

Board Recommends Repayment Reduction For Columbia River Basin Water Users

WASHINGTON (AP) — A special board has recommended a program designed to reduce by more than \$2 million during the next 10 years the repayment costs of water users of the Columbia Basin project in Washington State.

Undersecretary of the Interior James K. Carr, making the report public Tuesday, explained the possible savings would result from a comparison with the Reclamation Bureau's proposal to the water users in 1960. This became a matter of controversy and led to the appointment of the special board.

A computation indicated also that under a sliding scale adjustment over the recommended 30-year repayment period this savings would be more than \$1.9 million to the water-users when total costs are compared to the 1960 proposal.

The special board recommended that ceilings on expenditures for the project be lifted and that the department proceed as rapidly as possible with full development of the 3,025,000-acre project. Further, the board proposed elimination of several regulations to "allow the project to operate more nearly as a standard reclamation project."

Carr said the board's recommendations will be reviewed immediately.

He added that Secretary Stewart L. Udall will establish the department's position in the matter by Sept. 1. Immediately following, the Reclamation Bureau will begin negotiations again on changes in repayment contracts based on Udall's findings.

There is pending in the House a Senate-passed bill to provide a one-year deferment in drainage charges due in 1962 on the assumption new contracts will be negotiated, voted upon by the

water-users and submitted to the Congress early in 1962.

About half the project land is now under the irrigation. The board proposed a graduated repayment schedule. It noted that the repayment contracts originally signed in 1945 have been the subject of negotiations since 1953.

A graduated repayment schedule, the board said, "will offer substantial relief from high water costs during the first 20 years of water-users' repayments without materially affecting the ultimate

amount to be repaid to the United States."

After 30 years, under the recommendation, the water-users would be required to pay 30 cents more per acre per year than was suggested in the 1960 proposal.

The board said the average repayment per acre under its suggestion would be \$131.60 during the 30-year period, compared to \$133.30 under the bureau's 1960 suggested contract.

"Thus," Carr said, "the board's recommendations for total repayment are not materially different from the bureau of reclamation's 1960 proposal."

The board also suggested that the districts be given credit for drainage charges paid in 1960 and 1961. For those lands that paid the additional drainage charges in 1960 and 1961, the remaining drainage charge ultimately to be assumed would be reduced to \$127.50 unless the districts choose to give an immediate refund."

The board agreed with the water-user groups in retaining the original repayment obligation of \$85 per acre in a 40-year period for project irrigation facilities other than additional drainage works.

Sliding Scale Charge

To cover both the \$85 charge and the controversial drainage charges, the board recommended a single, sliding scale charge over 50 years.

Under this, the water-users total water charge, other than operation and maintenance would be met by payments of \$1 an acre for the first five years and \$1.40 an acre for the second five years. These compare to suggested charges last year of \$1.50 and \$1.80, respectively.

Members of the board are: chairman William R. Gianelli, state water official, Sacramento, Calif.; Laselele Coles, manager of the Ohio Irrigation District, Princeton, Ohio, and president of the National Reclamation Association; and Dr. Roy E. Huffman, dean of agriculture and director of the experiment station, Montana State University, Bozeman, Mont.

Khrushchev says he will sign a peace treaty with Communist East Germany this year. He contends this will wipe out western rights in West Berlin.

Informants said Khrushchev restated his position during his discussion with McCloy and added nothing basically new.

Khrushchev reportedly made plain his dislike for Kennedy's radio-TV speech to the nation a week ago in which Kennedy pledged to defend West Berlin by force if necessary.

However, the Khrushchev-McCloy meeting was described as frank and cordial in tone.

Although the Moscow disarmament discussions were largely fruitless, as were the previous two-week talks on the subject in Washington, U.S. authorities saw enough hope in the slight Soviet modification to warrant pursuing the matter further.

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White House Stays Mum On Report

WASHINGTON (AP) — The White House remained mum today on the report President Kennedy received from his disarmament administrator, John J. McCloy.

McCloy briefed Kennedy for more than an hour at the White House late Monday on his lengthy talk with Khrushchev last week.

Sitting in at the White House session was Secretary of State Dean Rusk, who flies to Paris late this week to meet with the foreign ministers of Britain, France and Germany on the Berlin situation.

