

\$62 BILLION BUDGET PRESENTED

Talent Project Funds Indefinite

\$30,000 for Plans Asked

The amount of funds which will be allocated for construction of the Talent project was still in doubt today following President Eisenhower's budget message to congress.

Neuberger Calls on McKay to Add Funds for Talent Project

Oregon Senator Richard Neuberger has called on Interior Secretary Douglas McKay to include at least \$2,850,000 in the budget of the Bureau of Reclamation to be used for the Talent Irrigation project.

In a letter written to McKay, a copy of which was furnished to The Mail Tribune, Neuberger stated: "In my opinion the maximum which should be recommended is \$350,000 for restoring the canal systems of the Medford and Rogue River Valley Irrigation districts. I also believe that at least \$2,500,000 should be recommended for the start of construction on the physical engineering works themselves."

"It is imperative, I think, that the resources of Oregon be developed in an orderly manner, in the public interest, in order to care for the large population influx which migrated into our state between 1940 and 1953. These people can earn a living at productive work only if we use our resources wisely—and well. I feel certain that the Talent Irrigation and Power project constitutes such use of our resources."

Total Cost \$22,000,000

"Because the total cost of the project is \$22,000,000, it is obvious that even a recommendation of nearly \$3,000,000 in the coming fiscal-year budget will still leave a considerable amount of time before the project can finally be completed."

"I hope that you and your associates in the administration can see fit to recommend in the budget the funds necessary to get the Talent project well started."

Judge Instructs New Grand Jury

Circuit Judge Orval Millard, Grants Pass, instructed the new grand jury this morning for the January term of circuit court. Millard presided in the absence of Judge H. K. Hanna, who entered Sacred Heart hospital last night for treatment of a kidney infection. His wife reported today that the judge was "much better" this morning. It was not known as yet when he will return to his office, his wife added.

The district attorney's office reported that no action would be taken on several criminal matters pending disposition, until Hanna returns.

New grand jury members sworn in were Floyd Price, Butte Falls; Gloria L. Stewart, Medford; Goldie Imhausen, Medford; Lance Baker, Ashland; Louise A. Novosad, Central Ford; and Huldah T. Thurman, Point; Dorothy Edwards, Medford. Baker was named foreman by the court and Dorothy Edwards elected secretary. The jury adjourned after an organizational meeting, with no criminal matters to consider today.

Nautilus Goes To Sea for Trial Runs

Groton, Conn. — (U.P.)—The USS Nautilus, the world's first vessel to be propelled by atomic power, went to sea today to begin a series of trial runs.

Constitutional Committee Report Before Legislature

Bills Tackled By Committees

Salem — (U.P.) — Full speed ahead was the slogan today as the 1955 Oregon Legislature opened its second week by delving into committee work on a hundred bills and received a report of the Governor's Legislative Constitutional Committee headed by Sen. John P. Hounsell of Hood River.

The majority report favors a constitutional convention to do a one-piece job of amending Oregon's constitution to take out "deadwood" and to make necessary corrections and additions. The minority report favors making these amendments step by step for submission to the voters. In either event the people must approve the amendments and it is the thinking of the minority group—which includes Hounsell—that the voters would approve certain specific amendments but might reject a complete revision of the constitution because of objection to a specific amendment or amendments.

The report notes since its adoption in 1857 the Oregon constitution has been amended more than 90 times and says: "With a few notable exceptions, those amendments have been in the nature of additional detail, so that in the hydrogeologic age the essential character of the document is of the horse-and-buggy era."

The report said that the Oregon constitution "is the twelfth oldest, fifteenth longest, and eighth most amended of the state constitutions."

The majority report for a constitutional convention says "the changes needed in our constitution are of such importance and so numerous that it is only possible to achieve a unified, balanced, modern constitution by means of a constitutional convention."

Navy Plane Crashes; 13 Believed Drowned

Stephenville, Nfld. — (U.P.) — A U. S. Navy Super Constellation transport plane crashed in the stormy Atlantic 70 miles southwest of here today and all 13 men aboard were believed drowned.

