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Somervell Accused Of Wasting Funds, Coffee Denies Guilt

IT SEEMS TO ME

By Charles A. Sprague

Congress has passed the bill to grant terminal leave pay to all discharged enlisted men in the military service. Since this is of considerable importance to all such persons and their families the details of this legislation merit publicity.

Terminal leave pay is allowed as compensation for furloughs that were not taken during the period between Sept. 8, 1939 and Sept. 1, 1946, up to a maximum of 120 days, and would be computed on the basis of the GI's pay during that period. Furlough allowance was 2½ days per month. Veterans have a year to file claims for pay for furloughs not taken.

Payment is made in bonds drawing 2½ per cent interest and due in five years. The purpose of the bond issue was to avoid inflationary effect of dumping $3,000,000,000 cash money into the country's spending now. Sums under $50 will be paid in cash. Bonds will be issued in multiples of $25 with cash paid for fractions of this sum. Thus if a man's pay figures to $218 he gets $200 in bonds and $18 in cash.

In event of death of the recipient his estate may cash the bonds immediately. Also the bonds will be accepted as payment on government life insurance.

The terminal leave pay is not a substitute for muster-out pay. The latter was paid to men on discharge from service in amounts up to a maximum of $300 and went to all enlisted men, noncommissioned officers and officers of the first three grades in army, navy and marine corps. Those of the rank of major in the army and marines and lieutenant commander in the navy received no muster-out pay.

Terminal leave pay originated when the war department dug up an old statute which permitted such pay to officers, so all commissioned officers got this terminal leave pay in cash. Congress felt there was a discrimination in giving officers terminal leave pay and not enlisted men, hence this bill. The upshot is that enlisted men, non-coms and those in the first

(Continued on editorial page)

5 Youths Confess 40 Thefts

Five Salem boys under 16 years old admitted prowling about 40 parked cars in Salem this week, it was announced by the Marion county sheriff's office late last night after apprehension of the juveniles. Two deputies had become suspicious of a group of four boys flashing flashlights in the vicinity of the W. T. Rigdon mortuary on North Cottage street.

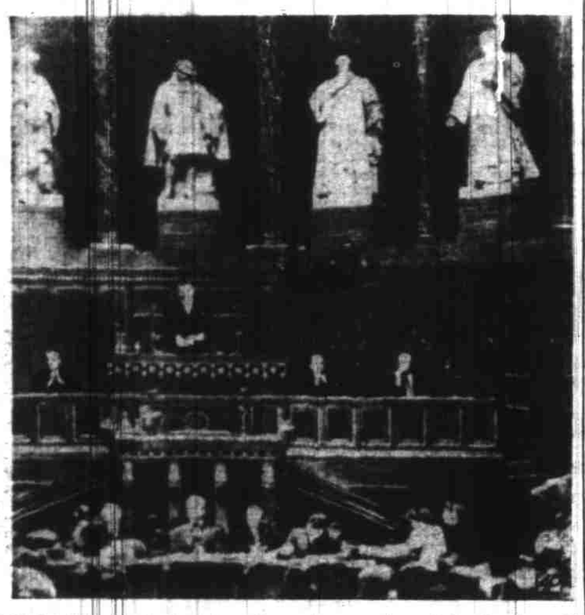
When questioned by the deputies, the boys admitted prowling the cars and led the officers to the fifth boy involved, and to their loot which included flashlights, billfolds, gloves, bathing suits, tools and other items.

In the loot were two checks reported stolen in one of the recent car prowls on which Salem city police had reports.

Two checks payable to Richard Schweinfurth, Gervais -- one for $58 on the Marion-Linn Farmers union and the other for $33 on the United Growers cannery -- were in a billfold taken from Schweinfurth's parked car near the Salem water office, police were informed by Schweinfurth. Entry was gained by prying a window, police said.

The keys for six used cars, of comparatively recent model, were taken from the cars at Valley Motors used car lot, police reported. A tire and wheel were stolen from the car of David E. Dyer, route 3, while it was parked in the 200 block of South High street, and a set of hub caps was taken from the parked car of Kenneth Smith, route 1, box 243, in the 2000 block of Portland road, police said.

