who announced today he was undertaking immediately a fast in an effort to restore peace among the Hindu, Sikh and Mohammedan religious communities in India. The statement by the aging Hindu apostle of non-violence made clear Gandhi's undertaking, his many of his disciples, opposed, his hunger strike. Some followers said they feared that if Gandhi died from any cause while fasting, the non-moslem communities of India would take frightful vengeance upon the Moslems.

President Asks Cut Of Debts

WASHINGTON, Jan. 12 (AP)—President Truman sent congress today a \$39,669,000,000 budget, a record-smasher for peacetime, and republican leaders reacted swiftly with cries of "extravagance."

In asking this sum to run the government for the fiscal year beginning July 1, Mr. Truman said it is needed to (1) head off "totalitarian rule" in western Europe (2) maintain "a modern and balanced armed force" for America's security and (3) strengthen "the foundations of our democracy and the happiness of our people."

He also forecast record-breaking surpluses if congress does not cut the nation's over-all tax bill.

Senator Taft (R-Ohio) called the president's spending recommendations "too high." Senator Ferguson (R-Mich.) accused Mr. Truman of "bad faith." Democrats largely went along with the president.

Large Surpluses Seen

The total is also about \$2,000,000,000 larger than what Mr. Truman asked a year ago for the fiscal year ending this June 30.

"The plain fact is that our budget must remain high," Mr. Truman wrote in his message to congress, "until we have met our international responsibilities and can see the way clear to a peaceful and prosperous world."

Turning to the expected surpluses, he declared the treasury should be in the black by \$7,500,000,000 June 30 this year and by an additional \$4,800,000,000 on June 30, 1949.

Mr. Truman urged that this money should be used to reduce the public debt, rather than cut the total tax bill.

Tax Cut Bill Readied

Republicans, undeterred by Mr. Truman's familiar argument, went ahead with their plans to push a \$5,600,000,000 income tax cutting bill.

The president is counting federal revenues next year of \$44,477,000,000. For this year he estimated receipts would hit a peacetime record of \$45,210,000,000.

Use of the surpluses this year and next to slash the debt would bring it down to \$248,200,000,000 by mid-1949. To make that possible, along with a flat \$40 tax reduction for every taxpayer and dependent, Mr. Truman again urged congress to hoist corporation taxes by \$3,200,000,000, the amount he estimated the \$40 would cost.

UMT Included

There are items in the budget for universal military training, health insurance, greater help for schools, a long-range housing program, enlargement of atomic plants, improvements in "strategic" Alaska, expansion of the Social Security program.

The budget would be split among these broad fields: National defense \$11,025,000,000, an increase of \$279,000,000 over the present year; international affairs, including the Marshall plan, \$7,009,000,000, up \$1,476,000,000; veterans' care and benefits \$6,102,000,000, down \$530,000,000; social security, health and welfare \$2,028,000,000, up \$68,000,000; housing and community facilities \$38,000,000, down \$75,000,000; education and general research \$387,000,000, up \$10,000,000; agriculture and agricultural resources \$906,000,000, up \$292,000,000; natural resources \$1,626,000,000, up \$447,000,000; transportation and communication \$1,646,000,000, up \$83,000,000; finance, commerce and industry \$190,000,000, down \$182,000,000; labor, \$116,000,000, up \$19,000,000; general government \$1,157,000,000, down \$318,000,000; interest on the national debt \$5,250,000,000, up \$50,000,000; tax refunds \$1,990,000,000, down \$59,000,000; reserves \$200,000,000, up \$80,000,000.

Salmon-Saving Plan in Lower Valleys Asked

WASHINGTON, Jan. 12 (AP)—The government today proposed a \$13,000,000 salmon preservation program on the Columbia river and its tributaries below McNary dam.

A \$1,450,000 appropriation was listed in the rivers and harbors bill to be transferred to the fish and wildlife service to start the program, which would be undertaken in cooperation with Oregon and Washington.

As planned, the program would take five years in which time an attempt would be made to establish salmon runs in the lower Columbia and tributaries. This is looking forward to the day when high dams on the upper Columbia and Snake might block salmon runs.

The aims of the program would be to eliminate stream pollution, to clear out beaver dams, log jams and other obstructions, and to transplant runs to the lower river.

Meat Ceilings Asked; Morse Offers Plan

WASHINGTON, Jan. 12 (AP)—Secretary of Agriculture Anderson asked congress today for power to clamp wholesale price ceilings on meat, and added:

"We will want both price controls and rationing on meat and we will want them before this spring is over."

Anderson, appearing before the senate banking committee, said, however, he didn't think there would be a need for retail price ceilings on meat.

