

Newbry Fights Motor Bureau Transfer Plan

By ROBERT E. GANGWARE City Editor, The Statesman Secretary of State Earl T. Newbry spoke out Monday against the bill to remove the state motor vehicle department from his jurisdiction.

"I can see no need or justification for the transfer" (to the governor's office), declared Newbry who had been silent on the issue raised by an interim committee, recommended by the governor and just now coming under the Senate highway committee's consideration.

Newbry's opposition statement came on a legislative day featured also by these developments: 1—Announcement that Mrs. E. A. Gall, Lebanon housewife who claims her husband was beaten last week because she has been identifying fraudulent recipients of public welfare, would be subpoenaed, along with her records, for a ways and means subcommittee hearing Wednesday afternoon. (Picture in column at left.)

Talks With Thornton Mrs. Gall came to Salem Monday to confer with Atty. Gen. Robert Y. Thornton who promised any assistance needed by the Linn County district attorney in his investigation of her charges.

At the same time the welfare subcommittee told officials from many county welfare units that legislation is being prepared to force deserting fathers to support their children as one means of checking the welfare costs.

2—Legislative action was finished on the revised retirement system affecting 44,000 public employees in Oregon. The House passed the amended Senate Bill 47 without question and sent it to the governor.

3—House tax committee decided to work out a graduated scale for withholding income tax from wages, similar to the federal plan, instead of going ahead with a plan to double the present 1 per cent withholding.

4—Bills to regulate milk price only at producer level and to divide Marion County into two districts for election of state representatives were approved for presentation to the House as new bills today. The milk bill would restore some of the controls which the voters tossed out last November.

5—The House scheduled debate for 10 a.m. today on a Korean War veterans' bonus, which the ways and means committee has recommended against.

The Senate highway committee gave a close-check attention to technical details of setting up a separate motor vehicle department under the governor and decided to go to this bill again Wednesday.

Secretary of State Newbry didn't appear before the committee but he released copies of a letter he recently submitted to Highway Committee Chairman Warren McMinimee (R), Tillamook.

Doubts Greater Efficiency "I am not convinced that greater economy or efficiency," wrote Newbry, "can be obtained by the transfer of the activity (motor vehicle) from one elective official to another."

Newbry wrote that Legislative since 1905 have entrusted all motor vehicle administration to the secretary of state's office and that just about all improvements in motor vehicle law over the years have been recommended first by the secretary of state.

Points to Progress In this connection, Newbry said his contribution has included the permanent license plate, staggering of renewals, regular school bus inspection, old timer plates, ham operator plates, present title fee, continuous trip plan and reciprocity plan of truck registration with other western states.

The long-predicted milk bill proposes a milk marketing administrator appointed by the governor, with powers to license milk dealers and set up either distributors-type or marketing-type pools in which the producers would be guaranteed a minimum price.

Milk producers would have certain referendum powers. Public hearings would be mandatory before price orders could be issued. Bill sponsors are Reps. Joe Rogers, Elmer Deetz, Earl Hill and Maurine Neuberger, Sens. Lee Ohmart and Monroe Sweetland.

BODY RECOVERED KLAMATH FALLS (AP) — The body of Joseph Elwood Wright, 19, Klamath Reservation Indian, was recovered from the Sprague River south of Chiloquin Sunday. He apparently fell from a dam where he had been fishing, and drowned Saturday.

Stocks Tumble Again; Solon Hints Senate Probe to Blame

WASHINGTON (AP) — Sen. Goldwater (R-Ariz.) said Monday there could be a direct connection between the Senate Banking Committee's study of the stock market and Monday's major selling wave. The day's fall in prices was the biggest to hit the New York Stock Exchange in nearly five years.

Goldwater told the Senate he "wouldn't want to say" that the estimated four billion dollar aggregate drop in the prices of all listed securities was a "direct result" of the study undertaken by the committee.

But he told the Senate in sometimes warm debate that "when a dark cloud passes over, sometimes there is rain." Sen. Gore (D-Tenn.) asked Goldwater if he meant to imply that the committee, headed by Sen. Fulbright (D-Ark.) "is deliberately trying to undermine" the stock market.

