

# IKE PROPOSES RECORD SPENDING

## Oregon Democrats Claim Election of Walter J. Pearson

Lowry Joins Voices Disclaiming Results

Salem—(U.P.)—The Democrats claimed today, in the hottest meeting of the session so far, to have elected Sen. Walter J. Pearson of Portland as president of the Senate.

The vote was 15 to 14 in favor of Pearson over Sen. Warren Gill, Lebanon Republican. The Democratic contention of having elected Pearson came while Republican Sen. Rudie Wilhelm Jr. of Portland was absent, presumably in Portland on personal business.

But Sen. Howard Belton of Canby, temporary chairman, ruled that the Senate was still operating under the caucus rules set down Sunday night which specified it would take 16 votes to elect.

### Full of Fireworks

In a session which saw more parliamentary fireworks than some entire legislative sessions, Sen. Monroe Sweetland, Milwaukie Democrat, demanded that the chairman declare Pearson elected Senate president.

Sen. Phil Lowry, Medford Republican, shot back that "technically we are not yet organized as a Senate but are still in caucus. In fact, it seems that as of now we are neither fish nor fowl."

Sen. Belton declared a 30-minute recess, and even this was appealed by the Democrats. But during the ensuing rollcall, all the Republicans walked out, and Sen. Belton ruled there was no quorum present. He said it took 20 members to make a quorum. Asked by Sen. Sweetland on what grounds, Sen. Belton banged his gavel and said the recess was on.

### Regular Business Stymied

It appeared to observers and was voiced by some senators that the Senate was no nearer to being in agreement on committee assignments and choice of president than it was when the caucus opened Sunday night, on the eve of the 1957 session.

A record deadlock in organization was threatened. While racor reminiscent of the closing days rather than the opening days of the session cropped out, the regular business of the Senate was stymied while the 15 Republicans and 15 Democrats attempted to agree on a compromise formula.

Meanwhile, special and more severe penalties for selling or dispensing narcotics to minors were advocated today in the second bill to be introduced in the House of the Oregon Legislature. The bill was introduced by Rep. Fred Meek, Portland Republican; Joe Rogers, Independence Democrat, and Eddie Ahrens, Turner Republican.

### Insurance Bills Introduced

Three other bills relating to insurance companies were introduced today by request of the Department of Insurance.

One would require insurance companies being examined by the department to compensate the examiner for his salary and expenses; another would require a trust deposit of \$350,000 for insuring with an insurer of less than \$500,000 assets.

The last bill would permit temporary licensing of out-of-state insurance adjusters in cases of catastrophe.

### DOW-JONES AVERAGES

New York—(U.P.)—Dow-Jones final stock averages: 30 industrials 485.05, up 0.30; 20 railroads 153.75, off 0.52; 15 utilities 69.69, up 0.36, and 65 stocks 171.80, up 0.10. Sales today were about 2,210,000 shares compared with 2,370,000 shares Tuesday.

Washington—(U.P.)—President Eisenhower does not plan to hold a news conference Wednesday.

## New Building Planned for County Red Cross Chapter

A new building for the local chapter of the American Red Cross will be presented by Mr. and Mrs. A. S. V. Carpenter, Red Cross officials announced at an executive board and budget committee meeting this week.

The building will be built on three lots facing Hawthorne park, and will consist of administrative quarters and sufficient space for volunteer services. An auditorium will be made available for community use, Red Cross officials said.

Harlow Carpenter, the Carpenter's son, has drawn initial plans for the building, they said.



ARTURO TOSCANINI Slips Away Quietly

## Arturo Toscanini, 89, Dies in Sleep At New York Home

New York—(U.P.)—Arturo Toscanini, 89, whose genius as a conductor of operas and symphonies thrilled the world for 68 years, died today in his sleep. He had suffered a stroke New Year's Day.

Death came to the beloved, white-haired maestro at his luxurious Riverside home in the Bronx, apparently as a nurse tried to awaken him. He had been confined to his bed for three days.

"He just slipped away very quietly and very peacefully," his physician, Dr. Waldo Farnum, said. "He suffered no pain."

