

THE WEATHER HERE

CONTINUED FAIR tonight and Friday. Warm day-time temperatures. Lowest temperature expected tonight, 46 degrees; highest, Friday, 80.

# Capital Journal HOME EDITION

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## Big Gas Refunds Believed Due To False Claims

Over \$3 Million, 12 Percent of Collections, Repaid by State

By JAMES D. OLSON  
Fraudulent claims for gasoline tax refunds are believed to be responsible for the mounting refunds applied for by owners of motor vehicles not operated on public highways, according to William E. Healy, assistant secretary of state.

In 1948 the gasoline tax refunds totaled \$3,009,303.88 on a total tax paid amounting to \$23,414,772.30 or 12.85 percent of the total collections.

Field auditors of the state department have unearthed many false claims, according to Healy and in 1948 \$36,777.81 was saved through denial of such claims.

Invoices Altered  
"Our auditing staff is small," said Healy, "with the result that many claims cannot be investigated."

Healy stated that as an example the auditors found one farmer who had made claim for gasoline tax refund on gasoline used in two passenger cars as well as in farm machinery. As the result of this revelation the entire claim of this individual was denied.

The alteration of dates on gasoline invoices has become a common practice on the part of many claimants. Under the law the claims for refunds must be made within a year from the date the gasoline was purchased and in many cases the date of sale is altered.

Advocates Repeat of Law  
Healy states that whenever such alterations are suspected a check is made with the gasoline company and the correct date is obtained.

Healy is of the opinion that counties of the state would receive more money for road work if the gasoline tax refund law was repealed, declaring that in 1948 the counties received \$5,278,371.23 as its 19 percent of gasoline tax, motor registration fees and public utility commission truck fees.

"The farmers and loggers, representing the largest percentage of recipients of the funds," said Healy, "would also profit by repeal of the refund law because it would mean that many miles of county roads could be repaired or constructed with use of the money that is now paid out as refunds."

Healy also called attention to the fact that the gasoline tax is not levied for use of the highways, the state supreme court having held that the Oregon gas tax is a license fee on companies selling gasoline within the state.

The gas tax refunds during the last four years were: 1945—\$2,009,909.35; 1946—\$2,150,456.12; 1947—\$2,706,651.82; 1948—\$3,009,303.88 and during the first four months of 1949, \$1,337,014.29.

## 3 Day Week Negotiations

Philadelphia, July 7 (AP)—The United Mine Workers board of strategy and the nation's anthracite operators open contract negotiations today with the controversial three-day work week a possible issue.

Negotiations between John L. Lewis' UMW and three branches of the soft coal industry are already underway.

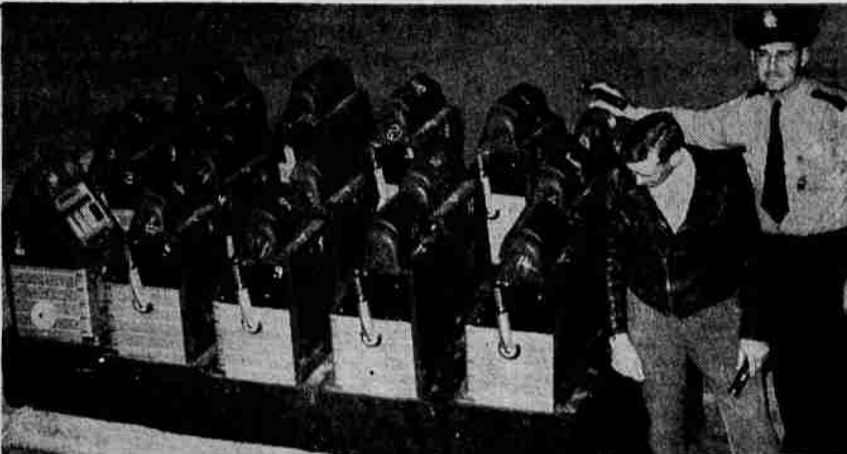
Lewis, whose union includes 400,000 bituminous diggers and 80,000 hard coal miners, put a three-day work week in effect for all soft coal miners east of the Mississippi starting this week.

His order, which drew immediate criticism from both congressional and industry leaders, did not include the hard coal miners, however.

In the anthracite fields a five-day work week is in effect this week after the Pennsylvania anthracite committee set the weekly production quota at 1,207,000 tons.

While the bituminous industry is divided into three negotiating groups — steel-owned captive mines, southern operators and a cogal men of the north and west — the anthracite industry speaks as a unit.

One of the prime reasons for Lewis' shortened work week order was believed to be the record soft coal stockpile now above ground.



