

Washington Mirror

Ike's 'Hard Money' Policy May Mean Higher Electricity Bills

By A. ROBERT SMITH, Statesman Correspondent

WASHINGTON — The Eisenhower administration's new "hard money" policy is expected to be reflected in higher electric power rates charged by Bonneville Power Administration to its customers sooner or later, possibly next year when increased rates are scheduled to go into effect.

While Republicans and Democrats are now debating in Congress almost daily whether "hard money" will mean a sounder dollar or whether it will only lead to hard times, the indisputable result is that interest rates are rising all along the line. The government indebtedness, then, is costing more to finance from year to year.

This change in the nation's fiscal picture is linked to Bonneville through the law which requires that BPA pay back to the U. S. Treasury sufficient interest on the taxpayers' investment in dams and related facilities to cover the Treasury's cost of borrowing the money.

Interest Rate Ups Expenses

With a rise in these loan charges will go an accompanying increase in BPA expenses, which will be reflected in power rates. The timing is the only uncertainty at the moment.

Federal Power Commission accountants are currently laboring over columns of figures, calculating for one thing the amount of the cost of McNary dam which will be covered by this amortization plan which BPA must handle with power revenues. They will also have to take a look at the possible need to tack up interest charges from the 2 1/2 percent level where it has stood ever since Bonneville began paying off.

FPC Set Rate

This current interest rate was determined by the FPC to be

about right to meet the probable cost of the investment in Bonneville and Grand Coulee dams, taking into account bond rates during the thirties and early forties when they were built. Now the FPC must re-evaluate this item in terms of what the investment in McNary, The Dalles, Detroit, Albeni Falls, Hungry Horse and Chief Joseph has been costing in these post-war years and will continue to cost in the foreseeable future when additional funds will be required for completion in some cases, additional generators in other cases.

Before the administration's higher interest rate policy became known this year, BPA Administrator Paul Raver estimated rates might have to be increased from \$17.50 per kilowatt year to about \$21.50 or \$22.50 in order to permit BPA to continue to meet its repayment schedules for new projects of considerably higher cost.

It is still too early, BPA officials believe, to estimate how much higher this prospective new power rate may be driven by the "hard money" policy.

British Praise Soviet Warship

PORTSMOUTH, England (AP) — The Soviet cruiser Sverdlov steamed out of British waters Tuesday with the compliments of the British naval commander in chief here for the warship's smart appearance in the big Spithead coronation review.

Adm. Sir John Edelman said goodbye to the Russian visitors in a message in which he thanked the Sverdlov for taking part in Monday's review and wished the ship and its men safe voyage home.

Baseball See the Senators Play at Waters Field at Salem vs. Yakima TONIGHT 8:15 P. M.

NEW YORK STEAK \$1.45 Nohlgren's Air-Conditioned 1/2 Pound Serving U.S. Choice Steer Beef - with Tossed Green Salad Baked Potato, Hot Rolls

READ... 'The Hi-Fi Bandwagon' Life Magazine June 15th Issue

HEAR... High Fidelity Sound in the 'Treble & Bass Room' At Heider's 428 Court St.

Net Prices On Such Recognized Equipment as: Garrard, Ball, General Electric, Bogen, etc.

Join the Columbia '360' Club! Now Available in Mahogany, Walnut, Blonde, Lined Oak at Oregon's ONLY High Fidelity Equipment and Record Store Under Direction of Cecil Farnes Co. HEIDER'S 428 Court Street Phone 4-2271

High Court Ruling Pleas



SAN FRANCISCO—Harry Bridges (left) West Coast longshore labor union leader and two other union officials, Henry Schmidt (center), and J. R. Robertson are all smiles after hearing in San Francisco that the Supreme Court had reversed perjury-conspiracy convictions against them. Bridges was accused of lying when he told a 1945 naturalization hearing that he was not a Communist. Schmidt and Robertson testified for Bridges at the naturalization hearing. (AP Wirephoto to The Statesman.)

Thief 'Jailed' Under Bed

ONTARIO (AP) — Burrell Wilson, who likes sleep as well as any man, caught a prowler and then dropped off to sleep again without bothering to call police.

He heard noises of the prowler, who hid in the house by crawling into the big drawer that fills the space under Wilson's bed.

Wilson got a hammer and nailed the drawer shut. Then he went back to sleeping.

In the morning he called police. They opened the drawer and arrested a sheepish Santiago Gonzalez.

