



Ike Promises Cash Surplus

State of the Union Message Applauded

Washington—UPI—President Eisenhower told an applauding Congress today that his budget for the next fiscal year will provide for a \$4,200,000,000 surplus of revenues over \$79,800,000,000 in spending.

Eisenhower said the \$4,200,000,000 excess of income over outgo would "be applied against our national debt."

While the chief executive did not propose any tax reductions in his State of the Union Message, he said tax cuts could follow in future years if surpluses become "a regular procedure."

The President's budget surplus announcement was a surprise last-minute addition to a 49-minute address in which he also urged House and Senate members to end "wrangling" and work with him in his last year in office for peace in the world and unprecedented prosperity at home.

Lawmakers and spectators at the joint session of Congress applauded at length when Eisenhower said that one way for the government to counter inflation and rising prices "is to insure that its expenditures are below its revenues."

He said that "despite the unsettling influences of the recent steel strike, we estimate that our accounts will show, on June 30, this year, a favorable balance of approximately \$200 million."

He solemnly reminded Congress that the nation is still faced by "nagging disorders" such as inflation, farm problems, violations of civil rights, and a need to protect the public interest in labor-management strife.

The President, speaking in firm, vigorous tones, was interrupted at a number of points by applause from the crowded House chamber.

Report Laced with Caution

The President's address, charting the goals for his last 12 months in office, was largely a good news report. But it was laced with caution.

Eisenhower said Russia's recent behavior pointed to "the possible opening of a somewhat less strained period" of world relationships. But he emphasized that the results would depend on Moscow's deeds.

Departing from his prepared text, the President revealed that the 1961 budget he will propose to Congress later this month will call for a spending total of \$79,800,000,000.

This was a slightly lower figure than had been expected, although a bit higher than this year.

He predicted the current fiscal year will have a surplus of \$200 million, and said the new budget will be balanced.

"Wrangling" Said Time Stealer

Eisenhower promised to dedicate himself to "a close and constructive association with the Congress." Then he sternly added that "irrelevant interbranch wrangling" can only steal time from performance of the job ahead.

In his 7,200-word message, the President:

—Declared that "1960 promises to be the most prosperous year in our history," with the government winding up this fiscal year next June with a \$200 million surplus despite lower revenues because of the steel strike.

—Promised a balanced budget for fiscal 1961 but said nothing about lowering taxes.

—Disclosed for the first time that this country's Atlas ballistic missile has been hitting within two miles of target on test after test over distances of more than 5,000 miles.

—Said the world stands in the vestibule of a vast new technological age—"one that, despite its capacity for human destruction, has an equal capacity to make poverty and human misery obsolete."

—Proposed no new labor legislation, but said he intends as a consequence of the long steel dispute "to encourage regular discussions between management and labor outside the bargaining table" to protect the public interest.

Asks Improved Farm Legislation

—Urged "every possible effort" by steel unions and management to avoid a steel price increase.

—Said farm law is woefully out of date, ineffective and expensive, and urged Congress to enact legislation that would curb costly surpluses and achieve higher net farm incomes.

—Urged civil rights legislation, including right to vote guarantees.

—Summoned the nation to an all-out battle against inflation.

—Called for congressional action on his request for school legislation "designed to stimulate classroom construction, not by substitution of federal dollars for state and local funds, but incentives to extend and encourage state and local efforts."

—Said there is an "immediate need" for all industrial countries of the Free World to cooperate in helping to life "the scourge of poverty from less fortunate nations."

Pleading that "wrangling" be put aside and pledging "close and constructive association with the Congress," the President said:

"My deep concern in the next 12 months, before my successor takes office, is with our joint congressional-executive duty to our own and other nations . . . I shall devote my full energies to the tasks at hand, whether they involve travel for promoting greater world understanding, negotiations to reduce international discord, or constant discussions and communications with the Congress and the American people on issues both domestic and foreign."

No Doubt on Survival Ability

He told Congress: "Every minute spent in irrelevant interbranch wrangling is precious time taken from the intelligent initiation and adoption of coherent policies for our national survival and progress."

There were no doubts by the President on the ability of this nation to survive and progress, but he said the process would not be easy "in a divided world of uneasy equilibrium" where mankind approached a state of possible mutual annihilation.

Eisenhower was hopeful but cautious about relations with Russia. He thought recent Soviet "deportment and pronouncements suggest the opening of a somewhat less strained period" between East and West. He added, however:

"If these pronouncements be genuine, there is brighter hope of diminishing the intensity of past rivalry and eventually of substituting persuasion for coercion. Whether this is to become an era of lasting promise remains to be tested by actions."