McCloy, who has just concluded two weeks of disarmament discussions at Moscow, is the first high-ranking American to have a lengthy session with Khrushchev since the Kennedy-Khrushchev meeting in Vienna June 24 at which Khrushchev advanced his Berlin plan. McCloy saw Khrushchev at the Soviet chief's Black Sea resort.

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Labor Stoppage End Demanded

VANDERBERG AIR FORCE BASE (AP) — Secretary of Labor Arthur J. Goldberg said today that now the United States is "under the gun" in the Berlin crisis there is no excuse for any further missile base labor stoppages.

The labor secretary, touring major bases to shore up a two-month old no-strike pledge, said that any serious breach of the pledge could result in President Kennedy seeking a legal no-strike ban from Congress.

Goldberg said, however, that the voluntary pledge is working well—that man-days a month lost to missile base labor disputes measured in many thousands a year ago is now measured in only a few hundred.

He said President Kennedy is keeping close tab on the situation since a Senate committee headed by Sen. John L. McClellan, D-Ark., found work stoppages and excessive overtime practices were costing delays and over-expenditures in space programs.

Kennedy, Goldberg said, expects everyone concerned with missile-space project work to do his job and to respect the no-strike, no-lockout pledge.

"This is a test we are making," the labor secretary told the local missile site labor relations committee at Strategic Air Command headquarters, Omaha, Neb., late Monday.

"But the president will have no hesitancy in going to Congress (for strike-banning legislation) if that becomes necessary," Goldberg said.

Goldberg's theme at every stop has been that establishment of national and local missile labor settlement procedures makes strikes unnecessary. Uninterrupted and economical completion of projects in view of the world situation, is too important for that, he said.

Harvey contends the higher Tax commission value would make it pay more than its share of taxes in Wasco County.

A Harvey spokesman said taxes based on the higher Tax commission valuation would raise it to pay the highest tax per pound of any aluminum producer in the Northwest. The company also contends the industrial development it brought to Wasco County was a boost to the economy and is a factor to be considered. If it is required to pay the higher tax, the economic climate of the state will be damaged, Harvey claims.

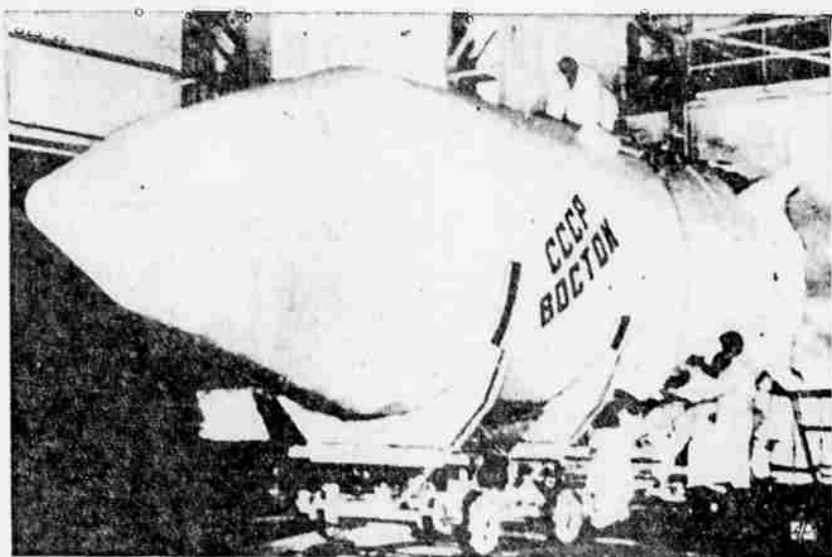
Harvey first resisted Tax commission efforts to appraise its plants, but permitted a complete appraisal in 1960, the Tax commission said.

And the Tax commission asked American Appraisal Co., Milwaukee, Wis., to appraise the property this year for the contested 1960 valuation. Harvey agreed to the appraisal but required the appraiser to post a bond. That bond was first put at \$250,000; the commission said, but later reduced to \$40,000. The state finances the bond at \$12.50 per \$1,000.

