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The Daily News

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ORMES DRUGS
Daily Delivery
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Flying Arrow, Bound For Shanghai, Fired Upon

Finance Dominates Man Budget Put Congress Today

WASHINGTON D. C. President Truman recommended a \$42-000,000 spending budget to Congress today. He said it would plunge the United States into the red unless taxes were raised. But even with a 10% tax increase he wants to set no date for a budget. The cold war against Russia takes \$12,439,000,000 from the 1951 fiscal year starting July 1 next in \$13,500,000,000 for development and \$400,000,000 from this year's \$4,700,000,000 for the combined total for defense some \$264,000,000 lower than current outlays. In size comes cash for programs including "fair deal." This figure is \$223,000,000 to \$12-439,000,000 spending equivalent to \$222.17 for man, woman and child in United States population.

Storms Ravage Middle States

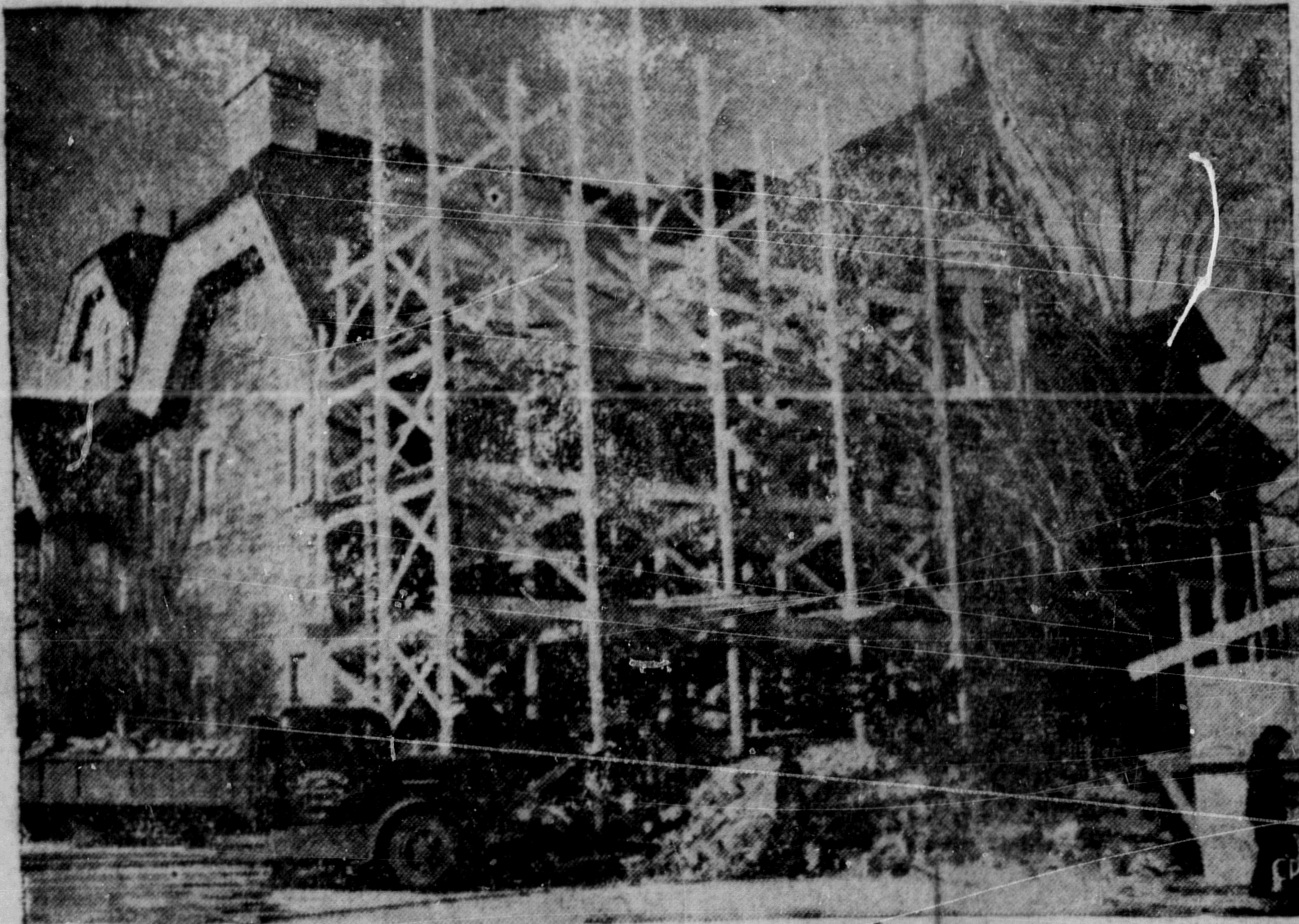
CHICAGO — Flood waters rose to new danger points in the Middle West at the week-end as icy storms crippled parts of the south-central states. Property and crop damage from this week's weather soared into millions. Thousands have been left homeless without heat. Business has been disrupted. Travel has been impeded. Scores of highways are under water or ice-blocked. Several deaths are attributed to storms and floods. Unaccounted livestock in the flood areas are lost or endangered. Cold weather has caused millions of dollars damage to crops in Southern California and Arizona. A break was being expected today in the abnormally severe cold.

