

Nixon Seeks U.S. Base on Red Sea From Ethiopia

By JOHN SCALI

ADDIS ABABA, Ethiopia, March 12 (AP)—The United States has asked Ethiopia for a Red Sea military base on Egypt's southern flank, reliable sources said today. The locale is south and east of Suez.

Vice President Nixon, now visiting Ethiopia, has discussed the idea with Emperor Haile Selassie, informants said. Selassie was reported to have provided the more U.S. aid.

The informants said the United States wants an Air Force com-

munications base and naval anchoring facilities at the Red Sea port of Massawa.

Massawa is within easy reach of one of the Middle East's hot spots, the Gulf of Aden, and would provide bunkering for U.S. Navy Middle East units operating in the Red Sea.

Israeli forces withdrew from Egyptian positions on the Gulf of

Aqaba last week on an assumption Egypt would not interfere with Israeli ships bound up the gulf to Israel's port of Eilat.

The United States shared this assumption, but the Egyptian press has indicated Egypt intends to block Israeli ships from the Gulf, as it did before the Israeli invasion last fall.

The word that the United States

was seeking the base apparently leaked out and touched off furious diplomatic activity.

The Soviet Union is reported to have advised Ethiopia it might be dragged into a major war because it contended—the United States wants to store atomic and hydrogen bombs on its territory.

President Nasser of Egypt sent

a special mission to Addis Ababa three days before Nixon arrived. The envoy reportedly carried an urgent message asking the Emperor to visit Cairo.

Selassie received the reporters at his palace. He was asked about the possibilities of granting rights to such a base.

"Ethiopia desires to collaborate

with the United States," he replied, "but only on an equal footing."

High U.S. and Ethiopian officials reported, however, that Nixon and Selassie had "very frank" talks about the Red Sea base.

Since Nixon's tour of Africa precedes the launching of the Eisenhower Doctrine for the Middle East, reporters asked him if

Ethiopia would share in the plan's 200-million-dollar-a-year aid program.

Nixon replied that the answer must await the arrival of the special Eisenhower mission headed by former Rep. James Richards (D-SC).

Massawa, in Eritrea, a former Italian colony now joined with Ethiopia, it was lost by Mus-

solini's legions in World War II. Informants said the U.S. Air Force proposes to station 500 men at an Ethiopian site, to be determined later, to help fill a gap in the communications network for U.S. planes in the East African area.

The request does not include the idea of basing U.S. planes on Ethiopian soil, the sources added.

House Asks Ike Point Out Ways To Slash Budget

WASHINGTON, March 12 (AP)—Over almost solid Republican opposition, the House tonight asked President Eisenhower to point out where "substantial reductions" can be made in his record peacetime budget.

It sent the President a resolution saying his \$71,800,000,000 budget must be cut "in the public interest," and requesting him to "indicate the places and amounts in his budget where he thinks substantial reductions may best be made."

IT SEEMS TO ME

By Charles A. Sprague

Senator Richard L. Neuberger has suggested that the state of Oregon set up a power marketing agency which can contract for power from federal dams. Armed with an opinion from the legislative reference service of the Library of Congress, the senator says that such an agency could qualify as a preference customer under the terms of the Bonneville Power Act, with no limitation or condition regarding resale of the energy. Presumably Neuberger's proposal is for the state to create a power agency which would wholesale federal power to private or public distributors. This would assure Oregon of getting its fair share of federally produced power.

Well, that is one way of getting round the preference clause for which Senators Neuberger and Morse have fought with vigor. But the method is one which courts uniformly frown on: doing indirectly what the law forbids doing directly.

If the preference clause is a good thing, why emasculate it with this legal device?

If the preference clause is a good thing, why should it not be attached to any act creating a state power authority?

If it isn't a good thing, why not abolish it?

The preference clause becomes pertinent as efforts are made to enlarge and expand federal power generation in the Northwest, always with the preference clause attached which gives private companies the lowest priority and their federal power supply subject to reduction or cancellation at stated intervals.

The Oregon House passed a memorial endorsing the John Day project. In a Senate committee, Senator Gill proposed an amendment to specify that Oregon should

The resolution was passed by roll-call vote of 219-178.

Voting for the measure were 10 Republicans and 209 Democrats. Opposed were 175 Republicans and 3 Democrats.

The resolution does not go to the Senate since it is merely an expression of House opinion. Eisenhower doesn't have to sign it nor does he have to pay any attention to it. It has no binding legal effect.

Republicans proposed to send the resolution back to committee but this move was defeated, 214-185 just before the final vote on passage.