Molotov Asks Action To Oust Gen. Franco



PARIS, July 31.—In luxurious Luxembourg palace, delegates from 21 nations hear French President Georges Bidault address the European peace conference now in session.

Two Die As Truck, Train Hit

ALBANY, July 31—Two men were killed this morning as the result of an accident in which the truck they were driving was struck by a north bound Southern Pacific Salem local freight near Harrisburg.

Lemual B. Nickolson, 64, was killed instantly, and Bill Trachsel, 55, was seriously injured and taken to Sacred Heart hospital in Eugene where he died an hour later. Both men lived on route 2, Harrisburg.

The men were engaged in servicing combines with fuel oil and having finished with a combine on the west side of the Southern Pacific track were crossing to the east side when hit by the north bound freight at 9:30 a.m.

The truck was carried 627 feet by the train and Nickolson's body was carried for 180 feet, officers who investigated reported. The investigation was conducted by Walter Kropp, deputy coroner, state police and the county sheriff's office.

Burl Davis of Brownsville was the only witness and was in an automobile behind the truck, officers learned. The all-Salem train crew was composed of Ed Johnson, 1545 N. Capitol st.; Arthur R. Sikorra, 310 Fairview, fireman, and Stuart E. Spencer, 1286 Court st.

'Donation' Pictured As 'Crime'

WASHINGTON, July 31—(AP)—James P. McGranery, assistant to the attorney general, told the senate war investigating committee today that the case of a defense contractor's $2,500 payment to Rep. Coffee (D-Wash) would have been laid before a grand jury but for the statute of limitations.

The payment to Coffee—which the congressman insists was a campaign contribution and which the contractor, Eivind Anderson of Tacoma, Wash., declared was for "services"—was made five years ago.

McGranery testified that the transaction first came to his attention last March but then it was too late to proceed on account of a law barring prosecutions after three years.

Otherwise, he declared, he would have submitted the evidence to a grand jury. He told the committee, however, that so far as the recipient of a campaign gift from a contractor is concerned, "you can receive one and not be guilty of anything."

But he declared there is "no question Anderson was guilty of a violation of the law" and called his affidavit "in effect the confession of a crime."

Coffee took the witness stand a second time at the end of the hearing and conceded that there was "perhaps a question of ethics" involved. But he contended that neither he nor his secretary was "guilty of any crime."

"I've made mistakes in my life, and I'm learning my lessons as I go along, and believe me, gentlemen, I have learned from this experience."

Charged

WASHINGTON, July 31.—Gen. Brehon Somervell, former head of the army service forces, who was accused of "squandering" wartime expenditures by Sen. Magnuson in a speech to the senate tonight.

Senator Demands Inquiry

WASHINGTON, July 31—(AP)—Senator Magnuson (D-Wash) urged on the senate floor tonight that the war investigating committee inquire into General Brehon Somervell, wartime commander of the army service force. Magnuson said that he "squandered practically $300,000,000 of American money with supreme arrogance."

The request came shortly after Senator Mitchell (D-Wash), summing up the committee's inquiry into the Garsson munitions combine, demanded punitive measures against other army officers who, he said, "are easy in morals and careless in administration."

Magnuson said that his request was based upon his experience in dealing with Somervell in connection with the Alaskan highway and Canol oil projects. He said that so much secrecy was thrown around the latter that members of congress could hardly ask questions about it."

Senator Ferguson (R-Mich) said the committee already has decided to investigate "Mr. Wyman" and expressed belief that "some of that" will come out in the inquiry.

His reference was to Col. Theodore Wyman, jr., was district engineer in Hawaii prior to the Pearl Harbor attack. The Pearl Harbor investigating committee recommended that a separate investigation into Wyman's activities be made by an "appropriate committee" of congress. This task has been placed on the agenda of the senate committee.

12 Firemen to Start Duties at Local Stations

Twelve new regular city firemen are to begin their duties today following appointment yesterday to the eligibility list by the local civil service commission.