The outcome of that appraisal could bear strongly on distribution of the tax load in Wasco County.

County Assessor C. A. Wood told the commission that in School District No. 9, where the Harvey plant is located, that property owners paid \$16.20 more for each \$1,000 of assessed value because the lower value was used for Harvey.

The Tax commission said it seeks only to treat Harvey the



SPACE SHIP — This is a scene from a new Soviet color documentary film entitled "First Voyage to the Stars," described as showing technicians making final tests on the space ship of Yuri Gagarin, Soviet astronaut. Picture was made available in Moscow by Tass, Soviet news agency. Letters CCCP on the capsule are translated as the U.S.S.R. The letters BOSTOK are translated as meaning "East." (AP)

Manned Space Flight Try Likely By Soviets

MOSCOW (AP) — Informed but unofficial sources said today it is likely the Soviet Union will try to launch another manned space flight around the earth soon, possibly within a week or 10 days. There was no official confirmation.

The sources said the flight might include two men instead of one since it is known here there is a booster rocket sufficiently strong to orbit a two-man space

vehicle.

It appeared unlikely Maj. Yuri Gagarin would be invited to make a second journey because of the risk and because of the advantage of increasing the number accomplishing space flight.

The supposition is strengthened by the fact it would be a great propaganda advantage to the Soviet Union to put two men together in orbit before America man aged even one.

Non-Stop Service Opens

WASHINGTON (AP) — Northwest Airlines begins non-stop jet plane service today between Portland, Ore., and Washington, D.C.

Airline officials said they will also begin non-stop flights between the capital and Seattle-Tacoma.

SALEM MEET SET

SALEM (AP) — The Board of Aeronautics will meet in Salem Aug. 10, it announced today.

Former Marine Commander Randolph McC. Pate Dies

WASHINGTON (AP) — Gen. Randolph McC. Pate, former commandant of the Marine Corps, died Monday night, the corps announced today.

Pate, 63, was admitted to the Naval Hospital at nearby Bethesda, Md., Wednesday.

The Marine Corps said death was caused by an intestinal tumor.

Pate served two successive two-year tours as head of the Marine Corps, beginning in January 1956. He retired Jan. 1, 1960.

Long Service

He had been a Marine officer since September 1921. He had fought in all the campaigns since that time—expeditionary action in Santo Domingo and China before World War II, at Guadalcanal and Iwo Jima in that war, and later in Korea.

Pate was awarded the Legion of Merit for outstanding service as deputy chief of staff for the fleet Marine force in the Pacific in World War II. He was cited in particular for his performance in the bitterly contested battles on Palau, Iwo Jima and Okinawa.

In all those operations he was deputy to Gen. Holland M. Smith, known as "Howling Mad" Smith.

In Korea, Pate received the Distinguished Service Medal while commanding the 1st Marine Division.

Supply Planner

Pate served in various positions after returning to the United States after World War II. Among those jobs was assignment to the office of the Joint Chiefs of Staff where he was deputy director of the staff handling supply plans.

In September 1952, Pate took command of the 2nd Marine Division at Camp Lejeune, N.C., then moved to Korea to command the 1st Division until 1954.

In that year, Pate was appointed assistant commandant of the Marine Corps and chief of staff.

He is survived by his widow, the former Mary Elizabeth Hunting of Winnipeg, Canada, whom he met while stationed in San Diego. The general had maintained his official residence at Beaufort, S.C.

A native of Port Royal, S.C., he was a graduate of Virginia Military Institute, where he was first captain of the Cadet Corps and class president for four years.

Pate will be buried in Arlington National Cemetery. Plans for the funeral were not immediately available.

La Grande Fire Destroys 7 Buildings In Hour

LA GRANDE, Ore. (AP) — Six storage structures and a vacant apartment house in La Grande were destroyed Monday night when a roaring blaze consumed them in less than an hour.

Firemen said the buildings were so quickly devoured by the fierce flames that it was nearly impossible to determine where the fire started.

Leland Brown, La Grande, the owner of the apartment house and three other fire-ravaged structures, estimated his loss at some \$12,000.

He said the buildings were not insured.

