

\$150 Million Mess Looms Over 'Missing' Edible Oils

NEW YORK (UPI) — To a horde of investigators wading through the burgeoning edible oil scandal, the mess resembles an iceberg — most of it hidden from view.

But observers say that then all the facts are brought to the surface, the scandal may reveal \$150 million in skullduggery.

A scorecard won't be large enough to list the potential losers and victims.

These already include a number of bankrupt edible oil firms and their employees, two large Wall Street brokerage companies, American banks, foreign banks and insurance companies.

The big loser, however, may well be Mrs. American Housewife every time she buys salad oil for the dinner table.

As things now stand, the public will have to pick up the tab for costly government investigations no matter how the whole business turns out.

Oil "Disappears"

The crux of the matter is a huge amount of edible oil which "disappeared" from a big tank farm in Bayonne, N. J.

How much oil is missing, who took it, where did it go and where can it be found? The answers are being sought by a federal grand jury, private detectives, lawyers and a host of auditors who would make the investigative staff of the Internal Revenue Service envious.

The answers won't come easy, according to all appearances and the testimony of Nicholas Papaccio, a former employee of Allied Crude Vegetable Oil Refining Corp., testified in U.S. District Court in Newark, N. J., in connection with his firm's bankruptcy proceedings.

He said it was simple to transfer oil from one tank to another at the 200-unit storage tank farm in Bayonne. Not all

the tanks are used by the same firms. The tanks are connected above and below ground by an involved system of transfer pipelines, and once the oil from one tank is piped into another, it is next to impossible to trace it.

Files Destroyed

Files dealing with the assignment of some of those tanks were destroyed by fire, and harassed investigators reported difficulties in matching tags on other tanks with listed owners or leases.

The whole business came to light when Allied Crude filed for reorganization under Chapter 11 of the Bankruptcy Act last month. The firm had failed to cover multi-million-dollar margin calls on positions in vegetable oil futures.

This means that Allied, which had purchased the oil on credit in hope of selling it at a profit, was unable to come up with the balance of its payments.

The first phase of the mess was confined mostly to the futures market. Two Wall Street houses, Ira Haupt & Co. and J. R. Williston & Beane, which had acted for Allied Crude in oil dealings, were suspended by the New York Stock Exchange after Allied Crude failed to meet their margin calls.

Ultimately, Ira Haupt was liquidated with the New York stock exchange stepping in with up to \$12 million to care for its customers; J. R. Williston & Beane was acquired by another member firm.

Leads To Inquiries

This sparked a series of investigations dealing with the futures market in general, the results of which are not in yet.

While Phase One has not run its course, Phase Two — the search for the oil itself — is in full swing.

Lawyers for Allied Crude obtained an injunction preventing two other firms with tanks in Bayonne from removing oil from their tanks.

Ravin & Ravin, attorneys for the Allied Crude receiver, said it had information that oil belonging to Allied Crude had been "diverted" to Hudson Tank Storage Co. and International Refining and Packaging Co.

Another oils storage firm, Harbor Tank Storage Co. of West New York, N.Y., which leases 41 Bayonne tanks from Allied, filed for reorganization under bankruptcy laws last week. The firm listed its debt at \$225,000 but said its contingent liabilities could go as high as \$40 million.

Harbor Tank said claims in an "unknown amount" have been made against it for the delivery of certain edible oils against which certain warehouse receipts allegedly have been issued in connection with Allied Crude.

Seeks Missing Oil

Meanwhile, Bunge Corp., a large exporter of agricultural products, is pursuing its own investigation in an effort to locate 690 million pounds of vegetable oil it said was removed from tanks of another firm in Bayonne — American Express Warehousing, Ltd.—last month.

Bunge said it has receipts for 160 million pounds of oil, but only seven million pounds can be located.

Last week, the Senate permanent investigations subcommittee said it would look into the situation to see if present laws covering purchase and sale of commodities need strengthening. At least two Department of Agriculture agencies have moved into the picture, as have FBI and the Securities and Exchange Commission. A federal grand jury also put its oar into the muddled waters.

The investigations, however, have been stymied because Anthony De Angelis, Allied Crude's president, declined to answer questions relating to the case at the Newark bankruptcy hearings.

Federal bankruptcy referee William Tallyn ordered De Angelis and Ben Rotello, controller of Allied, to show cause by Wednesday before a federal judge why they should not be sent to prison "or otherwise dealt with" for refusing to answer.

De Angelis denied reports that he built up his huge positions in cottonseed and soybean oil futures on the premise that

contracts would move higher if the Soviet Union turns its interest from grains to edible oils.

He said his positions were built up long before the commodity "thaw" with Russia.

At any rate, there was a sharp decline in vegetable oil futures on Nov. 18, reflecting a downturn in the fluctuating fortunes of the Russian grain deal.