More Forests Taken Under Fire Control

More than 65,000 acres of forest lands have been added to the acreages patrolled by the state and fire control association districts during the past year, Cameron Mull, director of the forest assessment section of the state forester's office, announced Tuesday.

Approximately 21,790 acres were added by the Douglas Forest Protective Association, 18,000 by the Eastern Lane Protective Association, 13,282 by the Northwest Oregon District and 12,796 acres by the Central Oregon District.

Increases in the forest land totals came as a result of field examinations conducted by members of the district wardens staff. Under this land check system, considerable acreages of high hazard woodlands have been added to the protection rolls. Field surveys also disclosed that a number of former forest lands are now predominantly agricultural and in some instances used for suburban home sites.

Ex-Tax Aide Tells of Links To Samish

WASHINGTON (AP) — Irvin Goldstein testified Tuesday that he represented Arthur Samish, California lobbyist, in a tax case after once recommending as special government prosecutor that a perjury complaint against Samish be dropped.

Goldstein was special assist to the attorney general assigned for 18 months to investigate irregularities in the internal revenue bureau in San Francisco. He resigned his government position last March 28.

Goldstein told the House judiciary subcommittee investigating the justice department that he appeared before the internal revenue bureau on charges of income tax law violation.

Goldstein testified that he withdrew as counsel for Samish after it was called to his attention that Samish was involved in one of the grand jury investigations of tax matters in California.

DANCE TONITE Crystal Gardens Old Time - Modern BIG CROWDS! GOOD MUSIC!

SHERIDAN RODEO Sheridan, Oregon June 20-21 Show Starts 1:30 P. M. R.C.A. Approved Tucker Rodeo String

UO Journalism Building Bids Below Estimate

PORTLAND (AP) — The State Board of Higher Education opened bids Tuesday for a new journalism building at the University of Oregon, and found them well within estimates.

The Legislature has appropriated \$600,000 for the construction, which will become available when the State Emergency Board releases the money to the higher education board.

The building, to be named after Eric W. Allen, first journalism dean at the university, is expected to cost a total of \$500,000 on the basis of bids opened Tuesday.

The low bids: General construction, J. G. Watts, Portland, \$290,771; mechanical, H & S Plumbing, Eugene, \$63,672; electrical, L. E. Morris Electric, Eugene, \$36,584.

The bids include removal of McClure Hall, which was built before the turn of the century. It will be the first classroom building ever to be torn down on the campus.

Additional costs will come from providing equipment, landscaping, architect and contingency fees.

The board formally accepted the resignation of President Harry K. Newburn of the University, and ordered a \$25,000 television laboratory for the School of Engineering at OSC. It will be used for classroom work. It will be available for use if the state ever establishes a TV station.

The board reported that Dr. Philip G. Hoffman, director of arts and sciences in the University of Alabama extension division, had been named vice dean of the Oregon general extension division.

Soviet Writer Switches to Peace Theme

BUDAPEST, Hungary (AP) — Ilya Ehrenburg, Russia's top propagandist, declares Tuesday the Soviet Union wants to reach agreement "even with those who cordially and long-standingly dislike us."

Ehrenburg obviously was referring to the United States in a conciliatory speech which was in marked contrast to his vitriolic blasts against America before the Kremlin "peace offensive."

The wild-haired Russian author, who often has expressed his bitter personal hatred of America, spoke at a meeting of the Communist-dominated World Peace Council.

The council, a main instrument of Kremlin peace propaganda, is meeting here apparently to acquint delegates of 65 countries with the "new look" in Soviet policy.

Co-existence, negotiation and agreement with the West appear to be the theme of the week-long meeting to which Western correspondents were invited.

Sec. Wilson Rebukes Reds' Truce Method

WASHINGTON (AP) — Secretary of Defense Wilson, commenting on the current Red offensive in Korea, said Tuesday Americans wouldn't apply such pressure when a truce was in the offing.

Asked for his reaction to the big-scale drive recently launched by the Communists in Korea, Wilson told a news conference he doesn't think he understands the Oriental mind, but—

"From the American point of view we certainly wouldn't want to put pressure on."

Asked about the prospects of a truce agreement, Wilson said: "The evidence would indicate there is going to be one, but I can't say as to the timing."

The secretary said, too, that it would take six months or more after a truce is reached before troops can be started home from Korea. He added:

"I'm conscious there will be the same old push to bring the boys home."

Before troops could be withdrawn, he added, a very great improvement would be required in general conditions throughout the world.

Reuther Picks Ex-Opponent As Assistant

DETROIT (AP) — Richard T. Leonard, a former leader of the Reuther opposition in the CIO United Auto Workers, has been picked by CIO President Walter P. Reuther as one of his assistants.