Taxation Cut Being Sought

Consideration Promised Chamber of Commerce by Premier St. Laurent. OTTAWA (Canadian Press) — Prime Minister L. S. St. Laurent promised to consider a variety of legislation changes suggested in a brief presented by the Canadian Chamber of Commerce. The brief, among other things, urged tax reductions, a new Dominion-provincial tax conference, relaxation of trade restrictions and establishment of a royal commission to recommend economies in government business. Robert A. Bryce of Toronto, President of the Canadian Chamber of Commerce, acted as spokesman for a delegation representing Boards of Trade and Chambers of Commerce across the country.

Railways And Autos

CHICAGO — Keeping the production lines moving in the nation's twelve billion dollar a year automobile industry is one of the important functions of the railroads. C. A. Skog vice-president, supply and equipment, told officials at a luncheon meeting in the union league club here. With many assembly plants located 2,500 miles or more from the seat of production, the importance of transportation of parts and equipment can readily be seen, he said, particularly when both the parent automobile factories and the assembly plants carry a very low inventory. "Both the manufacturing plant and the assembly plant are operated on a hand to mouth basis, and therefore failure in transit becomes a rather serious problem." Speed of shipments is of utmost importance in the maintenance of production schedules, and great strides have been made in improving freight service, Mr. Skog told the group. "The fact that a few years ago it required anywhere from 12 to 15 days to transport a car from Flint, Pontiac or Detroit, Michigan, to the Pacific coast and that this has now been reduced to a six-day service is a good illustration of improvement." (Continued page 3)



P.M.'S NEW HOME—Workmen are hard at work on renovations to the official residence of Canada's prime ministers at 24 Sussex Street, Ottawa, overlooking the Ottawa River. Scaffolding is up around the building in preparation for a general face-lifting of the old home, built in 1868 for a Conservative member of Parliament, the late Senator W. C. Edwards. The job will probably be finished by September. (C. P. Photo)

Was Here in Early Days

Prominent Canadian Advertising Executive, Morgan Eastman, Dies in Toronto. TORONTO—Morgan Eastman, vice-president of the McConnell, Eastman Advertising agency and one of Canada's best known advertising executives, succumbed to a cerebral hemorrhage here last night.

The late Mr. Eastman will be remembered by the early pioneers of Prince Rupert, having opened up a men's furnishings store here during railway construction days which he operated for a time before selling out to J. A. Kirkpatrick. He had come here from Port Essington where he had been sent as an auditor for the Victoria firm of R. P. Rithet & Son. Mr. Eastman established the Eastman Advertising Co. in Vancouver in 1918 but moved east to Toronto many years ago. He is survived by two sons, one of whom, John, was with him in the advertising agency at Toronto.

