

EISENHOWER URGES BUSINESS AND LABOR TO GO EASY ON PRICE, WAGE INCREASES

McMillan Succeeds Eden

51st Year
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HOUSING PROJECT TO GO—Above is a general view of the Jackson County Housing authority project, taken from an upper floor of Jackson school, with the school's playground in the foreground. The project will be liquidated this year, after nearly 14 years of providing "temporary" low-cost housing, originally for wartime defense employees. It will make way for a federal military reserve armory on a four-acre triangular plot (to the left out of the picture) and a 10-acre

recreational area, including a swimming pool in the area, shown to the right of the picture. Eventually the city will assume ownership of the area, and plans are being made to make it a city park, to complement Hawthorne park on the east side of the city, and usable in the school's recreation program. About 100 families still make their homes in the project, but the sub-standard buildings have deteriorated, and been condemned as fire hazards.

Former Chancellor Of Exchequer to Form Government

Queen's Choice OK With Right Wingers

London — (U.P.) — Harold MacMillan was named Prime Minister to succeed Sir Anthony Eden today.

MacMillan, 62, former chancellor of the exchequer and favorite of right wing Conservatives, was asked to form a new government by Queen Elizabeth II during a visit to Buckingham Palace this afternoon.

American Mother

Thus, just about 18 hours after Eden stepped down for reasons of health, the dapper son of an American mother was given the job of restoring Britain's prestige and economic stability after the Suez debacle. His rise to political prominence came only after World War II.

The jaunty MacMillan was picked over the other favorite contender for the job, R. A. (Rab) Butler, 53, lord privy seal and majority leader of the House of Commons. Right wing Conservative had opposed Butler on grounds he was "soft" in dealing with Egypt over the Suez crisis.

Sits With Chauffeur

MacMillan rode to Buckingham Palace to receive the mandate from the Queen. During the trip he showed his usual lack of formality. He sat up front with his chauffeur.

The audience lasted 20 minutes, and the Palace announced briefly:

"The Queen received the right honorable Harold MacMillan, M. P. in audience this afternoon and offered him the post of Prime Minister and first lord of the treasury."

Kissed Her Hands

Mr. MacMillan accepted her majesty's offer and kissed her hands upon his appointment.

The decision to name a Prime Minister belongs to the Queen alone. But usually she picks a man who can muster a majority of the House of Commons.

In this case, with the Conservatives holding a 58-seat edge in the house, she chose MacMillan because he seemed able to rally fellow party members behind his policies.

State Democrats Behind Pearson

Portland — (U.P.) — Republicans had the "word" today — that Democrats were solidly behind State Sen. Walter Pearson of Portland for president of the upper chamber in Oregon's Legislature.

The makeup of the Senate is evenly divided, 15 Democrats and 15 Republicans. So far neither side has budged from its position backing either Pearson or Republican Warren Gill of Lebanon for the important post.

Some Republicans had favored uniting behind some other Democratic member of the Senate with the names of Sen. Harry Bolvin of Klamath Falls and Sen.-elect Alfred Corbett and Ward Cook of Portland mentioned.

However, letters signed by all 14 Democratic senatorial colleagues of Pearson were received yesterday by the 15 GOP senators. All pledged support to Pearson.

The motion was based on an affidavit charging discussion of one of the defense witnesses had taken place in the courtroom within hearing range of at least two jurors.

Counter Motion

Walter D. Nunley, former district attorney representing the state in the case, filed a counter motion and the two attorneys argued the motions in the judge's chambers for about 30 minutes. The jury was then called into the courtroom and Judge Millard asked if they had heard any discussion of the case. The jurors indicated they had not and the judge denied the motion. If it had been granted, the jury would have been dismissed, a new jury called and the case presented again from the beginning.

Today's session was recessed at 11:10 a.m. after one of the jurors indicated she had be-

Weather

FORECAST: Occasional rain or rain and snow mixed in valley, snow in mountains through Friday. Low tonight 35. High Friday 46.

TEMPERATURE
 Highest Yesterday 42
 Lowest This Morning 25

"Say, What If She Doesn't Want Her Honor Protected?"



Arrest of Ambuehl Described at Trial

Dennis Anthony Kittle, 22-year-old former resident of the Plaza apartments, today gave to a circuit court jury his version of events leading to the arrest on July 18 of Donald LaVerne Ambuehl.

Ambuehl is on trial on a charge of illegal possession and control of narcotics.

Kittle said he approached the Plaza apartments building about 3:30 a.m., July 18 and started to go to his living quarters there. He said someone he didn't know asked him to remain outside the building. He later learned the request was made by a police officer.

The witness said he sat on the bumper of a car in the parking lot and read a magazine before joining five police officers in a car. While in the car, he testified, he heard someone say, "That's the signal." He said two men ran up to the apartment building door with blackjacks and two others stood nearby holding guns.

Kittle said the officers left the entrance in about 20 minutes. Two returned to the car in which Kittle was sitting and Kittle quoted them as saying something had "gone wrong." The witness said he had not observed a signal.