The plane, which had taken off from Harmon Field, Nfld., for Patuxent, Md., was returning with two motors out when the escorting plane lost contact with it, according to messages received by the Coast Guard at New York.

The escorting B-29 reported sighting five life rafts and plane debris, but no survivors.

Douglas Sees Need for Probe of Stock Market

Washington — (U.P.) — Sen. Paul H. Douglas (D-Ill.) said today there is a definite need for an investigation of the stock market.

Douglas noted that Congress has not looked into stock market operations since the early 1930s. Original demand for the inquiry was brought about by unusual upward surges in stock prices.

He was expected to consume one week, with the vessel returning "at intervals" for adjustments. The purpose of these trials was to check under actual operating conditions the engines, steering equipment, electronic devices and other apparatus which already had undergone exhaustive tests in wet dock after the power plant had been installed.

It was the first time that the Nautilus had moved under its own power.

MEDFORD MALL TRIBUNE

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Central Point Mill Burns; Damage Set At About \$250,000

A portion of the Continental Lumber company mill southwest of Central Point was destroyed by fire this morning. Glenn W. Badley, a partner in the firm, estimated damage at \$250,000.

Equipment from three fire departments responded to the alarm, which was turned in shortly after midnight.

Russia Tells Plan To Aid 5 Nations In Atomic Energy

United Nations, N. Y. — (U.P.) — Soviet Russia announced today that it will aid five Communist nations to set up centers for research into the peaceful use of atomic energy.

The announcement was made only a few hours before the opening here of a U. N. conference on President Eisenhower's "atoms for peace" plan.

The countries to be aided are Red China, Poland, Czechoslovakia, Romania and East Germany.

It was indicated that, in making the announcement, Moscow might be trying to take the diplomatic play away from the U. N. meeting in which scientists started discussing arrangements for a world conference next summer on Mr. Eisenhower's plan to pool atomic resources for peaceful purposes.

Two People Hurt In Auto Mishaps

Two people suffered minor injuries in four automobile accidents which occurred in Medford over the weekend, according to city police.

Earl Harrison Smith, 24, of 724 North Riverside ave., was treated at Community hospital for a cut forehead and was released. He was taken there by Medford Ambulance service.

Smith was the operator of a vehicle Saturday night which hit a parked car registered to Daniel E. Serry, Box 83, Jacksonville, in front of 902 North Central ave. Smith was cited for driving while license suspended.

William Curtis Morris, 24, of 2108 Table Rock rd., received face lacerations, two broken teeth and a cut finger in a one-car accident early Sunday at the highway divider, South Riverside and Stewart aves., police said. He was treated and released from Community hospital. No citations were issued.

Sunday evening, a vehicle driven by Jack Eric Rowbotham, 19 Rose ave., was involved in a collision with a parked pickup truck registered to Ralph C. Moore, 816 South Riverside ave., on South Central ave. No citations were issued.

Saturday, Doris Ellen Cearley, route 2, box 250 E, was cited by police for following too close, when her vehicle struck a convertible car driven by Donald Warren Winkleman, 122 Wilamette ave. The accident occurred at Court and McAndrews rd.

Money for Oregon, Washington Works Asked in Budget

Washington — (U.P.) — President Eisenhower asked Congress for money today to start construction on three new water projects in Oregon and Washington.

The request, for starts on Eagle Gorge and Foster Creek Projects in Washington and Haystack reservoir in Oregon, was carried in the President's budget for fiscal 1956. In all, he asked for 129 million dollars for water and power development in the two states, about 11-million dollars less than is being spent this year.

None of the proposed new projects call for power production. But the President said that "local interests" are expected to join the Army Engineers in construction of three power projects in the area.

He mentioned Cougar and Green Peter dams in Oregon and Rocky Reach in Washington as likely "partnership" projects. He included five-million dollars in the budget as a starting federal contribution toward those projects.