In an apparent effort to offset the House action, the conference of Republican senators unanimously approved tonight a resolution calling on Congress to cut President Eisenhower's budget "wherever possible consistent with the security of national defense."

The Democratic-sponsored resolution approved by the House was without precedent.

Republicans argued it amounted to "back passing" by Congress and an abdication of responsibility.

Democrats contended it was necessary because Eisenhower and some others high in the administration had suggested the budget could be cut but didn't say where.

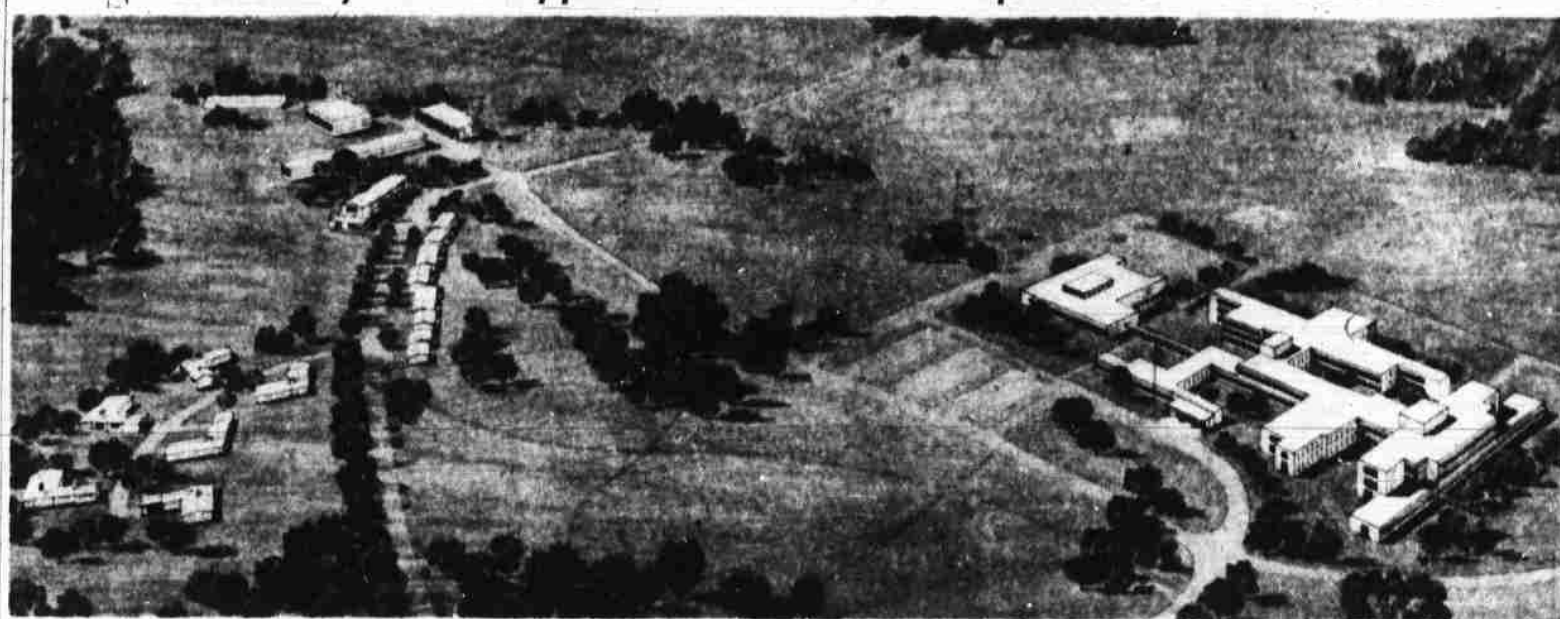
Meanwhile Sen. McNamara (D-Mich.) offered a resolution in the Senate which he said "would, in effect, send back to President Eisenhower" his proposed budget and ask him "to submit, as soon as possible, recommendations on how or where the budget should be cut."

Eisenhower and Secretary of the Treasury Humphrey have both expressed hope Congress can reduce the fiscal blueprint the President submitted.

House Republicans applauded when Halleck challenged Democrats to cut the budget without help from the President.

"You people on the Democratic side have got the votes," he said. "Why don't you get in here and cut it?"