He said that while the Free World could not afford to be "misled by pleasant promises until they are tested by performance," there still must be the effort to break what he called "the calamitous cycle of frustrations and crises which, if unchecked, could spiral into nuclear disaster, the ultimate insanity."

Lists Starting Points With Russia

Eisenhower cautioned against expecting "sudden and revolutionary results" in getting agreements with Russia.

"But we must find some place to begin," he said.

One road for a useful start, he said, is "in widening of communications between our two peoples."

Another may be through the reopening on Jan. 12 of negotiations for a nuclear test ban.

"Still another avenue may be found in the field of disarmament, in which the Soviets have professed a readiness to negotiate seriously," the President said. "They have not, however, made clear the plans they may have, if any, for mutual inspection and verification—the essential condition for any extensive measures of disarmament."

Eisenhower obviously mindful of Democratic criticism of his administration's defense policies, promised that no matter how earnest the quest for peace, America would remain militarily strong even while attempting to negotiate arms reduction.



IKE DELIVERS MESSAGE — President Eisenhower is shown delivering his State of the Union message to a joint session of Congress this morning. Seated behind the President are Vice President Richard Nixon and Speaker of the House Sam Rayburn. (UPI Telephoto)

Portland Paper Strike Labeled 'Battleground'

Mediation Rejected, Union Maintains

Portland—UPI—Top leaders of unions affected by Portland's newspaper strike met for three hours Wednesday and later issued a statement calling the dispute a "national battleground."

The union leaders accused publishers of rejecting "outside offers for fact-finding and mediation; offers not from the unions but from the Republican governor of the state (Mark Hatfield) and from a Democratic senator (Richard Neuberger)."

Publishers Blame Union

The publishers of the Oregon Journal and Oregonian replied that "the big international unions are largely, if not entirely, responsible for the tragic situation in which their Portland locals and Portland members now find themselves."

The strike began last Nov. 10 when the Stereotypers Union went out and members of other crafts observed picket lines. The two newspapers have continued to publish combined editions in the Oregonian plant.

Eight Officers Attend

Eight top international officers of unions attended the meeting. Included were Arthur Rosenstock, president of the American Newspaper Guild; Walter Turner, vice president of the International Pressmen's Union, and Roy Ellison, international representative of the Photo Engravers Union.

A union statement said "today we have begun laying out a comprehensive program. We will develop it at further sessions. We are not fighting a local publisher with local roots and responsibilities. We are fighting a national chain, and its Portland satellite."

Unions have announced they are studying plans to start a third newspaper here.

Publishers Reply

The statement by publishers said in part: "representatives . . . come to Portland from their eastern and California headquarters to weep crocodile tears over the predicament of their members in this community . . . and to launch a hypocritical attack against the New York owner of one of the two struck newspapers, who unlike the international union leaders, has always given his local representatives full power to negotiate." Samuel L. Newhouse of New York is owner of the Oregonian.

The publishers said James Sampson, international president of the Stereotypers, told local negotiators by telephone "that they could not even negotiate on one of the principal issues—the number of men to operate new machines—and could not arbitrate any issues."

"In contrast, the publishers had offered to negotiate or even arbitrate any and all issues," they said.

Vancouver Shipyard Sale Plan Called Off

Washington—UPI—The Maritime Administration has called off its proposed sale of a Vancouver, Wash., shipyard to a New York firm as a result of a government investigation which ended Tuesday.

The senator was cited last April and the arresting officer charged that Groener was going 70 miles per hour in a 20-mile-an-hour school zone, near Hayesville school.

Groener made the Circuit Court appeal after a District Court conviction.

Groener Guilty On Speed Charge

Salem—UPI—Circuit Judge George Duncan today found State Sen. Richard Groener (D-Milwaukie) guilty of a speeding charge and fined him \$35 plus \$5 court costs.

Groener announced immediately that he would appeal to the State Supreme Court.

Judge Duncan earlier had denied a motion by Groener's attorneys for dismissal of the charge.

The senator was cited last April and the arresting officer charged that Groener was going 70 miles per hour in a 20-mile-an-hour school zone, near Hayesville school.

Groener made the Circuit Court appeal after a District Court conviction.

Sanitary Service Withdraws Request For Variance for Landfill Site

The Jackson county planning commission received a letter Wednesday afternoon from the City Sanitary Service withdrawing its request for a public hearing on a proposed site for a sanitary landfill.