## 153 Death Toll Of Heat Wave

(By the Associated Press)  
It was more hot and humid weather for most of the eastern two-thirds of the nation again today. No widespread relief was in sight from the week-long heat wave.

Showers and cool air brought a measure of relief to some of the hot spots but the U.S. weather bureau didn't expect a general break in the steaming heat immediately. Meanwhile, crop losses in the drought-stricken northeastern states mounted daily and no heavy rains were forecast.

Deaths attributed to the hot weather mounted to at least 153. Cool air fanned out over the dry-stricken areas of New England and New York state yesterday and rain fell in some parts of the eastern states.

New York City got its heaviest wetting in weeks—a half inch rainfall. That was more than fell in the metropolis during the entire month of June.

The mercury was a pleasant 81 yesterday and dropped to 71 early today. Scattered showers brought relief to other parts of New Jersey state.

New Jersey, where crops have suffered millions of dollars damage from 45 days of drought, also got some rain, but not enough to help the wilting crops.

### Stock Sale Authorized

San Francisco, July 7 (AP)—The California-Oregon Power company has permission to sell 250,000 shares of common stock of a par value of \$20 a share.

## Problem of Humanity Now One of Leadership

By ROBERT LETTS JONES

The problem of humanity today is a problem of leadership. That is the way Dr. Bohus Benes analyzes the chaos in the world. And Dr. Benes, visiting professor at Willamette university, has a background in central Europe to give him a perspective rare these days. He is a nephew of the late Dr. Eduard Benes, who died last year after being forced to resign as president of Czechoslovakia following communist seizure of his country.

"Who to look to for leadership?" is the question bothering the nations of the globe now, Dr. Bohus Benes told a Salem audience Wednesday night at Waller hall on the university campus.

In making the first of three local talks, Dr. Benes classified his listeners as "children." He used this term, he explained, as he would in Europe for his children: "The sooner they know about trouble the better for them."

His message evidenced sincerity. His words and delivery reflected his background of being reared and schooled in Europe's troubles of this century.

He keyed his talk to an explanation of the progress of the Czech republic formed after World War I, through the years to the "betrayal" at Munich in 1938, a 20-year span. He brought

## Seize Slot Machines In Raid on Eagles Club

A complaint charging the board of directors of a Salem fraternal organization with unlawful possession of gambling equipment was being prepared Thursday on the heels of a police raid which resulted in seizure of 15 slot machines and numerous other gaming contraptions.

District Attorney E. O. Stadter, Jr., who initiated the action which brought the raid, said that on the basis of evidence secured by Salem police and the Marion county sheriff's office a complaint would be filed against the directors of the Willamette Aerie of the Fraternal Order of Eagles.

Six members of the Salem police department headed by Chief Clyde A. Warren and four members of the Marion county law enforcement office led by Sheriff Denver Young raided the club rooms of the organization at 371 N. High street under a search warrant obtained by Stadter in Silverton justice court.

The cache of gambling equipment was found in a padlocked room. When members of the organization who were present at the time of the raid failed to produce a key to the door, the lock was pried off by Chief Warren.

Inside was found six five-cent slot machines and an equal number of dime slots along with three quarter machines. In addition, the law officers carted away eight punch boards, two chuck-a-luck devices, a bingo cage, a master bingo board and 208 cards to be used with them, a box of numbered cork balls, four boxes of poker chips and a set of dice.

"I filed an affidavit to obtain the search warrant," Stadter explained Thursday, "when I received information from two separate, independent sources. I deemed the information reliable, and that was confirmed by the results of the search."

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## Paris Strike Cuts-off Electricity in Homes

Paris, July 7 (AP)—Electricity was abruptly cut off in 66 percent of Paris homes and buildings today by a wage strike.

Suburbs also were affected. Gas pressure was sharply reduced, and the state-owned power company asked users to ration themselves. Power plants in the north, at Lille and Maubeuge, also were idle.

Workers belonging to the communist-led C.G.T. labor federation suddenly left their jobs during the night. For six months workers have been negotiating with the power companies for a complicated series of wage increases.

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## No Atomic Bombs Left by Army For Commission

All Used Up in Experiments—Complete Model Change

Washington, July 7 (AP)—Senator McMahon (D., Conn.) said today the United States had no atomic bombs in 1947 when the army turned atomic projects over to a civilian commission.

He declared the commission "didn't find any bombs—the models had been used up."

McMahon tossed this out at congressional hearings after an army general said there has been a "complete model change" in the bomb since the AEC took over the project.

How many bombs this country now has and the production rate of bombs are closely guarded secrets.