He said he saw Mrs. Leona (Loma) Scott, who occupied an apartment there, leave the building and go to her car. He said an officer talked to her for a few minutes before she drove away. Kittle added some of the officers said they wondered if Mrs. Scott was "backing out" of the deal. He quoted State Police Lt. Paul Morgan as telling the other officers there was "nothing to worry about," that "he" would be out in about a half-hour and would have the "stuff" with him.

Leave Building

Kittle told the jury he saw Ambuehl leave the building and approach his car. He said he and the officers got out of the police car and the officers approached Ambuehl's vehicle. He denied that Lt. Morgan had identified himself and shown his badge to Ambuehl, in contrast to testimony by Lt. Morgan and other officers. Kittle also said the officers had guns in their hands when they approached Ambuehl.

Circuit Judge Orval Millard, who is presiding at the narcotics trial, yesterday denied a motion for mistrial filed by Defense Attorney Edward Kelly.

Damage was heavy but no one was injured in the six separate explosions.

The series of pre-dawn blasts touched off a flurry of police activity and an FBI investigation. It brought a personal inspection of bombed buildings by Gov. James E. Folsom.

Folsom said the bombings were the "work of anarchists" and offered a \$2,000 reward for information leading to conviction of the terrorists. He put state police "at the command of all local officials" in Alabama to combat racial terrorism.

Bus Operations Halted

"Any group or groups of persons that will stoop to bomb the house of worship endangers the lives of every man, woman and child in this state," Folsom said.

Mayor W. A. Gayle promptly halted all city bus operations, which have been targets of sniper fire since segregation on buses was ended here by court order more than three weeks ago.

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Commission To Study Financial System Requested

4,000-Word Report On State of the Union

Washington — (U.P.) — President Eisenhower urged business and labor today to go easy on price and wage increases.

Warning against dangers of inflation, he also proposed that Congress create a special commission to determine whether the present American financial system provides adequate credit for those who need it.

Those were two of the highlights of a 4,000-word report on the state of the union which the President delivered personally to a joint session of Congress.

Concerning the state of the world, the President said surging nationalism by peoples determined to be independent and a tide of "revulsion and revolt against tyranny" are "heralding a new epoch in the affairs of mankind."

But he warned that "the existence of a strongly armed imperialistic dictatorship poses a continuing threat to the Free World and thus to our own nation's security and peace."

Urges School Construction

So, he said, the United States must do what it can to strengthen its friends both economically and militarily. He said "all free nations are our neighbors," and "America's vital interests are worldwide."

The President also called for: 1. "High priority" action by Congress "to meet emergency needs for more classrooms" throughout the country for "children of all races." In urging passage of school construction legislation "without delay," the President expressed hope "that this program can be enacted on its own merits, uncomplicated by provisions dealing with the complex problems of integration." Such provisions killed school aid legislation last year.

2. A "reliable" international agreement to reverse the trend "toward ever more devastating nuclear weapons," to ease the world's armament burden, and "mutually control the outer space and satellite development."

Wants Mid-East Authority

3. Congressional approval of his request five days ago for authorization to use force if necessary, to prevent "Soviet aggression in the Middle East." He said this is "of vital and immediate importance" to world security and peace. The President said he hopes to establish "a climate in which constructive and long term solutions to basic problems of the area may be sought."

Mr. Eisenhower reported the economy "expanding and fundamentally sound," but still threatened with inflation.

For that reason, he asked business to "avoid unnecessary price increases" and labor to seek only those wage hikes based largely on "improvements and productivity."

Money for Homes

He pledged government to do its share to control inflation, "the thief that can rob the individual of the value of the pension and social security he has earned during his productive life."

By exercising "self discipline," he said, business and labor "can powerfully help counteract" forces which "threaten a steady depreciation of the value of our money."

In apparent reference to current credit stringencies of the kind which are cutting into construction of new homes, the President asked Congress to authorize a commission to study whether the U. S. financial system

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Distribution Plan Receives Support Of School Board

The Medford school board this week unanimously approved support of the proposed basic school distribution plan as recommended by a state board of education committee studying the problem.

The proposed plan would change the present school program by establishing a minimum basic public education program at an equalized cost to taxpayers of the state. Under the present system, some more wealthy districts in the state have a lesser school tax than poorer districts.

The board also authorized School Superintendent Leonard Mayfield and the staff to prepare a budget for the 1957-58 school year. An election on the budget has tentatively been set for sometime in May, board members said.

Meetings Scheduled

Meetings were scheduled with four Medford architects to discuss future building needs, sites and plans for proposed new elementary schools in the district. Letters and application forms were sent to local architects by the board for an expression of interest in working on proposed new schools here.

Board members pointed out it was necessary to start work on planning new elementary schools because increased population has caused crowded conditions in some schools.

A contract for Assistant Superintendent Elliott Becken was renewed for three years.

Armory Is Planned at Housing Project Site

Plans for the construction of a federal armory for the use of the armed forces reserve units on part of the Jackson County Housing authority site were revealed today.

In addition, Mark Goldy, executive secretary of the authority reported on plans for development of a recreational area with a public swimming pool on the portion not used by the armory, and eventual liquidation of the authority itself.