Margin calls went out, Allied Crude went bankrupt and the scandal began to blossom.

LBJ Plans To Continue Commitments To Defense Of Europe

PARIS (UPI) — President Johnson, in a message to the North Atlantic Treaty Organization (NATO) council of ministers, pledged today to keep the equivalent of six U.S. divisions in Europe "so long as they are needed."

The message was read to the opening session of the three-day meeting by Secretary of State Dean Rusk.

It told the United States' Allies of Johnson's "steadfast resolve" to continue U.S. commitments to the defense of Europe.

"This constancy reflects not merely the community of ideals and culture which binds us to Europe," the message said. "It reflects also my country's awareness that its security can be assured, its interests and values can be furthered, only by a close partnership with Europe in common tasks."

Johnson said the first of these tasks is creation of a balanced defense posture for NATO, including both nuclear and conventional forces which would enable the alliance to deal with aggression "with the force appropriate to the threat."

"To NATO's continuing fulfillment of this task, I pledge my country's will and resources," he added.

Johnson called on the other members of the alliance to share the defense burden and expressed assurance that this would be done.

He urged the NATO partners to assume responsibilities "commensurate with their resources" in defense, aid to underdeveloped nations, and trade.

"That is what partnership in a vigorous Atlantic community means and requires," he continued. "To this end we welcome the emergence of a Europe growing in unity and strength."

Johnson's message reflected a continuation of the late President Kennedy's policies toward NATO—assurance of continued U.S. commitments to the defense of Europe, coupled with an appeal for the European nations to assume a larger share in these and related tasks.

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Board Approves Bus Purchase

The Camas Valley School Board this week approved purchase of a new 54-passenger school bus to replace its 1955 model.

The district will buy the bus from Schetky Equipment Corp. of Portland, with delivery to be made in about 60 days from Lima, Ohio. The bus will have a Superior body on a Ford chassis.

Cost of the bus will be \$6,792, plus trade-in. The trade-in amounts to \$800. The money is already available from a sinking fund set up for the purpose.

It was announced at the meeting that the board, superintendent and clerk will attend the Jan. 6 meeting of school boards of Southern Douglas County to make possible a briefing on the new school budget law. The meeting is scheduled at Tri-City reports Supt. O. J. Monger.

Prison Releases Veteran Inmate

SALEM (UPI) — Robert Hickson, 70, the second oldest inmate of the Oregon State Penitentiary, has been released after serving 41 years behind bars.

Hickson was convicted in 1922 of slaying his wife, Hickson, then 37, tried to take his own life after shooting his wife with a revolver.

His original life sentence was commuted by former Gov. Charles A. Sprague in 1940 to 55 years.

The Oregon Board of Parole and Probation said Friday Hickson was released Oct. 1 and is now living in an out-of-state nursing home.

Hickson was paroled in July, 1940, but four months later was back behind bars—because of drinking.

Oldest inmate at the prison is Oles Brown, 81, who started serving a life sentence in 1920.

LISTS NAZI CONVICTIONS

BONN (UPI) — West German courts have convicted more than 5,000 persons of Nazi crimes, according to a summary published Friday by the Justice Ministry.

The summary showed that German courts had brought charges against 12,846 persons accused of Nazi crimes; 153 were convicted of murder and 12 sentenced to death.

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Cane Sugar Toilet Tissue Tomato Sauce

ORANGE Marmalade Empress 20 oz. 55¢

Chunk Tuna White Star No. 1/2 can 35¢

Clam Chowder Sea Trader 15 oz. can 27¢

Minced Clams Sea Trader Eastern. 8 oz. 29¢

Peanut Butter Skippy, creamy or chunk. 12 oz. 45¢

CANDI CANE 10-lb. bag (Limit 1 please) 95¢

4-roll Silk (Limit 3, please) 19¢

TOWN HOUSE 8 oz. can (Limit 5 please) 5¢

Instant Coffee Sanka 5 oz. 89¢ 8 oz. \$1.59

Instant Coffee Airway 8 oz. 79¢ Save 10¢ jar

Canterbury Tea Save 10¢ on 48 bags 49¢

Cat Food Dr. Ross, Liver & Kidney, 6 oz. 7 for \$1

Room Deodorant Renuzit 4 fragrances 59¢

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Extra Fancy Hawaiian. "Extra Large"

59¢

4-lb. up! Each

Calavo Avocados Firm, rich and meaty 2 for 29¢

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Orange Peel or Lemon Peel Lyons, 4 oz. 29¢

Seedless Raisins Sunmaid 2-lb. pkg. 59¢

Popcorn Jolly Time, white or yellow, 10 oz. 2 for 45¢

Book Matches Diamond, Box of 50 packs. 2 for 29¢

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Liquid Detergent Trend 32 oz. btl. 69¢

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