**Body To Be Taken To Italy**  
A family spokesman said Toscanini's body would be taken to Milan, Italy, for burial beside that of his wife, Carla, who died in 1951. Final rites, probably private, will be held here, but definite arrangements have not been made.

Members of the Toscanini family gathered around the maestro for the holidays and were with him when he died. At his bedside were his son and constant companion, Walter, his two daughters, Mrs. Vladimir Horowitz, wife of the noted pianist, and Countess Wally Castelbarco, and two grandchildren, Miss Sonia Horowitz, and the Duchess Emanuela d'Acquarone.

**'Remarkable' Comeback**  
Farnum said Toscanini, who had lived in strict retirement since 1955, had a "remarkable" comeback after suffering a cerebral thrombosis Jan. 1 but probably had suffered two or three slight strokes since then. Friends said Toscanini's sight also had failed.

The Italian-born Toscanini conducted his last concert in public April 4, 1954, in Carnegie Hall. He led the NYC Symphony Orchestra, which had been created for him, through the "Die Meistersinger" overture, let the baton drop from his hands, and walked off the stage without any hint that it was his last appearance.

### New Texas Senator To Vote With Democrats

Washington—(U.P.)—Newly appointed Sen. William Blakley (D-Tex.), has killed Republican hopes that he might vote with them to give the GOP control of the Senate.

Asked if he would vote with the Democrats on organization, he said: "Sure, I'm a Democrat."

## Weather

**FORECAST:** Clear through Thursday except valley fog patches near sunrise. Colder tonight. Low 20-25. High Thursday 45. Temp. Highest Yesterday 52. Lowest this Morning 29. Precip. in 24 hr. 0.01. Sunrise 7:18 a.m. Sunset 5:05 p.m.

### Our Skies Tonight

The Moon rises at 4:15 p.m. and is in Perigee. Last Quarter. JUPITER rises at 10:53 p.m. and will be high in south at 1:33 a.m. Tonight it begins a slow westward movement among the stars that will continue until May.

## Talent Funds Sought

51st Year MEDFORD TRIBUNE Price 10c  
United Press—Full Leased Wire  
16 Pages MEDFORD, OREGON, WEDNESDAY, JANUARY 16, 1957 No. 255

## Kenwood-Grandview Area Annexed by City

The Medford city council last night annexed the Kenwood-Grandview district to the city after a public hearing in which no Medford residents voiced opposition.

The annexation is the second large area taken into the city within a year. Last summer, about 1,191 acres in southeast Medford was annexed. The Kenwood-Grandview and southeast Medford areas almost double the number of acres now within the city.

The Kenwood-Grandview district is about 1,506 acres, bringing the total acreage of the city to about 5,002 acres. Population in the Kenwood-Grandview area has been estimated at 1,300, bringing the total population of Medford to about 21,350.

### Objection From Area

The Kenwood-Grandview area was annexed after Edward Kelly, Medford attorney, representing several property owners

in the Lone Pine area of Kenwood-Grandview, told the council "it would only be in the public interest to annex the proposed area apart from the Lone Pine section."

Kelly said the chief reason Lone Pine residents objected to annexation was because they are all farmers and had their own water service as well as septic tanks. They are already heavily taxed and taxes would increase from 77.9 to 116.6 mills upon annexation, according to Kelly.

He presented to the council a petition signed by 61 residents of the Lone Pine area protesting annexation. This was almost all residents in the area, he said.

The Medford attorney quoted a recent decision by the Oregon Supreme Court on a General Electric vs. Estacada case in which an annexation was ruled void for violating state law. A city can annex for legitimate purposes but cannot reach out to take any land it wants, Kelly said.

Kelly suggested the council temporarily reject the annexation proposal. He requested after council investigation into the Lone Pine situation a second hearing be called and that area be omitted.

City Attorney E. R. Bashaw pointed out it might be legally possible to eliminate Lone Pine from the annexation area but that legal exploration would first be necessary. He added to alter the proposed annexation area the city would have to submit the question again to residents in the area in another election.

The matter was brought to a vote when Councilman Don Hansen commented it would be to the "long range" advantage of residents in the Kenwood-Grandview districts that the area be annexed.

The annexation is effective after 20 days.