Appointment of Leonard as one of several CIO field representatives will be announced soon, a spokesman for Reuther disclosed. They will handle special assignments out of Reuther's Washington office. Reuther is president of both the UAW and CIO.

HOLLYWOOD Starts Today - Open 6:45 THE STARS ARE SINGING! - Technicolor - Top Co-Feature - 'TAXI' Dan Dalley, Constance Smith

CAPITOL 3-5050 STARTS TODAY! PRICES THIS ENGAGEMENT ONLY! ADULTS - 84¢ VIEWERS CHILDREN - 20¢ 16¢ UNLIKE ANYTHING YOU'VE SEEN BEFORE! THE FIRST 3 Dimension feature picture made by a major studio! NATURAL VISION 3 DIMENSION HOUSE OF WAX WarnerColor Vincent PRICE - Frank LOVEJOY - Phyllis KIRK Carolyn JONES - Paul PICCINI The Technical Achievements in 'HOUSE OF WAX' Far Surpass Anything in 3-D You Have Yet Seen!

Eugene Hamrick Elected as Bethel School Director

Statesman News Service

BETHEL — At the annual meeting of Bethel school district, No. 125, Monday night Eugene Hamrick was elected to the board of directors in the place of A. C. Spranger, who has served for 14 years and declined reelection. W. R. Baker and Ralph Wilson, chairman for the ensuing year, are the other members. Mrs. A. C. Spranger has been school clerk for 13 years.

Oak Ridge school will be unable to send its pupils to Bethel school this fall, as has been done for the past five years, on account of new school rulings. This made necessary an amendment to Bethel's proposed budget; after which the budget was adopted. The levy will be eleven and one tenth mills on last year's valuation.

The name of A. C. Spranger was written in unanimously for a place on the county rural school board at the suggestion of Ronald E. Jones, who now holds the place.

Aid to Small Business Kept In Revised Bill

WASHINGTON (AP) — Senate House conferees Tuesday agreed upon a two-year extension of some defense mobilization controls and on creation of a permanent small business administration with broad lending powers.

Sen. Maybank (D-S.C.) announced he would refuse to sign the conference report because the Senate conferees accepted the new Small Business Administration (SBA) which had been written in by the House.

This agency is supposed to take over the small business lending functions of the Reconstruction Fi-

The SALEM DRIVE-IN THEATRE LARISH GARDENS, HIGHWAY 99 & GATES OPEN 7:00 SHOW AT DUSK Starts Tonight (Wed.) 'The Kettle Family Goes Abroad' - 'MA AND PA KETTLE ON VACATION' - Plus - In Technicolor 'GUNSMOKE' Audie Murphy Susan Cabot Bring the Whole Family SEE A MOVIE FROM YOUR CAR

54 Shell Dealers Hear Of Gasoline Research

Fifty-four Shell service station dealers met at breakfast Tuesday in Hotel Senator to hear the story behind TCP, a new gaso-line additive described as "the greatest motor fuel development for power and mileage since the introduction of tetraethyl lead 31 years ago." Errol W. Ross is Salem Shell Distributor.

EL SINORE Starts Tonight

EL SINORE Starts Tonight NOTHING WAS EVER SO BRIGHT... SO ROMANTIC! BY THE LIGHT OF THE SILVER MOON Color by TECHNICOLOR 2nd Hit! Excitement in the Gold Fields 'GOLD FEVER'

Stereo-REALIST

Stereo-REALIST the camera that sees the same as you... in three dimensions Stars of Warner Bros. 'House of Wax' say... 'Stereo-Realist pictures are a thrilling experience in three dimensional realism.' NATURAL VISION - 3 DIMENSION. COLOR BY WARNERCOLOR See Vincent Price, Frank Lovejoy, Phyllis Kirk in 'HOUSE OF WAX' Capitol Theatre NOW PLAYING! Andy Foster's Cameras 174 NO. COMMERCIAL

STARTS AT 1:00 TODAY! After A Night of Fury, 'The Beast' Now Looses its Savage Terror in Broad Daylight Upon the City! THEY COULDN'T ESCAPE THE TERROR! THEY COULDN'T BELIEVE THEIR EYES! AND NEITHER WILL YOU! 'The Beast' From 20,000 Fathoms It's alive! 2nd Hit - Rod Cameron in 'SAN ANTONIO' First-Run in Salem! Adults - 74c • Children - 20c GRAND 3-3467