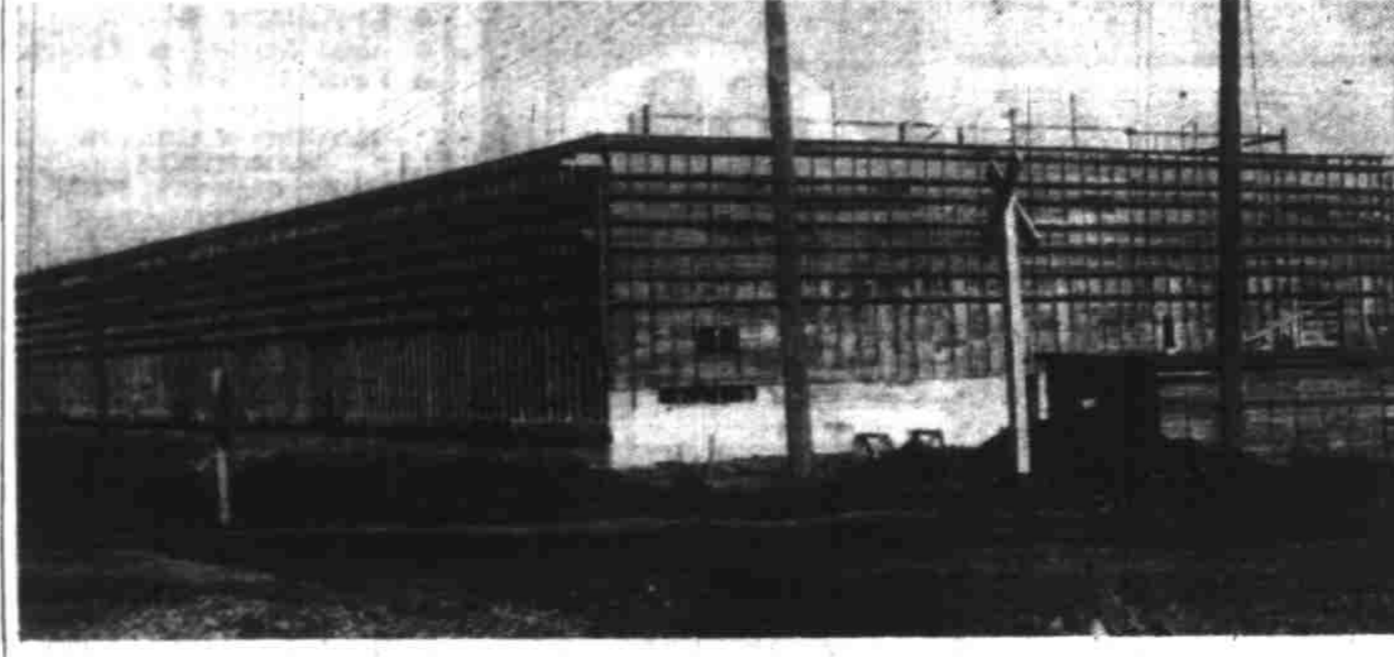
He said that he thought the time for rationing would come "when meat has virtually disappeared from the counters."

The secretary testified in favor of an administration bill which would empower the government to impose "selective" controls on wages and prices if other methods fail to control inflation.

At the same time Senator Morse (R-Ore.) introduced a bill providing for an economic stabilization coordinator to fight high prices by emergency measures short of price control and rationing.

And the justice department ordered a federal grand jury investigation of the food industry—"especially into the production, distribution and high price of milk"—in the St. Louis, Mo., area.

Building Rises in Petitioning Area



This 240 by 90 foot warehouse now going up in a new industrial area east of the Southern Pacific tracks near East Hoyt street is one of the properties in a 200-acre southeast suburban area for which an annexation petition was filed with the Salem city council Monday night by owners of approximately 70 per cent of the area. H. C. Walling is owner of the new warehouse, which will house Walling Sand and Gravel Co. offices and a Consolidated Freightways terminal. The area also extends a mile south of present city limits from west of 12th street as far east as the Southern Pacific tracks and includes large new subdivisions of Lawrence Anderson and of Ronald E. Jones and Rich Reimann. The city council last night agreed to extend water service to the area pending annexation. (Statesman photo by Don Dill, staff photographer.)

'We Didn't Want to See Stalin'

So they didn't. They saw Russia's Mr. and Mrs. Joe Doakes — at home, at play, at work, along with all the little Joe Doakeses. And they tell all about it in the epic series,

The Russian Journal

"They" are the New York Herald-Tribune's outstanding team of Writer John Steinbeck and Photographer Robert Capa, and their 15-part story in word and pictures will start in

Your Home Newspaper TOMORROW!