The Sanitary Service had acquired an option on property in the Upton rd. and Scenic ave. area several weeks ago and had petitioned the county court for a variance on the property for the sanitary landfill operation.

In the letter to the commission, it stated "that a substantial number of residents in the general area of Upton

Three Buildings Levelled by Fire At Stanfield

Stanfield, Ore.—UPI—Only frames of three buildings, including the Public Library, were left standing this morning after a roaring fire whipped through the downtown section shortly after midnight.

Damage from the blaze was estimated at \$60,000.

Firemen said the fire was apparently started in an over-heated motor at a cold storage market which stood between the library and a tavern. All three buildings were gutted.

The buildings were still smoldering at mid-morning and firemen said it would be about noon before the blaze was mopped up.

Load of Books Saved

The only things saved from the path of the flames were a juke box from the tavern and a truck load of books from the library.

Firemen were able to keep the flames from spreading to the Stanfield Irrigation District office building nearby.

About 35 firemen, aided by residents from the nearby communities of Hermiston and Echo, helped throughout the morning in freezing temperatures.

No one was injured in the blaze.

Groener Guilty On Speed Charge

Salem—UPI—Circuit Judge George Duncan today found State Sen. Richard Groener (D-Milwaukie) guilty of a speeding charge and fined him \$35 plus \$5 court costs.

Groener announced immediately that he would appeal to the State Supreme Court.

Judge Duncan earlier had denied a motion by Groener's attorneys for dismissal of the charge.

The senator was cited last April and the arresting officer charged that Groener was going 70 miles per hour in a 20-mile-an-hour school zone, near Hayesville school.

Groener made the Circuit Court appeal after a District Court conviction.

Bids Called for Highway 99 Work

Bids will be opened by the state highway commission in Salem Jan. 21 for a structure over Southern Pacific Railroad tracks and a county road near Rogue River.

The work is part of the Highway 99 freeway project between the Josephine county line and Gold Hill.

The work will include construction of a 686-foot reinforced concrete deck girder structure over the railroad tracks and a box girder structure over the county road about three-fourths of a mile west of Rogue River.

Children's Hospital Gets Football Check

Pendleton—UPI—A check for \$14,000, representing proceeds of the annual East-West class B Shrine high school football game here, was sent to the Portland crippled children's hospital today.

HURT IN FALL

William M. Grubbs, 1693 Brookdale ave., was reported in good condition at Rogue Valley hospital this morning following a fall from a carrier at the Medford Corporation. He was taken to the hospital by Medford Ambulance Service.

First Seasonal Job Layoffs Noted Here

The first seasonal job layoffs of any size in the lumber and construction industries in Jackson county were noted in the latter half of December, a month later than usual.

John J. Patton, manager of the Medford office of the state employment service, said in his monthly report today, that winter weather usually slows employment in this area in November.

Most of the layoffs are temporary and their duration will be governed by weather conditions, Patton said. At the end of December, unemployment in the county still was slightly below the level of a year ago, and was little more than half the total experienced two years ago, Patton said.

"In general," Patton said, "work has held up very well in this area, and there is no indication of any prolonged shutdowns of local operations."

Patton said it still is difficult to find well-qualified job applicants because of the high level of employment. The nationwide scarcity of people qualified in professional, semi-professional and skilled occupations is vividly portrayed by the many job openings listed, he added.

Openings are for qualified experienced persons and include public accountants, architects, chemists, teachers, engineers, pharmacists, tool designers, tool and die makers and many others. Detailed information on the positions is available at the local employment service office.

Funds Approved For Sewage Work

Ashland—Congressman Charles O. Porter and Senator Richard L. Neuberger said today the department of health, education and welfare has informed them that an application for federal assistance to enlarge the Ashland sewage disposal plant has been approved.

Total cost of the project will be about \$350,000, according to Ashland City Superintendent E. C. Biegel. The federal government will provide \$79,896, according to Porter.

Monies have been accumulating in a sewage fund in Ashland for renovating and enlarging the facilities, Biegel said, and sufficient funds are available for the work.

The plant was originally designed to handle a population of about 6,000, and with the enlargement it will be sufficient to handle a population of about 20,000, Biegel said.

Engineers are now working on plans for enlarging the plant, he said, and bids probably will be called this spring. The work probably will be completed early next year, Biegel said.

The plant is located off Oak st. just outside the northwest city limits.