(See Council story page 7)

## Lack of John Day Funds 'Shocking' To Oregon Demos

Washington—(U.P.)—Oregon Democrats in Congress today were indignant over the failure of President Eisenhower to include funds for John Day dam in his budget for the next fiscal year.

Sen. Wayne Morse said he was "shocked" and Rep. Edith Green said the President showed what she called a "shocking attitude." Mrs. Green said "either Sherman Adams has not told the President the outcome of the elections or the President has been told about the audacity of Pacific Northwest voters and has decided to administer them fatherly chastisement."

**To Write Funds in Bill**  
Both Rep. Al Ullman of Baker and Mrs. Green said the Oregon House delegation would write into the public works appropriations bill construction funds for John Day dam.

At least one Republican, Rep. Russell Mack of Washington, said "if it had not been for the omission of John Day dam, this would be a fine public works budget for the Northwest."

He added, "... we must go ahead with construction of John Day if we are to avert a power shortage in the early 60s. I am very hopeful that Congress will put some money in for this project, despite the President's failure to recommend it."

(See Story on Page 5)

## Detention Home Plans Are Changed

Several changes were made by the county court yesterday in the proposed plans for the juvenile detention home.

In a meeting with representatives from the state fire marshal it was necessary to change the width of the proposed corridor in the detention area to meet state fire regulations. An electric lock system in the detention area also was added at a cost of between \$1,800 and \$1,900, the county court said.

The changes were approved by the county court and incorporated into the plans.

Building plans will be submitted for bids Jan. 18. Bids will be opened Feb. 15.

## Snider Asks History Of Off-Street Parking

Mayor John Snider last night asked Councilman Fred Robinson to prepare a summarized history of Medford's off-street parking situation for use by the council.

Snider said it will be part of a renewed effort by the city to find a solution as soon as possible to the parking problem.

Medford voters defeated a proposed off-street program in the November general election.



FRANK VAN DYKE Named Chairman

## Medford Attorney Named Chairman of Education Group

Frank J. Van Dyke, Medford attorney and former member of the Oregon State board of higher education, will become chairman of the Western Interstate Commission for Higher Education Feb. 1.

He will succeed Dr. Ward Darley, president of University of Colorado, who will resign the chairmanship. Van Dyke, named vice chairman last year, will complete Darley's unexpired term which ends next August.

The commission was established in 1950 in an attempt to increase cooperation between institutions of higher learning in the West. It is made up of representatives from 10 western states and Alaska.

Oregon's other representatives on the commission are Dr. John R. Richards, chancellor of the state system of higher education, and former State Senator Lowell Steen of Milton-Freewater.

The commission has developed an interstate exchange program which makes it easier for students to cross state lines to take advantage of specialized training offered in other western colleges and universities. It has also undertaken surveys in the west of the needs of dentistry and mental health training resources and research.

Van Dyke was appointed to the commission in 1955. He served on the state board of higher education from 1950 to 1953 and was a state legislator from 1943 to 1949.

## \$76 Million Asked For Drought Relief

Washington—(U.P.)—President Eisenhower asked Congress today for a \$76 million program of emergency drought relief including direct government loans to farmers.

His program was contained in his annual budget message to Congress.

## "You Must Tell Me About Your Work Sometime, Dear"



## \$6 Million Asked To Continue Work In TID Project

Message Includes Access Road Funds

By A. ROBERT SMITH

Washington—President Eisenhower asked Congress today for \$6,041,000 to carry on construction of the irrigation works of the Talent project.

In his annual budget message he also asked for increased funds for O&C forestry management and access roads to increase timber cutting.

The budget also contains \$101,000 for fish protective facilities at Savage Rapids dam.

### Progress Payments

Funds for Talent project work in the fiscal year which starts July 1 would provide for progress payments on the first section of Howard Prairie delivery canal and award of construction contracts and progress payments on second and third sections, as well as the Ashland, East, and Talent laterals.

Progress payments are also scheduled on the Green Springs power plant and related equipment and the award of a contract for the Cascade Divide tunnel and inlet structure.

The program also provides for the completion of rights-of-way acquisition for the Howard Prairie dam and reservoir, partial clearing of the reservoir area, continued relocation of county and forest service roads and progress payments on the prime contract for the Howard Prairie dam.

