

Federal Liability In Portal Pay May Reach Half Billion

WASHINGTON, Jan. 21.—(AP)—The war department's liability in connection with portal pay claims may reach \$500,000,000, Undersecretary Kenneth C. Royall said today.

Royall testified before a Senate Judiciary subcommittee which is considering legislation to outlaw or restrict back pay portal suits now totaling more than \$4,000,000,000.

He emphasized that his testimony dealt only with contracts of the war department. Navy witnesses have yet to be heard. Royall said portal pay claims arising under cost-plus-fixed-fee contracts which have been closed by renegotiation probably would not require reimbursement by the government. In contract renegotiations, the government has reclaimed excess payments to contractors.

There are lump sum contracts where the payment of full portal claims would exceed the firm's profits, he said, and the result would be a net loss to the contractor in performing the job, he said. The undersecretary said the government faces the greatest liability on cost-plus-fixed-fee war contracts. Under these, he testified

the war department must compensate contractors for additional costs which may arise, such as portal pay.

Royall said that cost-plus fee contracts for the period 1941-46 total \$40,000,000,000 to \$45,000,000,000.

Royall told the subcommittee that while most cost-plus contracts have been completed, a few "still are in process of performance."

On the other hand, Royall testified that the government probably will not be confronted with portal claims on what he termed "lump sum" contracts. These had no "escalator clauses" to cover increased costs, he said.

Royall said that it is his "best opinion" that portal claims probably are not "reimbursable" on closed contracts except those for the calendar year, 1945, and the fiscal year, 1946.

Depression Fear Discounted As Farm Prices Drop

By CLARKE BEACH
WASHINGTON—Does the recent break in prices of farm products signal the start of the widely expected business recession?

The general level of farm prices declined nearly 6 per cent in late November and early December, according to Agriculture Department statistics. Between Oct. 15 and Nov. 15, moreover, the department's index number of average prices received by farmers dropped from 273 to 263.

In addition, quotations on futures are in many cases far below the current prices, indicating that traders expect prices to continue their downward trend.

But economists differ. Some economists have predicted that a consumer reaction against high prices would cause a break in the present sellers' market and start a chain of events which would develop into a downward business spiral.

When the demand dropped, they reasoned, producers and distributors would retrench and fire a lot of employees. As unemployment grew, consumer demand would continue to diminish, sellers could have to retrench still further, and the spiral would be well started.

But economists at the Agriculture Department see no such significance in the drop in farm prices. They regard it rather as a healthy development, a needed adjustment. Prices have been unjustifiably high, they believe, and they are settling to a more realistic level.

Compared With Stocks
It is similar to the interpretation given by many business analysts of the stock market decline last fall. In their view, business conditions are sounder than they were last summer as a result of the price adjustments in the stock list.

The present level of farm prices, moreover, is 84 per cent higher than when the U. S. entered the war, and 29 per cent above the level on V-J Day.

Demo White Primary Proposed by Talmadge

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to meet him in an election. Wants Popular Verdict
"I have stated on three previous occasions prior to my election as governor of Georgia and when I made my inaugural address that the office of governor of Georgia belongs to the people of Georgia," Talmadge said.

"I am anxious for the people of Georgia to have an opportunity to express their choice through a Democratic white primary at the earliest possible moment."

Talmadge recommended that the legislature remain in session to institute a Democratic white primary and strengthen the election laws regarding qualification of voters.

"There is one way and only one legal way that the people can determine this issue at the polls," Talmadge said.

"In the event of the death, disability or resignation of the governor and the lieutenant governor, the executive authority of this state is vested in the speaker of the house of representatives who must call a special election within 60 days to elect a governor of Georgia."

Earlier Talmadge in his address had said "the majority of the white people of Georgia are behind us in this fight" and threatened if his opposition persisted to "call for this majority of the white people of Georgia to Atlanta and show them a real demonstration."

Herriot Named Head Of French Assembly

PARIS, Jan. 21.—(AP)—Radical Socialist Leader Edouard Herriot, 74, was elected president of France's National Assembly today.

Herriot, who was unopposed, headed the old chamber of deputies from 1936-1942. He is in his 42nd year as mayor of Lyon, France's third largest city.

A protégé of Aristide Briand, Herriot was three times premier of France before the war. He succeeds Vincent Auriol, recently elected president of the Republic.