Police Investigate Ruch School Entry

Oregon state police and Jackson county sheriff's deputies are investigating the ransacking of Ruch school sometime Wednesday night.

Reported taken were two record players, three clarinets, one portable typewriter, one table model radio and about \$2 in cash.

The building was entered by cutting a hole in a window, state police said. Boyd Gibson, principal, notified authorities this morning of the incident.

Sanitary Service Withdraws Request For Variance for Landfill Site

The Jackson county planning commission received a letter Wednesday afternoon from the City Sanitary Service withdrawing its request for a public hearing on a proposed site for a sanitary landfill.

The Sanitary Service had acquired an option on property in the Upton rd. and Scenic ave. area several weeks ago and had petitioned the county court for a variance on the property for the sanitary landfill operation.

In the letter to the commission, it stated "that a substantial number of residents in the general area of Upton

Prison Riot in Connecticut Brought To End

Police, Firemen Quell Disturbance

Wethersfield, Conn.—UPI—A mass of 400 shouting convicts led by 50 hard core rioters surged through Connecticut state prison Wednesday night breaking everything in sight and pelting guards with anything that came to hand.

The two-hour riot was brought under control shortly after 11 p.m. by state police firing tear gas and firemen playing high pressure hoses on the milling convicts. There were no escapes nor were any shots fired.

Cause Investigated

Cause of the violence was being investigated and prison authorities will make a report to Gov. Abraham Ribicoff.

A company of the state's National Guard was mobilized to help quell the riot, but not called into action. State police bolstered the prison staff while the prisoners ran rampant. Twenty-five troopers remained overnight as a precaution.

Shortly before the 9 p.m. lockup guards had noticed a team of 12 troublemakers moving from group to group during the recreation period. All but 20 or 30 prisoners had been locked in their cells when some of those outside jumped two guards, took their keys and let the others out.

No Hostages Taken

About 400 of the 750 inmates left their cells and began tearing up the cellblock. They were led by about 50 active rioters. Warden Mark Richmond said.

No hostages were taken and the only injuries were a fireman, Robert McKenzie, who was hit on the head with a pipe and treated at a hospital, and an inmate the warden said was badly beaten by other prisoners because they mistakenly thought he was a stool pigeon.

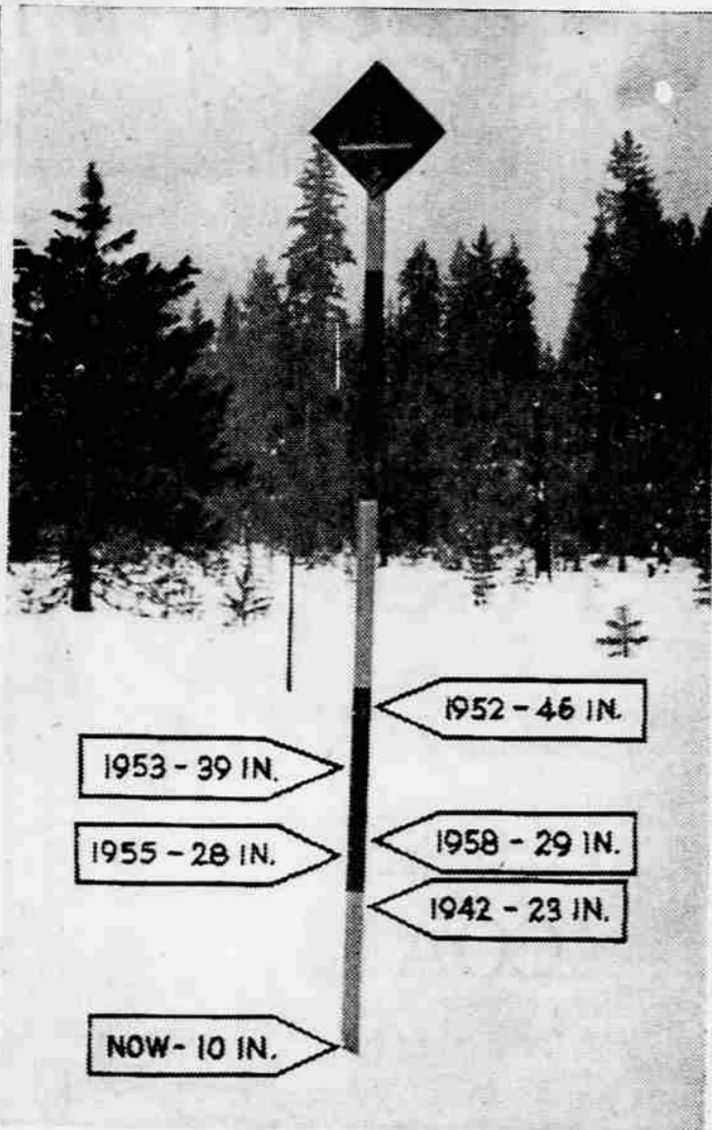
The century-old prison, which is being replaced by a new institution, was the scene of a hunger strike two years ago.