Eagle Gorge dam is the largest of the new projects proposed for federal development. Designed to protect the Green River valley from floods, it would cost a total of \$20,500,000. An initial appropriation of one million dollars was proposed for the first year's work by the Army Engineers.

Haystack dam would provide an equalizing reservoir for the Deschutes project. Its total cost of 250 thousand dollars would be appropriated immediately.

W. Germany Rejects European Arms Pool

Paris — (U.P.) — West Germany tonight bluntly rejected a French plan for a European arms production pool which would have placed new and additional restrictions on West Germany's economy and on her future arms production.

However, authoritative sources said Germany had indicated it is willing to accept some of the milder sections of the French scheme, calling only for inter-governmental cooperation on arms.

Curious Kitty Rescued by Cops

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C OF C SPEAKER — Dr. O. Meredith Wilson, above, president of the University of Oregon, will be the speaker at tomorrow's annual dinner meeting of the Jackson County Chamber of Commerce. The dinner, which will start at 7:30 p.m., will be in the Pioneer room of the Jackson hotel. Chamber members and their wives planning to attend are asked to inform the Chamber office.

Firemen Praised

Badley paid tribute to the work of the firemen from the three departments declaring that "they were really on the job."

It was through the efforts of the firemen that the company's green chain and the lumber on it, and the lumber yard were saved, he said.

Those who visited the scene of the blaze after daylight today said it appeared that some salvage would be possible. One end of the mill was less heavily damaged than the rest of the structure, they said. The firm's shop, lathe mill, boiler house, and green chain were not involved in the blaze.

Central Point rural firemen said the blaze was controlled at 4 a.m. Employees of the lumber company stood by this morning with Central Point rural hoses to complete mopping up the fire.

The mill had been partly closed down for a two-week maintenance repair, according to Badley. He said about 20 men were to have started repair work today. Some 50 men regularly are employed at the mill.

The mill formerly was operated by Southern Oregon Sugar Pine company. Badley and Jackson took over operation of the mill as Continental Lumber company last May.

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Dag's Trip Called Failure

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"In my judgment, no service is done the American people or those of the free world by pretending that it was," said Knowland.

TAX REDUCTIONS BANNED FOR YEAR

Washington — (U.P.) — President Eisenhower sent Congress today a \$62,408,000,000 spending budget based on preparedness and prosperity.

He banned tax reduction now, but gave hope of tax relief next year, a presidential election year. He sounded a solemn alert that peace remains anxiously insecure.

To prepare against "a long period of uncertainty," he allotted to major national security in the new 1956 fiscal year two-thirds of all government spending—\$40,458,000,000.

The accent was on air power and atomic weapons. The Air Force got almost as much as the Army and Navy combined. The President's total new spending budget was down more than \$1,000,000,000 from this year's and estimated revenue was up a billion, but he still couldn't balance the budget. He looked for a deficit of \$2,408,000,000.

Points Emphasized on Positive Side

The President, however, emphasized these points on the positive side:

- 1. "Never in our peacetime history have we been as well prepared to defend ourselves as we are now."
- 2. "Our present growing prosperity has solid foundations . . . a

Washington — (U.P.) — President Eisenhower said today that he will have to ask Congress during fiscal 1956 for an increase of at least \$8,000,000,000 in the public debt limit.

Congress last year authorized a temporary increase of \$6,000,000,000, raising the ceiling to \$281,000,000,000. This temporary increase will expire June 30 and the statutory limit will go back to \$275,000,000,000.

He estimated the federal debt would fall back to \$275,000,000,000 July 1, 1956.

growing prosperity will result in increasing revenues and should make possible both a balanced budget and lower tax rates in the future."

Mr. Eisenhower called for legislation that would lead to a new kind of tax relief for 35,000,000 smaller taxpayers—relief from the task of figuring out their tax returns. This would not become effective until 1957 at the earliest.