The new firemen and their final civil service examination scores are:

Edward Francis Coursey, 1480 N. Fifth st., 95.5; Robert Phillip Mobley, 1982 N. Church st., 95.3; Harvey John Reinke, 250 S. Cottage st., 94.8; Richard T. Smith, 420 Leslie st., 90.8; Gerald Waldo Johnson, 532 Statesman st., 90.0; Jack Douglas Johnson, 532 Statesman st., 89.3; Walter H. Heine, 940 Academy st., 89.3; D. Delbert Ray, 1270 Saginaw st., 88.5; Arthur D. Parkes, 495 S. Winter st., 88.3; Ezra Clinton Hart, 2455 Laurel ave., 85.5; Cly Buckholtz, 570 N. Liberty st., 80.5, and John Douglas Stettler, jr., 277 N. High st., 78.5.

Of the new men all but Smith have been working with the department, at least as relief firemen. They were the only applicants in tests conducted July 17 to determine eligibility for vacancies which have been filled up to the present with non-civil service appointees.

Five firemen ruled out by the civil service eligibility will remain as relief firemen during the summer vacation season. Chief William Iwan said. They are U. A. Martin, Jesse Wade, Walter Lake, Harold Wegner and Carl Hazelhurst.

Forged Bonds, Arsenal Found In Synagogue

TEL AVIV, Palestine, July 31—(AP)—British troops hunting for terrorists discovered an arms cache today beneath the great synagogue of Tel Aviv, the largest in all Palestine.

Equipment for forging government bonds and 20,000 forged £10 ($40) bonds also were found in the Jewish religious center, said a communique issued in Jerusalem.

A chaplain of the Church of England, the Rev. Harry Hyde of a British parachute brigade, accompanied the raiders. He said he went along just to see that the soldiers "didn't make a mess of things in the synagogue."

The communique said weapons, ammunition including dum-dum bullets and uniforms were found in the basement of the synagogue "all mixed up with bedding and religious literature."

Royal engineers were called to the synagogue, on Allenby road in the heart of Tel Aviv, to hunt for further caches with mine detectors and automatic drills. The communique said "what appears to be a false wall in the synagogue is being investigated."

Bloc Tries to Halt Tax Jump

WASHINGTON, July 31.—(AP)—Extraordinary measures were taken by the house rules committee today aimed at breaking a session-end congressional deadlock that threatens to increase social security old age insurance taxes from one per cent to 2.5 per cent.

Stalemates developed when a group of house republicans declared an all-out battle on a senate provision for larger federal grants for needy aged, blind, and dependent children in low income states.

Chairman Doughton (D-NC) of the ways and means committee said that unless the bill is compromised the security tax will jump January 1 from one per cent on employers' payrolls and 1 per cent on employees' pay checks to 2.5 per cent on each.

Two-Thirds Vote Favored By U. S., Reds

By Lynn Heinzerling

PARIS, July 31—(AP)—Soviet Foreign Minister V. M. Molotov warned the 21-nation peace conference today that "preparations for fresh acts of aggression" were under way, and declared the wartime allies against fascism must act soon against the Franco regime in Spain—"this survival bred by Hitler and Mussolini."

The Russian statesman addressed the conference soon after it became known that the United States would support the Soviet Union in its effort to establish a two-thirds voting majority as the standard for reaching decisions in this conference.

The United States and the Soviet Union stood firm for the two-thirds majority in all esention substantive matters, and Secretary of State Byrnes will make a proposal to that effect to the rules committee tomorrow morning.

It will, however, carry this provision: that in the event any substantive proposal fails to secure a two-thirds majority in the assembly, it should be sent back to the big four council of foreign ministers, along with the record of the vote and a request that it be given special consideration by the big four.

7-State Klan Probe Disclosed

WASHINGTON, July 31—(AP)—Men are investigating the Ku Klux Klan in seven states, the justice department disclosed today.

The inquiry, directed by Attorney General Clark, a Texan, is being conducted by the department's civil rights section assisted by the FBI. The seven states are: New York, Michigan, Tennessee, Florida, California, Mississippi and Georgia.

The department promised swift criminal prosecution if violations of federal law are uncovered.

Although the investigation now is confined to seven states, complaints are pouring in from all sections of the country about renewed Klan activities, the department said. It added that this does not necessarily indicate that the hooded order is operating throughout the nation since many complaints from the north and west are directed against alleged Klan activities in the south.