Stormy Weather Eases In Nation

By THE ASSOCIATED PRESS

Stormy weather and heavy rains tapered off today after Monday's thunderstorms caused flash floods in many areas from southern New England to Colorado.

A violent thunderstorm hit New York City at the evening rush hour, tying up traffic, flooding subway tunnels and expressways and knocking out service on the Pennsylvania Railroad's main line to Philadelphia.

The storm, which dumped nearly one inch of rain in one hour, delayed thousands of commuters. Electric power was knocked out in 5,000 homes in Brooklyn and Queens. Airplane travel was disrupted.

Flash floods also hit the area of Johnstown, Pa., after a two-inch rainfall. Floodwaters rolled out of the southwest Virginia mountains into the town of Haysi, washing away several houses and two general stores and leaving about 50 persons homeless.

Thunderstorms caused flooding in sections of Colorado, with heavy property damage. A woman was killed by lightning in a storm near Delta in Western Colorado.

Eight inches of rain drenched Alpha, in northeast Iowa. Nearly 7 inches of rain was reported in Hawkeye, Iowa.

The storms broke out in the clash of hot, muggy air over most of the southern and the cooler, dry air in the northern regions.

Nearly two inches of rain doused Omaha, Neb., and Nantucket, Mass.

Cool air moved into the North-east, dropping temperatures into the 40s and 50s in the northern upper Great Lakes and along the St. Lawrence Valley. Generally normal readings were reported in most other areas with hot weather continuing in most of the Southland.

Wasco County, State Tax Commission Take Differing Approaches To Assessed Valuation Of Major Taxpayer

By FRED MARTIN, Jr.

SALEM (AP) — A running battle over who will pay thousands of dollars in taxes—Harvey Aluminum Co. or other Wasco County taxpayers—entered a new round today.

The State Tax Commission today set the 1961 true cash value for Harvey property at The Dalles at \$43.1 million. The County Board of Equalization put the Harvey property on the rolls earlier this year at \$21.5 million.

A spokesman for Harvey said the company probably will ask an injunction to prevent the county from using the \$43.1 million set by the Tax commission.

Pay On County Valuation

If the \$21.5 million county figure prevails, Harvey will have 19.5 per cent of the valued property in Wasco County and pay just under 11 per cent of the county's 1961 property taxes.

At the \$43.1 million Tax commission figure, Harvey would have 29.3 per cent of the property and pay slightly less than 19 per cent of the property taxes in the county.

The difference between the percentage of value and the percentage of taxes results from variation of Harvey property in different taxing districts.

In 1958, the state ordered the

plant put on the tax rolls at \$22.3 million. Harvey paid the taxes under protest. This is still pending.

Claims Record Tax

The county in 1959 set the value at \$20 million, and the Tax commission, acting under statutory authority, increased the valuation to \$40 million. In 1960 the county board said the value was \$19 million, but the Tax commission set it at \$42 million.

Each year Harvey obtained a legal order allowing it to pay taxes on the county valuation. If the state eventually wins, Wasco County will come in for a big slice of cash from Harvey. This could materially reduce future property taxes.

Wasco County's other taxpayers paid an additional \$141,408 in taxes in 1959 and an additional \$138,000 more in 1960 because the lower values were used on Harvey properties, the Tax commission said.

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The remarkable water of Tumwater

Imagine a place where cool, pure water silently bubbles from the earth... with a refreshing invitation to the most weary visitor. This is the setting, about a century ago, in the little town of Tumwater, in Washington Territory. Here, hardy Northwest pioneers discovered a diamond-clear artesian water that flowed at constant volume and temperature all year around. Although its fame grew as a wonderful drinking water, the deep artesian wells held a more important secret—one that was finally revealed in the summer of 1895. The remarkable water of Tumwater was also a naturally perfect brewing water!

Since that time, the flavor secret of Olympia Beer has been this same artesian water. Its rare ability to coax the very essence from choice grains and hops creates the distinctive taste and golden clarity you enjoy in every glass of light, refreshing Olympia Beer. "It's the Water"



Visitors are always welcome to "One of America's Exceptional Breweries." Olympia Brewing Company, Tumwater, near Olympia, Washington, U.S.A., 8:00 to 4:30 every day.