Preliminary Plans Approved for State Hospital Near Wilsonville



Oregon's Board of Control Tuesday approved preliminary plans for new state hospital near Wilsonville, to be built in its initial phase according to the layout depicted above by the architects for project, Stanton, Boles, Maguire & Church. North is to the right. Bottom line of sketch parallels (about one

mile distant) the Salem-Portland Freeway at point between Wilsonville Junction and Stafford Road junction. At right above is first hospital unit; low square, building attached is kitchen. Staff houses and apartments are along drives at left. Heating plant, shops, garage show in background.

Ike Receives Checkup, Said To Be Better

WASHINGTON, March 12 (AP)—President Eisenhower went to Walter Reed Army Hospital and had another checkup today. After the tests his cough, head cold and ear inflammation were reported improved.

Press secretary James C. Hagerty told of the new medical check after the President had already returned to the White House.

Hagerty said X-rays of the chest and lungs showed they were clear. He said the doctors reported that examination of the sinuses, without the use of X-rays, showed they were clear too.

The cough was described as "less harsh and less frequent" and the ear inflammation was said to have diminished, with the result that Eisenhower is now able to hear better.

Sweetland Bid for Budget Boost Divides Democrats

By HECTOR L. FOX
Associated Press Writer

A sudden division in the Democratic-controlled legislature over the size of the state budget for the next two years appeared Tuesday.

Only a week after Democratic leaders had announced they would try to keep the budget around \$265 million, Sen. Monroe Sweetland (D), Milwaukee, proposed a budget of \$290 million carrying a full 50 per cent increase in basic school support.

Sweetland, veteran state Democratic leader, recommended re-

peal of the 45 per cent surtax and boosting the personal income tax exemption from \$500 to \$600.

Tax Increases
To make up for an estimated loss of \$54 million in the next two years by this plan, Sweetland proposed bracket rate increases and removal of the Federal Income Tax deduction in reporting income taxes.

Sweetland said the rate increases would bring in \$32 million and the federal tax deduction an additional \$28 million. The total would be

ations and utilities, higher liquor prices and a 10 per cent tax on banks. Corporations would pay \$12.6 million more in higher corporate excise taxes.

Would Pare Budget
The Democrats' plan announced last week would try to pare about \$15 million from the \$260 million budget of Ex-Gov. Elmo Smith, and then let Ways and Means do the rest of the job. It didn't provide for a fixed increase in basic school support.

An increase from \$80 to \$120 in census basis of school support, has been estimated to cost the state about \$40 million.

(Additional legislative news on Page 8.)

Work to Start In July on New Hospital

By ROBERT E. GANGWARE
City Editor, The Statesman

First construction work on the Wilsonville site of a new state mental hospital was planned for this July when the State Board of Control approved preliminary plans Tuesday at a meeting in the Capitol.

The board authorized a separate early contract for preparation work on the site, including roads, sewer system, utility tunnels, water wells, grading and a start on landscaping. Architects said they would arrange to take bids about July 1.

This work during the coming summer will allow for an early spring start in 1958 on construction of the first hospital buildings there.

Meanwhile, the architects were instructed to go ahead with final plans and specifications on the project.

First phase of the long-planned institution will include hospital facilities with 400 beds for mental patients. Cost is estimated at about \$7,000,000.

Eventually the three-phase project will cost at least \$15 million and will house 1,500 patients. Plans for the institution are being made so that even further expansion can be accomplished in the future if necessary to increase capacity to 2,000 to 3,000 patients.

(Add. details on Page 8.)

Union Books 'Destroyed,' Crosby Says

Teamster Leader Tells of Trying To Get Tom Sheridan Reinstated

By WILMOT HERCHER

WASHINGTON, March 12 (AP)—A top official of the Teamsters Union in Oregon acknowledged to the Senate rackets committee today that some union records sought by the committee have been destroyed.

"I think there are some records of invoice and canceled checks status that have been destroyed," said Clyde C. Crosby, the union's international organizer in Oregon.

But Crosby said he would be "disturbed" if he found that all the books and records had been disposed of.

Robert F. Kennedy, committee counsel, has said the senators are "vitally interested" in what the documents contain. An unsuccessful attempt to subpoena them was made last month.

Not Sure
Under questioning, Crosby testified he didn't "know for sure" whether the records of Teamsters Union Joint Council 37 from mid-1954 onward had been destroyed.

Kennedy said this was the period when Tom Maloney and Joe McLaughlin, two Seattle gamblers, were associated with union officials in Portland, Ore. Witnesses have alleged Maloney and McLaughlin were brought to Portland as part of a scheme to take over gambling and vice operations there.

Crosby testified earlier that he interviewed to help Tom Sheridan get reinstated as an enforcement officer for the Oregon State Liquor Commission after Sheridan had been discharged for allegedly allowing a liquor distillery representative to pay a \$41 hotel bill for him.