'Generous Cashier' Accepts 2,000 Bad Checks; Bank Folds

By KYLE VANCE WHITESVILLE, Ky. (AP) — A federal bank liquidator, investigating the collapse of a small town bank, disclosed Monday that it obligingly cashed more than 2,000 worthless checks.

The checks, varying in size from \$1 to \$7,000, caused a shortage of \$535,000. This was more than half the deposits in the Banks of Whitesville, which closed last September. The deposits totaled \$929,625.

And how were the customers, over a period of four years, able to get money on so many checks when they didn't have sufficient funds on deposit? Takes Full Blame

Bernard Ware Barrett, the 51-year-old cashier, took full blame. "I had a habit of indulging our customers," he explained when the bank closed. "I thought they (the checks) would be made good, but they weren't."

Barrett added he didn't realize the checks he was holding had piled up to such a fantastic sum. Altogether, 135 accounts were overdrawn.

One customer overdraw his account by \$188,701. Another took out \$159,613 which he didn't have on deposit.

False Entries Barrett is charged with misapplying bank funds and with making false entries, but he has been declared temporarily unfit mentally to stand trial. He said he did not profit from being so generous.

The more than 2,000 worthless checks were reported by John Sloum, a liquidator for the Federal Deposit Insurance Corp., as he and state and private banking officials tried to untangle the giant overdraft.

Prosecution Starts Machinery has been set in motion to recover the money and to prosecute other persons.

Criminal indictments have been returned and civil suits have been filed against the two customers most deeply involved.

L. E. Owen, an oil operator, is charged with writing 1,185 checks which left him with an overdraft of \$168,701.

J. D. Logsdon, a lumberman and home builder, is accused of creating two overdrafts — one involving 577 checks and \$159,613 against his business and one involving 565 checks and \$74,704 against himself.

Business Bills Most of the Owen and Logsdon checks were payments of business bills.

Sloum said numerous smaller delinquents were voluntarily settling their shortages. The courts will get the cases of others.

Logsdon testified at a recent examining trial he had only a fifth grade education and was not aware of any indebtedness.

Owen has made no public statement. Dave Brodie, an attorney for the FDIC, said the shortages generally were covered up by hiding many good accounts from the examiners. The money deposited in them was used to cover the bad checks.

Salem councilmen decided some new business was definitely old business and left it as unfinished business at the tail end of a busy Council agenda Monday night.

They advised Edward C. Kruger, 1415 N. 4th St., to confer with Water Department Manager John Geren on his complaint against the city for cutting off a water line to his property after learning that the water department's action took place in either 1946 or 1947.

City Councilmen Delay Action on 'New' Business

By STANLEY JOHNSON MOSCOW (AP) — A fur-hatted young Russian wounded a Soviet guard at the British Embassy Sunday night with pistol fire and, spouting gibberish, forced his way inside. Two unarmed British attaches captured him there. They turned him over to Soviet police.

The intruder, a well dressed man of about 25, was subdued in the second-floor living quarters of Ambassador Sir William and Lady Hayter. They returned from a skiing trip in the country just as he was being taken away.

Phone Cables Cut Following Strike

ATLANTA (AP) — Six telephone cables were reported cut or damaged in Alabama and Georgia Monday night only a few hours after Southern Bell Telephone operators and other workers in nine states struck in a union contract dispute.

Russian Shoots His Way Into British Embassy in Moscow

Moscow diplomatic observers were inclined to attach no political significance to the incident. They dismissed it as the individual action of a person presumably mentally disturbed.

Like all foreign missions in Moscow, the British embassy is heavily guarded. Night and Day, two or more uniformed Russian policemen, with pistols at their belts, are posted at front and back gates in the high brick wall that surrounds the grounds.

Animal Crackers



Plainclothes police also are stationed outside the gates when the ambassador is inside.

"Oh, stop being such a gentleman! Be a wolf for a change!"

Lebanon Woman Waits With Gun for Assailant



LEBANON—Mrs. E. A. Gall, whose 63-year-old husband was the victim of an apparent revenge assault, sits gun in hand peering through her curtain for the possible return of the assailant. He is thought to have been Dale Ivan Hetland, an ex-convict sought by police. Mrs. Gall, whose publicized disclosure of welfare abuses is believed to have led to her husband's beating, conferred Monday with Attorney General Robert Y. Thornton and will meet Wednesday with the Senate subcommittee on welfare.