Before the voting began, the legislature heard a message read from Auriol calling upon France to "maintain and develop her alliances" and to insist upon "just reparations and a full security" from Germany.

Cash Buyers For ROSEBURG HOMES

List With Roseburg Realty Co. Umpqua Hotel Lobby

Amusement Tax Bills Ready for Legislature

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tainment, pool halls, bowling alleys, race tracks and carnivals.

Harvey said he hoped the measure would raise enough money so that old age pension appropriations would no longer have to depend on liquor revenues.

Deficit In Dispute
Legislative Ways and Means Committee members estimated today a state budget deficit of at least \$13,000,000, instead of \$6,000,000 as estimated by State Budget Director George Aiken.

Sen. Dean H. Walker, Independence, chairman of the Senate Ways and Means Committee, said a preliminary study showed a \$14,000,000 deficit, while Dr. F. H. Dammach, House Ways and Means chairman, said the deficit is about \$13,000,000.

Both men emphasized that their estimates are only tentative, depending in a large measure on the disputed estimates of liquor profits for the next two years.

Snell Request Opposed
Governor Snell's proposal to take up \$6,000,000 of the deficit by using corporation income tax surpluses is expected to reach the floor for final action in a few days, but House leaders said they doubt it will pass. They believe the money should continue to be used to reduce property taxes.

The Ways and Means Committees are stymied until they know what revenue measures the legislature will pass. Action on the corporation excise measure would enable them to at least start work on appropriations.

Senator Walker said the committees would ask the State Liquor Control Accountants to certify estimates on how much liquor profits will be in the next two years, and that the legislature would accept this estimate as final. The commission already has estimated its profits at \$10,350,000, while Budget Director Aiken's estimate is about \$25,000,000.

Forestry Bills Coming
The forestry subcommittee of the House natural resources committee recommended today introduction of four forestry department bills to amend the 1945 forestry act.

One would give the Forestry Department authority to acquire lands for reforestation, regardless of mineral rights.

Another would give the State Forester power to designate areas for slash burning, and to determine periods in which the burning must take place.

The third bill would make it illegal to harvest forest products for commercial use without a permit. This bill would make it easier to enforce the conservation program.

The fourth bill would regulate planting, requiring it to be done over scattered areas, and increasing rehabilitation fees from \$200 for each 40 acres to \$8 an acre.

Penalty Power Asked
The State Parole Board asked the legislature today for complete authority in fixing sentences of persons sent to the penitentiary. The board's proposed law would compel the sentencing judge to give the maximum sentence permitted by law, and the board would decide the sentence after the man is in prison.

The board said its idea would permit uniformity in sentences.

The board also asked for an intermediate penal institution, increases in staff personnel, and salary increases.

The proposal by several legislators to discontinue farming operations at the state training school at Woodburn as an economy move drew fire today from the Marion County Jersey Cattle Club.

Lewis Judson, legislative chairman for the club, said work in the open was healthful and that the farm training was valuable as a rehabilitation measure.

School Age Change Asked
A bill reducing from 18 to 16 the age at which children may quit going to school was introduced by Reps. Giles L. French, Moro, and Carl Hill, Days Creek, Douglas County.

The law was changed from 16 to 18 years in the 1945 session. French and Hill want to put the age back to 16.

The bill provides that a child would have to go to school until he has completed the 8th grade or

until he is 16, whichever is sooner.

The law now is that he must go to school until he is through high school or until he is 18.

Dredging Repair Sought
A bill to require gold dredge operators to repair defacement of stream banks was drafted by Rep. E. W. Kimberling, Prairie City.

Kimberling said gold dredges leave tailings of rock, gravel and other materials, causing damage to scenery and creating erosion problems.

The bill would require a dredge operator to replace and level the material within six months after the dredging operation.

A similar bill was passed by the House in 1945, but was buried in the Senate Mining Committee.

A bill to increase the salaries of supreme court justices from \$7,500 to \$10,000 a year and circuit judges from \$6,000 to \$8,000 was introduced today by the House judiciary committee.

Election judges, who now get \$4 a day, would get \$1 an hour under a bill introduced by Rep. Paul R. Hendricks, Salem.