Cold Weather Fires Fatal

Sixty-Three Dead in Canada And United States—Tragedy in Quebec. CHICAGO — Sixty-three persons died in a series of week-end fires in the United States and Canada. More than a dozen other persons were injured and more than a score were left homeless. Sixteen of the dead were children. Most horrible conflagration of all was that in the psychiatric building of Mercy Hospital at Davenport, Iowa, where forty women died. Coroner C. H. Wildman said that thirty-nine bodies had been recovered from the shell of the ward and that a fortieth victim, Miss Margaret Webster, 92, died from shock. The fire has since been described by those who saw it as a "flaming hell." In Duhamel, Quebec, four children perished Saturday when fire destroyed the home of Leopold Faubert in the village north of Ottawa. The dead are: Jean-Guy, aged 10; Michel, four; Renal, two; and Simone, nine months. Thirty below temperature hampered the fire fighters in this, the worst of the Canadian week-end fire tragedies.

Curtailment Of Service

MONTREAL — N. B. Walton, executive vice-president of the Canadian National Railways, said last night that effective tomorrow morning, passenger train service will be temporarily curtailed by twenty-five percent to conserve coal supplies. The company had previously announced that it intended to curtail service because of seriously depleted reserves. Mr. Walton's announcement confirms the execution of the intention. There is no curtailment of service by the Canadian Pacific Railway which says it has plenty of coal.

Monty Banks, Actor, Dies

ROME—Monty Banks, noted English actor and husband of Graeme Fields, died suddenly yesterday aboard the Orient Express while bound with his wife to their home on the Island of Capri. It has been stated that Miss Fields has cancelled all engagements for the coming year including a planned tour of Canada.



try on swank new uniforms expected to be in general use by 1951. ARMY ESQUIRES—Two soldiers at Army headquarters in Ottawa. The dark-blue serge number will be worn when "walking out" and on ceremonial occasions. No decision has been made as to head-dress. Conventional rank insignia will be worn. The broad stripes down the trousers will be in regimental colors; non-commissioned officers will wear chevrons of the same colors. (C. P. Photo)

Impressed So Staying Over

So impressed with the importance of Prince Rupert in the future scene of the Pacific Northwest is Leslie Roberts, noted Canadian author and Saturday Evening Post writer, that he decided at the week-end not to leave for Vancouver last night, as had been originally planned, but to stay over until the middle of the week to gather more information and atmosphere here. On Wednesday he and Mrs. Roberts will sail on the Prince George to make the trip to Ketchikan and thence to Vancouver.

"Clear, Cold" Is Forecast

THE WEATHER
Synopsis
An active storm which developed west of the British Columbia coast overnight is expected to cross southern Vancouver Island and move into the interior tonight. Snow will be general over the southern coast today turning to rain as the storm passes inland. Temperatures will moderate slightly over the southern coast to day but no real break is expected in the cold spell. Cold cloudy weather will persist through the interior with intermittent snow expected in most sections.
Forecast
North Coast Region, north half—Cloudy today. Clear tomorrow. Continuing cold. Wind light. Low tonight and highest tomorrow—at Sandspit 20 and 25, Prince Rupert 15 and 25. Remainder of region—Snow today. Cloudy with flurries tomorrow. Wind light, increasing to southeast, 15 m.p.h. this afternoon, becoming light tomorrow. Little change in temperature. Low tonight and high tomorrow at Port Hardy, 25 and 30.

LOCAL TIDES

Tuesday, January 10, 1950
High 5:36 19.8 feet
17:50 17.9 feet
Low 11:51 7.2 feet

Nationalists Riddle American Freighter

Flash

COAL MINERS' STRIKE
PITTSBURG — More than 37,000 soft coal miners went on strike today in Ohio, Pennsylvania and West Virginia in the second large coal work stoppage in the United States in two weeks. Half-a-dozen steel companies and the giant Pittsburg Consolidated Coal Co. report their pits closed by the refusal of the miners to work.