Effort to Raise Phone Franchise Rate Beaten

By THOMAS G. WRIGHT, Jr. Staff Writer, The Statesman The mayor's wing of the City Council beat down a final effort to boost the franchise rate for Pacific Telephone and Telegraph Co. operations in Salem Monday night, approving 6-3 a city ordinance continuing the franchise at its old 2 per cent rate.

Aldermen Preston Hale, Clayton Jones and David O'Hara joined in an attempt to boost the rate to 2.4 per cent when the ordinance came up for second reading. Earlier attempts by the trio along with Alderman Walter White to set the rate at 2.5 per cent and to cut the 20-year contract to 10 years were also overridden with the offering of an amended franchise.

On Short End Mayor Robert F. White was on the short end of another vote on the short end of another vote, this one affirming the Council majority's sentiment to junk the policy of previous councils on new parking restrictions. White was joined by Alderman Edward Roth in opposition to a resolution spotting parking restrictions of one hour in front of two business houses in 400 block of State Street.

Fast policy of the Council had been to vote parking meters where "parking restrictions had been requested.

The Council got some unexpected reaction from residents of a two-block area of Rural Avenue east of the South Salem High School by the approval of resolutions calling for sidewalk construction.

Several residents of the area, with Roy L. Vick acting as spokesman, questioned the Council's action in starting the sidewalk procedure without what they called proper contact of affected property owners. The group was advised the action, requested by the Salem School Board, could still be blocked and members agreed to consult their alderman.

Resolutions calling for construction of the sidewalk on the north side of Rural between Raynor and Yew Streets, and High and Church Streets were adopted by the Council before the protests were raised.

(Additional details on page 2, sec. 1.) MENZIES, IKE CONFERS WASHINGTON (AP) — President Eisenhower and Australian Prime Minister Robert G. Menzies discussed problems of mutual interest at an hour-long White House conference Monday.

Mike Elliott Pleads Guilty To Forgery

LOS ANGELES (AP) — Marion Leroy (Mike) Elliott, 35, Multnomah County, Ore. (Portland) sheriff who was recalled in 1950, pleaded guilty to forgery Monday.

So did his wife. The two were accused of forging and passing two checks of \$118 each and two of \$56 each.

The sentence and probation hearing for the couple was scheduled for April 4. Elliott, who admitted he had lied about his college and war service record before he was elected, was recalled after serving several months as sheriff.

Mercury Hike Expected After Snow Storm

Warmer weather is expected for today and Wednesday after Salem Monday morning experienced what may have been the second worst snow storm of the winter.

A two-hour snowfall looked good while it lasted, but the sunshine following cleaned it away by noon.

More than a foot of snow was dumped in the Cascade mountains and the State Highway Commission warned motorists to carry chains into all upper regions and to use them in Santiam and Willamette Passes.

Snowfall at Government Camp was 12 inches, Timberline 15, Wilson River Summit 5, Sunset Summit 8, Warm Springs Junction 7, Santiam Pass 12, Willamette Pass 16, Meacham 8.

Officials at the Marion Forks lodge, 20 miles from the summit of the North Santiam Pass, said that 2 1/2 inches of new snow fell Monday morning, which measured with Sunday's fall and "old" snow totaled 3 1/2 feet.

It was announced that ski tows at the Hoodoo Bowl would operate daily this week and next. The tows usually operate only on week ends.

Herbert Hoover To Visit Newberg On 81st Birthday

Ex-President Herbert Hoover will accept the Oregon Legislature's invitation to spend his 81st birthday at his boyhood home in Newberg, Ore., next Aug. 10.

Hoover's letter of acceptance arrived here Monday afternoon. The Legislature had invited him in a joint resolution passed several weeks ago.

On that day, Hoover's boyhood home will be dedicated as a public shrine, and a city park will be named after him.

RAIL WORKERS STRIKE

LOUISVILLE, Ky. (AP) — An estimated 25,000 non-operating employees of the Louisville & Nashville Railroad and two subsidiaries went on strike Monday, and 15 passenger trains were cancelled by night fall.

THE WEATHER table with columns for Max, Min, Precip. and locations like Salem, Portland, Baker, Medford, etc.

Today's Statesman table with columns for Sec. Page and items like Classifieds, Comics, Crossword, etc.