Rep. Carl H. Francis, Dayton, introduced a bill today to prohibit the sale or gift of emblems denoting honorable discharge from the armed forces, provided the emblems are sold or given to persons who are not honorably discharged.

Better Patrol Urged
The State Highway Commission should give the state police department \$1,000,000 during the next two years to provide for more adequate patrol of state highways, Secretary of State Farrell said today at a meeting of the joint legislative Ways and Means Committee.

"We are killing too many people on the highways at the present time," Farrell said, "and something should be done to curb a further increase in traffic accidents and fatalities."

Farrell said the state police are doing a good job considering the facilities and personnel available.

Farrell said traffic safety can be broken into three phases—engineering, education and law enforcement.

He said the engineering phase is well handled by the highway commission, and that his own department is doing commendable work in education and publicity.

But enforcement, he added, could be improved by employment of additional state police officers by use of highway funds.

Volstead, Author of Prohibition Law, Dies

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seeing enacted into law the Farmers' Cooperative Act and the numerous bills to end the broad powers of President Wilson, granted in the emergency of World War I.

Volstead, in poor health for years, had abandoned daily visits to his Granite Falls law office four years ago. He had lived the life of a country lawyer, devoting himself largely to probate cases, and took little part in community activities.

Baker Scribe Appointed To State Geology Board
SALEM, Ore., Jan. 21.—(AP)—H. E. Hendry, advertising manager of the Baker Democrat-Herald, was appointed by Governor Snell today to the State Board of Geology and Mineral Industries, succeeding S. H. Williston, Portland, who resigned. The term ends next March 16.

Hendry is a mining consultant, and formerly published the Baker Herald. He also edited a mining journal before the war.

Gen. Marshall Sworn In as Secy. of State
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might run on a ticket with President Truman or obtain the Democratic nomination if Mr. Truman were not a candidate.

In talking with reporters, Marshall made plain that in ruling himself out of political consideration he included the presidency as well as any other political office.

Sherman's 'No' Recalled
Marshall's flat statement that he "never could be drafted" for the presidency or other political post compares with that made by William T. Sherman Civil War general.

Sherman was quoted as having said: "If nominated I will not accept. If elected I will not serve."

No other statement by any presidential possibility since has had the ring of finality in it as that one except one by General Douglas MacArthur. In April, 1944, when, after an original remark regarded by some as equi-

vocal, the Pacific commander said: "I request that no action be taken that would link my name in any way with the (Republican) nomination. I do not covet it nor would I accept it."

Riverside's Annexation To Roseburg Favored
(Continued from Page One)

or '09. At present it was pointed out the man most familiar with the ordinances is Geddes, who has arranged his own indexing system in the recorder's office.

Winston emphasized the desirability of such a codification in view of the fact that a city police judge must be appointed by the council when the city manager plan becomes effective in July.

Mayor Albert G. Flegel told the council that he would "look around" to see what persons would be available for such a task. Orcutt suggested that the city manager himself "might be a great deal of help" in codifying the ordinances.

Cost of \$114 for the remodeling of an anteroom at police headquarters for the questioning of prisoners was approved by the council. The money was taken from unexpended funds in the police budget.

Presentation of a petition by property owners in the Ave. "A" and E-6th St. neighborhood for connection with a city sewer line, resulted in plans for the extension of city sewers. Tentative see-

cifications are to be drawn by the city engineer.

Bid of the Standard Oil Co. of California to supply the city with supreme grade gasoline at 17.4 cents a gallon during 1947 was accepted. Other bids were: Standard, first grade, 16.4; Shell, premium, 19, first grade, 17; Union, 18 and 16; Texaco, 19 and 17; General Petroleum, 19 and 17.

Public hearing for the vacation of an alley in the Bushey Addition, abutting property owned by Buckley Bell and Cecil Lowe and Donald and Iva E. Glenz, was set for March 3 at the City Hall at 7:30.

Mayor Flegel announced designation of the week of February 2-8 as Roseburg Naval Reserve Week honoring the Electronics Warfare Platoon, first fully-organized unit in the 13th Naval District, which includes the Pacific Northwest-ern states.

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Notice:
The price of Max Factor Pancake Makeup in Kamfer Sav-Mor's ad of Monday, Jan. 20th was in error. The correct price is \$1.50.

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Wed., Jan. 22nd
7:30 P. M.

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