Completion of field data and preparation of designs and specifications is programmed for the Emigrant dam and reservoir. The prime contract for this feature is scheduled for award late in the fiscal year.

Progress payments on the prime contract for Keen creek dam and reservoir are also scheduled, as is the relocation of existing property connected with this feature. Payments are also programmed on the 0.7-mile tunnel of the south fork collection canal. Field data will be compiled and clearing of right-of-way is programmed for the Daley collection canal. A contract is scheduled for award during the fiscal year on the Dead Indian collection canal.

Contract progress payments are programmed for the Green Springs power plant switchyard, as is a portion of the cost of the fish screens at Howard Prairie dam and the purchase of maintenance equipment.

### Budget Jacked Up

Bureau of land management's forestry management budget has been jacked up to \$5,374,700 from \$3,981,000 this current year.

"The 1958 program will permit selling 920 million board feet of timber having a stumpage value of \$29,300,000 compared to 820 million board feet in 1957 having a stumpage value of \$27,000,000. An expanded program of reforestation will be undertaken," the president's message said.

O&C access road funds would go up to \$6,500,000 from \$4,600,000 to result "in more timber becoming available on the market." This money is repaid the government by the O&C counties.

Another recommendation which may affect the lumber industry was a request that interest rates on GI home loans be increased from 4 1/2 to 5 per cent to match a similar increase in FHA rates two months ago. Lumber trade officials here have urged this, saying it would stimulate new housing starts by easing the tight mortgage money market.

## Housing Sought for Hungarian Refugee

The First Presbyterian church is sponsoring a 20-year-old single Hungarian refugee, but it has been unable to locate a suitable place for him to get room and board at a reasonable price, according to church officials.

The Hungarian is now in Portland, where he arrived with a group of other refugees. A job in Medford has been arranged for him by the church, but he will not arrive here until adequate housing has been arranged, officials said.

Anyone who has adequate facilities to board of refugee has been asked to call Mrs. John Henson at 2-5642.

## TAX REDUCTION HOPES DASHED

Washington—(U.P.)—President Eisenhower today proposed a \$71.8 billion spending budget—the biggest ever in peacetime America.

He said three-fifths of this huge amount is necessary to provide U.S. and allied strength "to deter and, if need be, to defeat aggression" in this still uncertain world.

He ruled out any general tax cut this year despite a small projected surplus. He asked for higher postal rates.

The President's Secretary of Treasury, George M. Humphrey, emphatically called for reduced spending and tax cuts in future budgets.

If this isn't done, "we'll have a depression that will curl your hair," said Humphrey without committing himself to any definite time element. He held out cautious hope that tax cuts could be started next year.

Humphrey made it plain to reporters that the record spending proposed in the new budget for 1958 was distasteful to him, although he went along with it.

The official budget itself was presented to Congress with a message from the President, which was read by clerks.

The Eisenhower budget was studied with records for spending exceeding those of peacetime Roosevelt and Truman years—for U.S. armed forces (\$38 billion), for farm programs, for atomic and others.

### In Black for Third Year

His new budget for fiscal 1958 was in the black for the third straight year. The surplus of revenues over spending was estimated at \$1.8 billion for the new year starting next July 1.

But to help check inflation, Mr. Eisenhower said, the surplus must be used further to reduce the federal debt which now stands at \$275.7 billion.

"The prospective budget surplus in the fiscal year 1958 will reinforce the restraining effect of present credit and monetary policies," he said in a new warning of inflation dangers.

Mr. Eisenhower asked an increase of \$654 million in postal rates. His budget message did not give any details, but they were sure to include one or two cents more for a first class letter.

Congress turned down such a request last year. His chances were considered better for getting it this year.

Of the total spending, about six-fifths—\$45.3 billion—would be for national security, including military and economic aid to U.S. allies. U.S. armed forces would get \$38 billion. These programs, he said, will "provide a wise and reasonable degree of protection for the nation."

In addition to the big defense budget, Mr. Eisenhower called for the highest spending ever on atomic energy and farm programs. Atomic energy funds were hiked by \$400 million to \$2.3 billion for military and peaceful purposes. Agriculture spending was increased by \$300 million to \$5 billion.