Couldn't Recall
But Crosby said he couldn't recall meeting with Big Jim Elkins about the Sheridan case. Elkins has been described in testimony before the committee as the former czar of gambling in Portland. He has been a key witness in the probe.

Kennedy promptly telephoned Sheridan in Portland. He announced that Sheridan had confirmed a meeting between him, Elkins and Crosby. McClellan also talked with Sheridan from the hearing room. Sheridan will be subpoenaed to testify.

Earlier Mayor Terry Schunk of Portland denied that he ever received payoffs from the city's underworld. He refused to have his answers checked by a lie detector.

When Sen. Mundt (R-SD), proposed that Schunk undergo a test the mayor said, "No sir."

"After consideration and after spending 11 days around here," Schunk continued, "in my opinion this will be settled in the Oregon courts. I'll rest on that."

Mundt disagreed that Oregon courts would be the only ones involved. He said he thought the Justice Department also would be in the picture because it is "evident somebody has committed perjury here."

To Hear Sheridan
Late in the day Kennedy said he would issue a subpoena to Sheridan, who is expected to arrive here Wednesday to testify.

Crosby, in his testimony, said that Oregon Public Utilities Commissioner Howard Morgan had made "inaccurate statements" in his testimony last week.

Morgan said that Crosby had urged him to use his influence to halt an investigation of the Oregon Liquor Control Commission.

Crosby said Morgan "is a political opportunist without the slightest moral sense of responsibility."

Morse Issues Call
Meanwhile, Sen. Morse (D-Ore.), in a Senate speech, called upon the state's law enforcement officials to "get busy" and bring to judicial trial charges stemming from the hearings.

He urged his colleagues and the nation to "reserve judgment" until the great judicial processes of my state have run their course.

(Additional stories on pages 2 and 7.)

Hollywood Gets Into Teamster Act, Movie Due

HOLLYWOOD, March 12 (AP)—Testimony concerning vice and underworld activities in Portland, Ore., will provide the basis for a semi-documentary film, a Hollywood studio announced tonight.

Lindsay Parsons will produce the film for Allied Artists. A spokesman said the picture will be "more or less a documentary," reflecting disclosures by witnesses before the special Senate rackets committee in Washington.

Parsons' spokesman said his assistants expect to leave for Portland in two weeks to assemble information. At least part of the picture may be filmed on location there, the studio said. Barry Sullivan is sought for the leading role.

\$64,000 Quiz Ups Top Prize To \$256,000

NEW YORK, March 12 (AP)—A television quiz show announced today a new "world's biggest" prize of more than a quarter of a million dollars and a 10-year-old boy promptly won a chance to try for it.

Robert Strom of the Bronx, a whiz in chemistry, physics, astrophysics, astronomy and assorted other sciences, carried off tonight the former top prize on CBS' The \$64,000 Question.

Only a few hours earlier the show had announced that \$64,000 is no longer its top prize but the winnings can go to four times that—\$256,000.

Robert's success tonight gives him the right to return next week and start trying for the record breaking sum.

A spokesman for the show's sponsor explained the prize was being upped because the \$64,000 question, the first really big money show on TV, had fallen behind its competitor.

Top winnings so far on a single show are the \$129,000 won last night by Columbia University instructor Charles Van Doren on NBC's Twenty-One.

On The \$64,000 Question, the Strom boy will not be risking tonight's \$64,000 prize if he goes on to try for more.

Diplomat Approved

WASHINGTON, March 12 (AP)—The Senate Foreign Relations Committee gave unanimous approval today to President Eisenhower's nominee for ambassador to West Germany—David K. E. Bruce, a 1956 Democratic campaign contributor.

Today's Statesman

	Page Sec.
Ann Landers	6-1
Classified	15-17-11
Comics	10-1
Crossword	11-11
Editorials	4-1
Home Panorama	6-1
Markets	15-11
Obituaries	15-11
Radio-TV	10-1
Sports	13, 14-11
Star Gazer	5-1
Valley News	9-1
Wirephoto Page	10-1

Employment in Nation Gains

WASHINGTON, March 12 (AP)—Employment bounced back over the 63 million mark in February, reversing a downward trend that started early last fall, the government reported today.

The number of jobholders rose by 612,000 during the month to 63,190,000. Still, this increase wiped out only about one-third of the abnormally sharp decline of 1,700,000 in January.