Gov. Snell Reprieves Navy Groom Speedster

PORTLAND, Ore., July 31—(AP)—Gov. Snell tonight granted a reprieve to a Portland navy veteran serving a 10 day jail sentence for speeding after his bride of a month pleaded for leniency because her husband might lose his job.

The governor said the reprieve of Thomas Bous would indefinitely postpone the sentence. A fine of $100 still stands, however.

Dams to Offer New Part-Time Power Rates

WASHINGTON, July 31—(AP)—The interior department said today Bonneville and Coulee dam plants would offer "secondary energy" to industrial users at one mill a kilowatt hour, half the present wholesale rate for regular power.

The new, reduced rate was filed with the federal power commission, Interior Secretary Krug said, to make "full use of all the harnessed power" of the Columbia river.

Krug explained the two plants have a combined "firm power" capacity of 1,067,000 kilowatts, based on the minimum water year of record. In addition, they have available in most years about 75,000 kilowatts of secondary energy which varies with flow of the river.

Secondary energy will be sold only for industrial processes which can be shut down conveniently for periods up to six months. Purchasers must also be users of "firm power" or maintain standby equipment.

Primary Won By Sparkman

BIRMINGHAM, Ala., July 31 (AP)—Late returns from the democratic primary for the senate seat of the late John H. Bankhead today gave Rep. John J. Sparkman, the ex-tenant farm boy, a clear majority over four opponents.

The few missing boxes were scattered throughout the state, and election officials said indications were that official canvass Aug. 8 by the state democratic executive committee would be necessary to determine if a runoff will be held Aug. 27 between Sparkman and the second man, State Senator James A. Simpson of Birmingham.

Leave Bonds Pay Bill Sent To President

By William F. Arbogast

WASHINGTON, July 31—(AP)—Amid bitter denunciation of the bond-payment provision, the house sent to President Truman today the $3,000,000,000 GI furlough pay bill.

Passage of the compromise measure, on which the house yielded to senate insistence that the bulk of payments be made in bonds payable in five years, was by voice vote and followed demands that the next congress make the bonds cashable at once.

The legislation gives present and former enlisted personnel of the armed forces the same consideration that officers now receive in the matter of payment for furlough time not actually received—with the difference that officers receive theirs in cash and the GI's will get bonds unless their payments are below $50.

It provides for payment up to 120 days of accrued furlough time at the rate of two and one-half days for each month of service. Payments are to be made at the rate of base pay and longevity received at the time of discharge, plus a minimum subsistence allowance of 70 cents a day and an additional $1.25 a day for sergeants and some technicians with dependents.

Wool Industry Said in Peril

WASHINGTON, July 31,—(AP)—The domestic wool industry stands in "mortal peril" unless congress passes stabilizing legislation before adjournment, Senator O'Mahoney (D-Wyo) asserted today.

He told the senate that because of conditions aggravated by the war, the use of domestic wool by American mills is declining rapidly and that this is accompanied by a decrease in the number of domestic sheep.

A compromise wool bill, which would continue a purchase and loan support program for wool prices for two years, will need unanimous consent to be brought before the house before Friday, its backers said.

Gov. Snell to Speak At Flax Festival

MT. ANGEL, July 31.—Gov. Earl Snell will speak at the flax festival program Saturday, August 10. The governor accepted the invitation Tuesday tendered him by the committee comprising Fred J. Schwab, Ed Stolle and J. H. Fournier.

The queen will be picked Wednesday night, August 7 at the candidates ball.

EXPENSES RUNNING HIGH

WASHINGTON, July 31—(AP)—Government expenditures during the current fiscal year probably will run $4,000,000,000 to $5,000,000,000 higher than the $35,864,000,000 contemplated last January, Secretary of the Treasury Snyder indicated today.

The Weather

	Max.	Min.	Precip.
Salem	80	52	.00
Portland	83	55	.00
San Francisco	78	50	.00
Chicago	82	68	.00
New York	—	68	—

Willamette river -3.1 feet.

FORECAST (from U.S. weather bureau, McNary field, Salem): Partly cloudy today, becoming clear tonight. Highest temperature 85 degrees.