ELECTION FEBRUARY 23
LONDON—Following a call by Prime Minister Attlee on the King yesterday, Whitehall buzzes with election rumors. It is generally assumed that Mr. Attlee discussed dissolution of Parliament with the King at Sandringham. The general guess is that balloting will take place February 23.

CEYLON PARLEY OPENS
COLOMBO—Prime Minister Jawaharlal Nehru of India today told the Commonwealth Conference at its opening that the best way to defeat Communism in Asia would be to build up prosperity of Asiatic peoples. The conference is dedicated to exploring means of averting a third world war and stopping the spread of Communism.

MATCH MONOPOLY
OTTAWA—Existence of an international cartel controlling the wooden match industry, stifling all forms of competition, is charged in a report made public today by Minister of Justice Garson. It is the latest report written by F. A. McGregor, combines investigation commissioner, who resigned on January 1. It alleges that a monopoly exists in the manufacture, distribution and sale of wooden matches in Canada and names the Eddy Match Co. Ltd., with head offices in Pembroke, as the dominant firm in the industry in this country.

W. A. BRADY DIES
NEW YORK — William A. Brady, noted theatrical manager, died here yesterday.

Men Safe On Canol Road

EDMONTON — Seven for seven men reported overdue in the wilderness near Whitehorse, Yukon, was called off yesterday after Royal Canadian Mounted Police and Royal Canadian Air Force established that they appeared to be in no difficulty. Late Saturday an R.C.A.F. Dakota sighted two of the men at work on their project of dismantling equipment along the abandoned Canol pipe line, 1000 miles northwest of Edmonton. Emergency supplies were dropped although the men appeared to be in no trouble. Searchers did not see the other five but they did see a truck in motion and said that signs of activity along the Canol road indicated that operations were continuing between two camps, ten miles apart. The men were originally due back in Whitehorse late in December but it is now believed they were just late in finishing their job.

OTTAWA — Canada's 650,000 farmers did a near-record business in 1949, earning \$2,400,000,000 which was only \$40,000,000 below 1948's all time high.

Fails To Run Blockade Of China Coast

Aboard SS Flying Arrow (CP)—Chinese Nationalist warships riddled this American freighter with shellfire today in international waters off Communist China. There were no casualties but the captain said the vessel was no longer seaworthy. Captain David Jones said the Flying Arrow had been hit with thirty or forty shells as she attempted to run the Nationalist blockade of Chinese Communist ports off the mouth of the Yangtze River. He said that the ship had become unseaworthy and that he will ask Isbrandtsen Lines, owners of the vessel, to request United States Department of State to intercede for safe passage to the nearest port for repairs. That would be Shanghai, the destination port for which the vessel was originally headed when she left Hong Kong early Saturday with \$1,000,000 of cargo for Red China.

Former Officer Of CWAC's in Ottawa

Among those active in welfare work in Ottawa is Mrs. Otto Nordling, daughter of Mr. and Mrs. A. G. Langley, of Whonock, B. C. Mrs. Nordling, during the war years, was an officer and company commander in the Canadian Women's Army Corps, serving in Vancouver, Victoria and Prince Rupert, as well as being an exchange officer in England.

Must Integrate Former Enemies

Former Chief of Canadian General Staff Is Pessimistic
OTTAWA — General H. D. G. Crerar says Germany and Japan must be integrated with the western democracies swiftly and to the maximum. In that step may lie, he said, the only hope the west has of "first holding" and then dominating the growing and most serious Communist threat to peace. In a frankly pessimistic speech at the annual conference of defence associations, he singled out the two former enemy powers as the keys to European and Asiatic answers to spreading Communism.



MUST STEM REDS—General H. D. G. Crerar is pessimistic.