Unemployment dropped by 123,000 during the month to 3,121,000, about 4.7 per cent of the labor force. This included some 244,000 persons who were added to the unemployed rolls by a change in definition.

For the first time, the Commerce and Labor departments counted as unemployed those persons on a layoff of less than 30 days, or who expected to start a new job within 30 days. These had previously been listed as employed, but labor union leaders said the practice gave a distorted picture of the situation.

Sutherland's Mayor Killed

SUTHERLIN, Ore., March 12 (AP)—James Claude Kesner, 49, the mayor of this Douglas County town, was killed today when the truck he was driving smashed into a traffic divider pole.

The accident occurred as Kesner was making a right turn off U.S. 99, into a road leading to Sutherland.

Kesner was serving his fourth term as mayor, having been re-elected to the post last year. He was the owner of the Mt. Scott Lumber Co. at Sutherland.

Survivors include the widow, Helen; a son, Mike, 6; his mother, Mrs. V. G. Kesner, Roseburg; and a brother, David, also Roseburg.

Bomb Threats Voiced

NEW YORK, March 12 (AP)—A telephoned bomb threat today caused Trans World Airlines to order six of its planes to land at nearest airports in the East. No bombs were found.

On the Brighter Side . . .

By John Erickson



School's Out Early
CHEMAWA, March 12—Every student in the state must envy these Chemawa Indian School students—they graduated today. The graduating class is escorted by Junior class members (foreground) Ted Santanas and Esther Watah, who must stay in school until May with the rest of the student body. (Story on page 5.)

Clearing Trend On Forecast For Salem Area

A temporary clearing trend is expected in the Salem area today, accompanied by a few scattered showers, the Weather Bureau at McNary Field said. Forecast also states rain will return tonight and Thursday. Mercury is expected to range from 48 to 40.

Rain slacked off Tuesday and the Willamette River receded from 14.8 feet Monday to 13.8 feet.

Tuesday's temperature range in Salem was 44 to 37 with the temperature at 12:01 a.m. today at 37.

Bus Tokens to Go, Charge For Transfers Scheduled

Bus tokens will be eliminated and an extra charge will be made for transfers under City Transit Lines' plan to increase revenue.

The changes will go in effect Friday. They follow final action Monday by the City Council on a new franchise which transfers authority over fares, schedules and routes, from the council to the company.

In announcing the changes, Carl Dendi, Transit Lines manager, said that no decrease in services is contemplated.

The "flexible" franchise was the answer to an ultimatum that the company would cease operations this month if means could not be found to halt its operating losses.

The same changes will go in effect at Eugene Saturday, a day

later than Salem because final council action on a similar new City Transit Lines franchise there will not come until Thursday.

Transfers will cost 5 cents under the new plan.

Persons with tokens on hand can still use them after Thursday but they will have to pay an additional 3 cents with city tokens and 5 cents with suburban tokens.

Fares for children under 12 will be raised from 8 cents to 10 for city trips. The charge will be 15 cents for suburban trips. It has been 15 cents for children alone but 10 cents when accompanied by adults. Children's transfers will be free.

The price for school tickets will be increased 25 cents for a book of 20 but transfers will be free on school days.

Kellogg Land Sold

SAN FRANCISCO, March 12 (AP)—The \$650,000 bid of the Oregon Saw Chain Corp. of Portland, Ore., was accepted today by the Public Housing Administration for the remaining six parcels of land in the old Kellogg Park at Milwaukee, Ore.

One-Way Plan Devised For South 12th and 13th

Development of South 13th Street for one-way traffic on it and South 12th Street is to be proposed to

the Salem Planning Commission at its next meeting.

Stuart Compton, chairman of the streets and traffic committee, told the commission Tuesday that a recommendation to authorize an engineering study for improvement and extension of South 13th Street will be made at the March 26 meeting.

The plan is to extend South 13th Street to the north and south and to angle it at both ends into 12th Street, he said.

Some street vacations north of Leslie Street have been acquired in recent years for 13th Street to cross Shelton Ditch and angle into 12th Street near Southern Pacific Railroad tracks, he said.

The city street should be improved south to the city limits near Hoyt Street, he said, with plans to extend it outside the present city limits to join with 12th Street in the vicinity of Vista Avenue.

Commission Chairman Robert Powell said Marion County recently completed acquisition of right-of-way for another street development in that area, extension of McGilchrist Street from Pringle Road to 12th Street.

(Add. planning commission news on page 2.)

The Weather

Today's forecast: Temporary clearing with few scattered showers today. Rain tonight and Thursday. High 48. Low 40.

(Complete report page 3)