City Schools' Teacher Staff Posts Filled

Salem public schools' teaching staff for the coming school year is virtually complete today, following last night's school district board approval of appointments recommended by Superintendent Frank Bennett.

Of nine appointments approved, all but three of the teachers already have indicated acceptance, and if the other three accept the staff of teachers will lack only a girls' physical education instructor for completion, the superintendent said.

The six confirmed appointments are: Loren Mort, transfer from Leslie junior high to Salem high school in physical education; Clay Egleston, Monmouth teacher before the war, to teach and direct intramural athletics at Leslie; Angeline Ross of Flint, Mich., music and English at Parrish junior high; Eloise Herrold, Baggs, Wyo., to teach at McKinley school; Kathryn Barngrover, to teach art at Parrish, and Florence Berndt, to assist Mrs. Minnie Duncan in remedial teaching. Resignation of Mrs. Olga Folkerts, McKinley teacher, was accepted.

No action was taken by the board to replace Walter Snyder, who resigned last week as curriculum director of the public schools.

In other action last night, the board authorized a call for bids on paving a roadway and parking strip, 100 by 250 feet, at the new high school athletic field; decided to request personal hearing in Washington on appeal from a CPA rejection of plans for a new gymnasium building at senior high, and moved to take possession of the downstairs portion of a district-owned building at 434 N. High st. for housing the veteran's apprenticeship coordination and the night school supervisory staffs.

SALEM HOUSING OKEHED

PORTLAND, Ore., July 31.—(AP) Approval of HH veterans' priorities to build four homes to sell at $9050 was granted today by the Oregon FHA office to Browning & Thompson, Salem.

OPA Hearings Set, Bread May Advance Cent

WASHINGTON, July 31—(AP)—A recommendation for a cent-a-loaf bread increase and higher flour prices will be submitted to OPA Administrator Paul Porter tomorrow, a government official said tonight. (This would make permanent the present increase in bread prices over previous OPA ceilings.

This official, who may not be identified by name, said the recommendation is based on a tentative decision against restoration of the flour subsidy at this time.

Meanwhile, the new price decontrol board announced that it expects to begin public hearing by Aug. 12 on the question of whether price ceilings should be reestablished Aug. 21 on meats, dairy products, grains, cotton seed and soy beans.

Roy L. Thompson, chairman of the three-man board, announced these decisions in a statement after conferences with OPA Administrator Paul Porter and Secretary of Agriculture Clinton P. Anderson.

OPA today ground out the first of many increases required under the new price control law -- an average six per cent boost in retail ceilings on farm machinery and replacement parts.

Gromyko Tells A-Pact Stand

NEW YORK, July 31—(AP) Andrei A. Gromyko, Soviet delegate, declared today that the question of inspections, in control of atomic energy, had been "greatly exaggerated in importance." He said the only real method of control is "by the cooperation of the United Nations."

The Soviet delegate speaking to members of the committee No. 2 of the United Nations atomic energy committee, dealt with phases of Russia's proposed plan for harnessing atomic energy for peaceful purposes.

The committee asked the scientific and technical committee, another branch of the commission, to hand in a report on the question whether effective control is possible and to indicate methods by which this control could be achieved.

Senate Passes 6-Cent Airmail

An amended house resolution providing for a six-cent airmail postage rate in the United States has been adopted by the U. S. senate, the local chamber of commerce was notified yesterday by Sen. Guy Cordon. The measure now is in conference committee pending final action, Cordon's telegram stated.

Fourth Well to End 'Drought' In West Salem

WEST SALEM, July 31—Relief from the acute water shortage in West Salem hills is anticipated within the next 24 hours with the cutting in of the fourth well. This was the statement of city officials tonight as continued warm weather left all but residents on the flats without water during the middle of the day.

The three wells now in use are furnishing a total of 1,000 gallons a minute, Lester Davis, city marshal, said tonight. The pump and motor for the fourth well is here and as soon as installed will provide an additional 300 gallons a minute, Davison said.

As water was drawn off for sprinkling to alternate days and finally cut it off entirely for a brief time. Sprinkling is now permitted for an hour in the morning and an hour at night, Davison said.

