

JAPANESE BALLOON FOUND NEAR PORTLAND

FBI Begins Investigating Third Report In Month

PORTLAND, Jan. 1.—(UP)—The Portland office of the FBI announced today it is investigating a large Japanese balloon has been found about 10 miles west of Estacada in a heavily wooded area.

FBI agents, who said final identification of the balloon as of Japanese origin would have to come from army men, reported that the curious sphere was found this afternoon by citizens tramping through the lonely area.

'No Quarter' Battle Rages In Budapest

MOSCOW, Jan. 1.—(UP)—Russian shock troops fought through the last smoking, rubble-streets of the western half of Budapest today in a "no quarter" battle, determined to slay the encircled enemy garrison to the last man to avenge the murder of two red army surrender emissaries.

Significantly, the soviet high command no longer mentioned in its communiques the taking of any prisoners inside Budapest, though an additional 300 blocks were cleared yesterday in Budapest, bringing two thirds or more of that part of the city west of the Danube under soviet control.

More than 2,700 German and Hungarian troops were killed in the capital in the past 24 hours, the latest communique said.

Million Dollar Fire Destroys Salem Cannery

SALEM, Jan. 1.—(UP)—Fire which early yesterday destroyed the Blue Lake Cannery, a cannery plant in West Salem, caused damage estimated at as much as \$1,250,000, and destroyed huge stocks of canned vegetables destined for the army.

The fire, which apparently started in the boiler room or office, was thought possibly of incendiary origin. Firemen who responded from both West Salem and Salem, across the river, succeeded in saving the major portions of a dehydrating plant run in connection with the cannery, and a new warehouse.

The blaze was perhaps the most spectacular in this area since the old state capital building burned in 1935. Flames flew high into the air and the sound of exploding vegetable-filled cans was like the sound of an artillery barrage, spectators reported.

Workman Killed In Lumber Accident

James J. Jordan, 39, was killed in an accident Saturday afternoon while at work for the Timber Structures, Inc., just west of the city limits, when a bundle of trim lumber fell from a crane, crushing the man. He was pronounced dead upon arrival at a hospital.

The widow, Mabel, and eight little children survive, the family including three sons, Pierre, Norman, and Jimmy, and five daughters, Lenora, Juanita, Phoebe, Wanda, and Charlotte. Also surviving are his step-father and mother, Mr. and Mrs. Lee Joyner of Ladysmith, Wis., one sister and four brothers in the mid-west.

Weather

U. S. Weather Bureau Forecast: Oregon—Cloudy with snow flurries extreme east portion, clearing tonight; colder tonight; Tuesday, partly cloudy.

Local Statistics: Minimum temperature Monday morning, 41 degrees; maximum temperature, Sunday, 46 degrees; precipitation in 24-hour period ending at 8:30 a. m. Monday, .04 of an inch; stage of Willamette river in Eugene at 7 a. m. Monday, -1.46 feet.

Weather

Sunrise and Sunset (FWT): Tuesday, 8:49 a. m. and 5:45 p. m.; Wednesday, 8:49 a. m. and 5:46 p. m.

SUNSHINE HOURS (FWT): Tuesday, 4:21 a. m., 3:39 p. m.; Wednesday, 4:20 a. m., 3:38 p. m.

High: 49 a. m., 4:38 p. m.; Low: 31:30 a. m., 11:12 p. m.



BALLOON FOUND IN OREGON—Army, navy and FBI agents are shown here examining a balloon, of Japanese origin, found recently in Montana. The Portland office of the FBI disclosed Monday that a similar balloon was discovered Sunday approximately ten miles west of Estacada, Oregon.—NEA Telephoto.

Japanese Lost 10,000 Planes During Past Year

WASHINGTON, Jan. 1.—(UP)—Happy New Year and things like that, but don't forget that the first month of the new year will be an important one as far as income taxes are concerned.

Your first pay check of 1945 will show the effect of the new tax withholding rates which become effective today. Designed to bring withholding closer to a pay-as-you-go basis and close any year-end gaps, the new schedules will mean more money deducted from many checks and less from others.