Sizeable increases also were asked for veterans benefits, improved air safety and development of natural resources.

### School Plan Telescoped

Mr. Eisenhower telescoped his five-year \$1.2 billion school construction program into a four-year plan. It died in Congress last year because of the segregation issue. He estimated spending next year on school construction at \$185 million if Congress now agrees to start the program.

All these things, and more, pushed the total spending estimate up \$2.8 billion over the current fiscal year.

About seven-tenths of the increase went to the military. It resulted largely from the high cost of "new and more powerful weapons" such as guided missiles with atomic warheads. The missile budget rose from \$1.5 to \$2 billion.

Mr. Eisenhower said U. S. military forces also must be equipped with conventional weapons during the period of switching to the new ones.

The military funds were divided: \$17.5 billion for the Air Force, \$10.3 billion for the Navy and \$9.1 billion for the Army—all to maintain them as a "bulwark for world peace and security."

### To Push Development

The President made clear that the development of atomic and hydrogen weapons will be pushed until an ironclad disarmament agreement is reached with Russia.

"Our nuclear weapons and our ability to employ them," he said, "constitute the most effective deterrent to an attack on the free nations."

"We shall continue to expand our nuclear arsenal until an agreement has been reached for reduction and regulation of armaments under safe-guarded inspection guarantees."

The whole 1958 budget stacked up against 1957's like this:

Receipts	1958	1957
Expenditures	\$73.6	\$70.6
Surplus	1.8	1.7

While proposing record spending, Mr. Eisenhower emphasized

the importance of government, business and labor doing their utmost to curb inflation.

Government can do its part by practicing all possible economies and deferring a tax cut, he said. For this reason, he said, he recommended against some "desirable construction projects."

### No Tax Relief This Year

While taxes "must be retained at the present rates," he said, Congress should consider some tax relief for small business "with a minimum loss" of federal revenue.

Decreases in tobacco, liquor, auto and corporation taxes scheduled for April 1, he said, must be postponed for another year.

Stating that his revenue estimates were based on continued

### Tax Dollar Sliced

#### Under Ike's Budget

Washington—(U.P.)—Here is where your tax dollar would go under President Eisenhower's fiscal 1958 budget:

National Security: 58 cents. This includes the military, aid to allies, atomic energy. Interest on federal debt: 10 cents.

Veterans benefits: 7 cents. Agriculture: 7 cents. Debt retirement: 2 cents. All other programs: 15 cents.

And here is where the budget dollar would come from:

Individual income taxes: 51 cents. Excise taxes: 12 cents. Customs and other receipts: 8 cents.

prosperity, Mr. Eisenhower said "the prospect for continued economic growth is bright."

The current prosperity was reflected in an increase of \$828 million in 1957 revenue over the August estimate. It resulted mainly from increased receipts from the personal income tax.

Mr. Eisenhower's budget message included a number of legislative recommendations.

It proposed that the interest rate on veterans' home loans be increased from four and one-half to five per cent in an effort to induce investors to make more money available for such loans.

It asked Congress to approve a natural gas bill similar to the one Mr. Eisenhower vetoed last year because of what he called "arrogant" lobbying for it. The bill would ease federal regulation of gas producers.

### Statehood Recommended

The President also recommended statehood for Alaska and Hawaii, additional federal judges, a new corn acreage program, authority to barter farm surpluses to Iron Curtain countries, easier credit for small businesses, and lowering of the voting age.

(See stories on page 5)

## 1,109 Children Given Polio Shots Tuesday

A total of 1,109 children received Salk anti-polio vaccine yesterday under the Jackson County Medical Society's free

## Vaccine Schedule

Thursday, Jan. 17, 9 a.m. until noon: Ruch school, Evans Valley school, Roosevelt grade school, Medford; Walker grade school, Ashland; Elk-Trail school.

vaccine program, according to Dr. A. Erin Merkel, county health officer. Coupled with 802 on Monday, 1,911 were vaccinated in the first two days of the program.

At Phoenix yesterday 101 school students were vaccinated, with 13 pre-school children; Gold Hill had 138 students and 43 pre-school children; Medford Senior high school had 409 students and five pre-school children, and Rogue River had 300 students and 50 pre-schoolers.