He asked for \$12,000,000 in new money to provide closer auditing of tax returns to assure that all hands pay their fair share.

Mr. Eisenhower estimated revenue up \$1,000,000,000 from the current fiscal year despite 1954 tax reductions. He reported a growing national prosperity based on solid foundations.

"We continue," he said, "to progress toward a balanced budget."

The budget contained a trio of political bombshells, each set off in single obscure passages. The first asked appropriation of \$1,000,000 to determine the feasibility of harnessing the vast tides of Passamaquoddy Bay to produce hydro-electric power.

Passamaquoddy Bay lies between Maine and New Brunswick, Canada.

Another Political Explosion Expected To Develop

Another political explosion doubtless will blast around Mr. Eisenhower's request that Congress compel the Tennessee Valley Authority to pay an adequate rate of interest on government funds invested in its power facilities. This recommendation was in line with the private enterprise economic philosophy expressed throughout the message.

Thirdly, Mr. Eisenhower invited the people to give "sober consideration" to the fact that two of every five adult males and some women now are entitled to veterans benefits of one kind or another, and that costs again are on the zoom. Constructive reconsideration of the whole veterans situation was necessary he said, and reported:

"I am therefore appointing a commission on veterans' pensions to study the entire structure, scope and philosophy of our veterans' pension and compensation laws." He said veterans would receive \$4,600,000,000 in the new budget.

No Other Message Surprises Revealed

There were no other surprises in the message which reported the world situation improved from the standpoint of free peoples despite setbacks in the past 12 months and the continued insecurity of the peace. But the huge allotment of funds to security was a dollars-and-cents warning that the world remains a dangerous place in which to live.

The major national security allotment included \$2,000,000,000 for the Atomic Energy commission, \$3,075,000,000 for military assistance to allies and various lesser sums. The Air Force received \$15,600,000,000; the Army \$8,850,000,000; and the Navy \$9,700,000,000.

The President repeated his manpower program involving an overall reduction in military personnel, and a stepped-up training and reserve program. The principal manpower cuts would be in the Army.

Mr. Eisenhower said he would revise several international programs to give appropriate attention to "the important trouble spots around the world." Formosa and Japan were especially mentioned for a defense buildup.

Three Basic Requirements for National Policies

The President informed Congress that his national policies were founded upon three basic requirements:

- 1. Defending the heritage of political liberty and personal freedom from attack without and undermining from within.
- 2. Government assistance toward the advance of human welfare and encouragement of economic growth where necessary and as far as possible in partnership with state and local authorities and private enterprise.
- 3. Maintenance of financial strength by preserving the value of the dollar.

But for last year's tax cuts aggregating \$7,400,000,000 this budget would have been balanced, Mr. Eisenhower told Congress, adding that we cannot afford to have further reductions this year.

But the President believes taxes must come down both to bring about and to sustain a growing national economy.

"The present tax take of nearly one-fourth of our national income is a serious obstacle," he said, "to the long term dynamic growth of the economy which is so necessary for the future."

"The stimulus of further tax reductions is necessary; just as soon as they can be properly made. I hope that tax reductions will be justified next year."

He urged that hydro-electric and similar projects be left to the initiative of states, local authorities and private enterprise unless they were too vast to be so handled. He insistently proposed the "partnership" principle be adopted as a general policy when federal aid had to be extended.

But the President also proposed two vast developments by the Bureau of Reclamation for irrigation, power, flood control and municipal and industrial water supply. They were the upper Colorado river basin in the state of Colorado, Utah, Wyoming, Arizona and New Mexico and the Frypan-Arkansas project in Colorado, both held to be beyond the capacity of any but the government itself to undertake.

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"Mr. Hammarskjold has re-

turned without the release of the prisoners of war held in violation of the armistice agreement or any prospective date in the future when they will be freed," he said.

San Antonio, Tex. — (U.P.) — Dr. W. M. Jardine, 76, who was secretary of agriculture under President Calvin Coolidge, died here today.