Goldy this week sent to the government a permit which will allow surveys to be made of the suitability of the area for an armory. Test borings for foundation construction, and other examinations, began yesterday.

Armory Site

In reporting the plans, Goldy said they will involve the extension of Columbus ave. north from its present dead-end at Jackson Blvd., through to McAndrews rd. The armory site would be on the triangular area of about four acres west of McAndrews.

The rest of the authority area, east of Jackson and Priddy and north of Jackson school, totaling about 10 acres, will ultimately be turned over to the city. Before that, however, the authority plans to construct a swimming pool. After the authority turns the area over to the city, it could be used for a new city park, operated in the summertime by the city and in the winter by the Medford school district in connection with its school recreation program.

Both the city and school district have discussed these plans, and concur in them.

Reside in Project

About 100 families still reside

Recurring Showers Forecast for Area Tonight, Friday

Recurring shower activity during the next 36 hours was forecast today after a storm front moved across southern Oregon bringing snow to higher elevations.

The storm front which was expected to bring showers and colder air late yesterday hovered off the coast, where the storm center still is located today. The front early today was the first of at least two from the storm, weather bureau officials said.

Mixed snow and rain are expected in lower elevations with snow in the mountains.

Temperatures are expected to remain about the same in the Rogue valley, with maximums reaching into the higher 40s.

State police reported this morning that Highway 199 will be closed at dark today because of a slide near Patrick's creek. The slide closed the highway late yesterday, and highway department crews cleared the highway enough for one-way, delayed traffic this morning.

Because of the danger of recurring slides at the location, traffic will be prohibited on the highway tonight, state police said.

Traffic was moving without chains on most mountain highways this morning, police said, but they advised motorists to carry chains. Conditions are expected to worsen tonight.

Chains were advised on Highway 62 through Crater Lake National park and required from Annie Springs to the rim. One inch of new snow fell at the park last night, bringing the total depth to 45 inches.

Spots of packed snow and ice were reported at Prospect, on the Siskiyou, Green Springs, and some highways in the valley this morning.

Great Decisions Meeting Tonight

A public meeting to discuss "Great Decisions . . . 1957" will be held at 8 p.m. today in the courthouse auditorium.

Dr. Clifford Miller of Southern Oregon college will speak concerning the eight foreign policy "areas" to be discussed by informal discussion groups during the eight-week Great Decisions program.

Mrs. Mabel C. Mack, Corvallis, assistant director of the Oregon State college extension service, and Dr. Curtis Reid, head of the department of visual instruction, general extension division, Portland, also will talk.

All persons interested in the informal study of United States foreign policy have been invited to the meeting.

Honolulu — (U.P.) — The Coast Guard has reported that the Honolulu freighter, Charles E. Dant, stricken Wednesday in heavy seas 1,000 miles northwest of here, is out of danger.

Improvements on Telephone Exchanges In County Progressing on Schedule

Work on widespread improvements in the Rogue valley by Pacific Telephone and Telegraph company's six exchanges is progressing on schedule, according to Jack Creager, Medford manager of PT&T.

Improvements costing more than \$645,000 will include establishment of a new exchange at Phoenix-Talent; enlargement of direct toll-free calling areas for Medford, Ashland, Central Point, Gold Hill and Jacksonville exchanges; and the new Phoenix-Talent exchange; and changing to new telephone numbers that have a prefix name and five numerals in Medford, Ashland, Phoenix-Talent, Gold Hill and Jacksonville.

Creager said contractors are putting the finishing touches on the interior of a two-story and basement addition to the company's central office at 502 North Central ave., Medford.

Work has already been completed on the new Phoenix-Talent dial office and an addition to the dial building at Gold Hill.

In Medford, Western Electric installers are rearranging equipment to handle the new telephone number and the expanded calling area, Creager said. Additional switching equipment also is being installed. Eighteen men have been working at the Medford office under the direction of J. F. Buckley, installation supervisor, for the past three months.

At the Phoenix-Talent exchange, building installation of switching equipment has been completed, and installers are wiring and testing equipment. Les Wilson, Western Electric supervisor, is in charge of the 10-man crew working there.

Other Western Electric crews are working in Ashland, Central Point, Gold Hill and Jacksonville. Creager said, making necessary equipment rearrangements for new numbers and extended calling areas.

Six cable projects which are part of the improvements in the Medford, Phoenix-Talent and Gold Hill exchanges are about 80 per cent complete, he said.

Acheson Says Ike's Doctrine Dangerous

Washington — (U.P.) — Dean Acheson said today that President Eisenhower's Middle East doctrine is too dangerous "even to be hinted at."

The former Democratic secretary of state denounced Mr. Eisenhower's request for congressional authority to use force, if necessary, against Soviet aggression in the Middle East.

Acheson told the House Foreign Affairs Committee that the request "sounds perilously like another approach to the brink."

He said the effect would be to give the President authority to use atomic weapons if he felt that necessary. Acheson called this "reckless," adding that "there can be no bluff here."