County Receives \$3 Million in Funds

Funds received by the Jackson county government during the first six months of the 1959-60 fiscal year totaled \$3,224,578.09, according to County Treasurer Karl Janouch.

The total is an increase of \$826,804.13 more than the amount received during the same period of 1958-59. Janouch said that the increase was mainly due to substantial increases in O and C and forest service monies. He said that all funds that contribute to county government showed an increase for the six months period.

The treasurer said that with the balance carried over from last year, the county has more than enough to take care of the present budget. Approximately \$500,000 of the money will be allocated to the 1960-61 budget for the first three months prior to the arrival of anticipated funds.



COMPARATIVE DEPTH — Although many factors enter into the total water supply picture, the photo above shows how snow level at Silver burn snow course, near Union Creek, compares with that of years of heaviest fall prior to Jan. 1. Other Jan. 1 readings (except one) are less than this year's over the last 20 years. Water content, ground level, ice crust and other elements also influence how much usable water will be available next spring. Storage reservoirs in the area are notably low, stream flow is below average for this time of year and some wells have gone dry, causing concern to local farmers and ranchers. Snow pack usually reaches peak accumulation here about April 1, and those that are optimistic feel the picture will change.

Heavy Precipitation Forecast for Area

Heaviest precipitation for the Medford vicinity for any day since last February was anticipated today.

A total of .53 of an inch of rain and snow had fallen at the Medford station of the U. S. weather bureau between midnight and 10 a.m. today. Indications were that the total precipitation today would exceed the .57 of an inch that fell last Dec. 12. Last amount to surpass that total for any one day was 1.87 inches on Feb. 14, 1959.

Precipitation yesterday amounted to .06 of an inch, making a total of .59 from the current storm.

Snow was reported sticking at high elevations of this area today and the weather station received one report of snow sticking on the highway at Gold Hill. Sexton mountain summit north of Grants Pass had six inches of snow at 10 o'clock this morning.

Forecast is for more rain or rain mixed with wet snow through Friday.

Crater Lake National park this morning reported 9 inches of new snow with a total depth of 39 inches. Chains were required on all open roads in the park.

State police said a patrolman reported that "a couple vehicles" went off the highway in the Rogue River-Gold Hill area because of slick highways this morning.

Police recommended carrying chains on the Siskiyou, and on Highway 62 in the Prospect area. Chains were required on the Green Springs and were mandatory in northern California earlier today.

Two Men Sentenced In Circuit Court

Two men were sentenced in circuit court this morning by Judge James M. Main.

Jack Marion Day, 18, of 417 King st., pleaded guilty to a charge of burglary not in a dwelling and was sentenced to two years in the State Correctional Institute.

Also pleading guilty to a charge was Donald Glenn Clemence, 27, of Grants Pass, who had imposition of sentence suspended for 1 1/2 years and was placed under the supervision of the state parole and probation board. Clemence was charged with taking and using an automobile without authority.

Porter said the money could be used for purchase of FHA and GI loans. He said the bid also would cut in half the premium that a home buyer pays for insurance of his mortgage by the Federal housing administration.

Albany—UPI—Oregon Republican Chairman Peter Gunnar said the Jan. 27 GOP dinner in Portland will be a tribute to former State Treasurer Sig Unander.

WEATHER FORECAST: Cloudy with rain or rain mixed with wet snow at low levels and snow in mountains tonight and Friday. Chance of gusty southerly wind in valley tonight. Low tonight 33. High Friday 40.

Highest yesterday	Temp.
Lowest this morning	34
Pre. to 10 a.m.	59

Our Skies Tonight

Sunset today	4:54 p.m.
Sunrise tomorrow	7:41 a.m.
Moonset tomorrow	2:54 a.m.
Full Moon	Jan. 13

PROMINENT STARS

Procyon, low in east	7:06 p.m.
Regulus, rises	8:49 p.m.

VISIBLE PLANETS

Venus, low in southeast	6:19 a.m.
Jupiter, rises	6:14 a.m.
Mars, rises	6:48 a.m.