Income Tax Increase Set For New Year

WASHINGTON, Jan. 1.—(UP)—The Treasury doesn't expect any great change in its tax receipts as a result of the new system, but it will mean a change for many individuals. What the new schedules will try to do is to make the amount withheld during the year approximate more closely the amount actually due the government, thereby lessening the need for year-end payments by individuals—and refunds by the government.

The new schedules will mean higher taxes for married couples without children. Husband and wife each will now be entitled to a \$500 exemption whereas the old law allowed a couple an exemption of \$1,200.

Crews Clearing Debris After 50 Killed In Wreck

OGDEN, Utah, Jan. 1.—(UP)—Screaming winch cables and the pounding of air hammers were substituted this morning for the screams of injured and dying passengers as crews sought to clear Southern Pacific railroad tracks near Ogden of the wreckage which marked the scene of the nation's worst rail tragedy of 1944.

Unofficial and still incomplete casualty rolls listed at least 50 dead and "more than 60 injured" after the mail and express section of the crack Pacific Limited of the Southern Pacific before dawn Sunday hurtled out of the darkness and plowed into the rear of the passenger section 22 miles west of Ogden. Eleven cars of the two trains were telescoped, three of them tossed from the 10-foot high road-bed fill into the marshy, salt-crusted landscape less than two miles from the east shore of Great Salt Lake near the famed Lucin cutoff trestle.

Germans Launch Five New Attacks; Hitler Talks, Says War Will Last Into 1946

By ASSOCIATED PRESS
LONDON, Jan. 1.—Adolf Hitler warned his people today that the defeatists within their midst would be destroyed and declared that "the end of the war will not come before 1946 unless by a German victory, because Germany will never capitulate."

In a speech that sounded apathetic Hitler described the war as "a merciless struggle for existence," and said, "we are going to destroy everybody who does not take part in the common effort for the country or who makes himself a tool of the enemy."

Voice Said Authentic

Most veteran London monitors agreed that the speech was in Hitler's voice. However, Louis P. Lochner, chief of the former Associated Press bureau in Berlin, said that if the voice was Hitler's he is a totally changed man. Lochner pointed out that the speech imitated Hitler as far as pronunciation was concerned but was "completely lacking in the old Hitler passion and consuming fervor."

The broadcast was broken frequently by an incoherent ghost voice. The German radio said Hitler spoke "from his headquarters." There was some speculation in London that it might have been a recording.

Crowds Throng Streets Here To Greet 1945

By MARIAN LOWRY
There was gaiety, yes, and many people were up and about in Eugene at midnight to welcome 1945—but along with each greeting and each toast was the fervent wish that the war end speedily, bringing home many now absent overseas.

Willamette street had an unusually large throng out to call out greetings and to toast horns, but the merriment soon subsided after the first few minutes of noise, most folks facing the new year and what it may bring with sober thoughts.

Patton Makes Six-Mile Gain

PARIS, Jan. 1.—(UP)—Germans smashed at the U.S. seventh army line on a ten-mile front today in what may be another major attack by the Von Rundstedt forces, as Lt. Gen. George S. Patton's army expanded their front to 10 miles and drove six miles deeper into the southern flank of the enemy's Ardennes bulge.

Patton's attack, launched Saturday but revealed only today under security restrictions, ran into heavy resistance from German 88-millimeter guns, other artillery and small arms fire and tanks, but at last reports still was making progress.

Hitler Off Beam But Speech Shows Plan To Fight Till Last

By DEWITT MACKENZIE
Associated Press War Analyst
We shouldn't lightly shrug aside Adolf Hitler's New Year's eve defiance that "the end of the war will not come before 1945 unless by a German victory, because Germany will never capitulate."

True, we needn't concern ourselves overmuch with the time element injected into this defiance by the fuhrer (if it was indeed the fuhrer who spoke), because neither he nor any other man knows when this war will end. We can see, too, that his statement is off the beam in two other respects, because we know that the Germans cannot win the war, and it's certain that in due course they will capitulate.

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