Little or no water has been available for several days for residents in the heights after 10:30 or 11 a.m., Davison said. During the water shortage only one small fire, a chimney blaze, was reported and it was controlled before the Salem fire department arrived.

While this is the first time the town has had a water shortage, this year has brought great expansion in local industry and population, accounting for increased water consumption.

Air Amada to Fly Over Salem Today

More than 50 army planes, including B29 bombers, are scheduled to fly over the Salem area in formation this afternoon in celebration of Army Air Forces day. The 15th Air Force announced the flight up the Pacific coast from March Field to Sacramento, then on to Seattle via Medford and Portland. Presumably the planes will fly over Salem.

Sherwood Resident Drowns in Elk Lake

BEND, Ore., July 31—(AP)—Walter Suhrer, Sherwood, drowned at Elk lake east of here late today when a sailboat capsized, tossing its four occupants into the lake. Rescued were Mrs. Suhrer, Charles E. Cleveland, retired principal of Benson Tech high of Portland, and Mrs. Ann Draper, also Portland. The two Suhrere children witnesses the accident.

Bowden Preliminary Hearing Set for Friday

PORTLAND, July 31—(AP)—Preliminary hearing will be held Friday for James W. Bowden, 47, charged with first degree murder in a basement dynamite blast that killed his wife.

The accused has denied he meant to kill his estranged wife by rigging a booby trap in a foot-locker, but said it was meant for a "friend of my wife."

Animal Crackers

By WARREN GOODRICH

Yes, dear, I know he's building—but he's a veteran.

State Income Taxes to Remain Unchanged This Year, According to Annual Tax Report

State income taxes will not be reduced this year, it was announced Wednesday by the state tax commission in its annual report for the year beginning July 1, 1946.

No state property tax will be levied for this year and the state will not remit to counties the $10 per census child for school purposes, it also was indicated in the computation and apportionment announcement of the commission.

Requirements for state purposes, inside and outside the six per cent limitation, total approximately $18,500,000 which will be reduced, according to the tax commission, by $5,800,000 from miscellaneous receipts, adjustments and unexpended balances. The elementary school tax amounts to $2,236,000 which will be paid by the state, and, in addition, $8,000,000 is designated for the support of primary and secondary education.

It will be necessary for the state to raise, during the fiscal year, in excess of $8,300,000 outside the 6 per cent limitation. This sum is made up of $5,000,000 for the building fund voted at the last general election, $1,366,000 for higher education, and the remainder for various world war veterans accounts.

The tax commission estimated that income taxes collected during 1947, based on 1946 incomes, will be 30 per cent less than the $22,800,000 collected during the current year. This deducation was based on the following major points, Tax Commissioner Coe McKenna, said:

1. Declining employment and payroll in the state; 2. Curtailment of all types of building construction caused by a reduction in volume of construction material; 3. Possibility of strikes by employes and buyers; 4. Reduced profits resulting from increased wages coupled with federal control over commodity prices; 5. Scarcity of consumer goods.

McKenna said that while there was a surplus June 30 in the income accounts the state must yet raise a remainder of $5,000,000 of the $10,000,000 to be transferred out of available revenues to the state support fund for primary and secondary education.

Emergency Board Cuts Bid for Deficiency Appropriations

Deficiency appropriations of $65,750, less than a third of the amounts requested, held the approval of the state emergency board today.

The sum finally granted included $10,000 out of $15,808 asked by the state educational department, to place the so-called national school lunch program in operation in this state under recent congressional action.

The reduced amount of $10,000 at first was voted down, but on a later move for reconsideration that figure was approved to carry through the plan until around February 1 when the legislature could provide whatever additional amount was desired.

Rex Putnam, state superintendent of public instruction, told the board in session here Wednesday that the appropriation was to be used only for administration purposes.

Other speakers said approval of the emergency appropriation would bring more than $400,000 of federal funds into the state in the next school year.

Under federal law the school districts adopting the lunch program must match federal funds. Putnam said 391 (out of around 1700) Oregon schools participated in the lunch program during the last school year and it was estimated 475 schools would participate in the school year starting in September.

(Additional details on page 2)

Our Senators

Lost 5-4