Brig. Gen. James McCormack, Jr., director of the AEC's military application division, also said that all production bottlenecks "worthy of serious concern" now have been broken and weapons production is on a "stable basis."

McCormack testified at the senate-house atomic energy committee's hearings on charges by Senator Hickenlooper (R-Iowa) that there has been "incredible mismanagement" of atomic projects under the AEC and its chairman, David E. Lilienthal.

In a general denial, Lilienthal and the AEC contend that, on the contrary, the project was "bogged down" when they took it over and has been infused with new life.

McCormack told the congressional committee that weapons production, formerly concentrated at Los Alamos, N. M., on a "custom" manufacture basis, is being carried on in plants "dispersed widely" throughout the country. The plants, he said, cost in excess of \$100,000,000 and are staffed by "thousands of people."

Open Own Defense  
The commission fired the opening volley in its own defense yesterday with Robert F. Bacher, former commission member, as the principal witness.

The 43-year-old physicist, who was associated with the atomic program for eight years before

(Continued on Page 5, Column 7)

## Housing Bill On Final Lap

Washington, July 7 (AP)—The administration's vast housing bill today hit the final lap of its long trip through congress.

Democratic leaders confidentially expected to hand the trimmed-down measure to President Truman before the day is over, following its approval in compromise form late yesterday by a house-senate conference committee.

The bill, marking the first major success for Mr. Truman's "fair deal" program, was passed in differing versions by the senate and house. It calls for a multi-billion dollar program of public housing, slum clearance and farm housing aids.

All that was needed before Mr. Truman could sign the approval into law was its approval by the two chambers of congress.

Administration leaders, who had barely snatched the bill's public housing feature from defeat in the house, were jubilant over the prospect of seeing it finally enacted.

## Start Retrial Of Mindszenty

Budapest, Hungary, July 7 (AP)—Hungary's highest appeals court commenced the retrial last night of Josef Cardinal Mindszenty and his co-defendants.

Authorities apparently were not too keen on publicizing the trial. The press was not informed of it and Hungarian papers made no mention of it.

Under Hungarian law the defendants themselves do not attend a retrial. Only the transcript of previous testimony is studied by the court which listens to the prosecutor and defense counsel.

The prosecution has contended that the sentences passed by the original court were too light. The defense has asked that they be made lighter.

## 'BULLISH' ON U.S. ECONOMIC OUTLOOK

Survey Completed for Bridge Creek Road

County Surveyor Dale Graham Thursday submitted to the county court his completed survey of the Bridge creek road which leaves the Silver Falls highway about half way between Silverton and the falls and the court directed the survey be submitted to abstractors to determine ownerships along the road and particularly, just what part of the road the county owns and what part, if any, it doesn't own. The survey covers about seven miles of road.

Dispute as to title to certain portions of the roadway arose because of some uncertainties in the deed of the right of way to the county from the Cascade Operating company which handles the properties of the old Silver Falls Timber company.

The present right of way of the seven-mile road follows the right of way of the old Silver Falls Timber company logging railroad. When timber cutting was abandoned the late William H. Woodard, head of the timber company, tendered the right of way to the county as a gift for road purposes and it was accepted. A deed was prepared and sent to the county but in some manner the original deed was lost. Mr. Woodard died but in the meantime the road had been improved with county money and the county held no visible evidence of ownership.

The Cascade Operating company as successor to the Silver Falls company prepared some new deeds which were not satisfactory but finally a deed was prepared and accepted. It then developed that some details in the deed didn't exactly match up with the survey, a land owner on the road claimed part of the roadway and offered to trade what he claimed as his land for some county land. Also there was the matter of a connection between the new road and the old Bridge Creek road which parallels it.

The discrepancies caused the court to last winter order a survey of the entire seven miles of road.

The survey as submitted to the court is on a single sheet, 16 feet long and on a scale of one inch to every 200 feet. It places the roadway is very irregular with curves and angles. The land as deeded included a complete 100-foot right of way.

"When we get the abstractor's report," said County Judge Grant Murphy, "we'll know where we stand and can act accordingly as to any disputed ownership."

Purpose of the meeting is to determine United Air Lines' position on the CAB's recent proposal to substitute West Coast Airlines service for that of UAL in Salem. West Coast Airlines is a feeder line, which does not carry air freight. On the other hand, United Air Lines is a trunk line and a carrier of air freight.

Those going from Salem to meet with the United Air Lines officials are Jack Bartlett of the state board of aeronautics, Clay Cochran of the Salem Chamber of Commerce, City Manager J. L. Franzen and Robert Letts Jones.

Jones is to represent Gov. Douglas McKay, who in 1940 was the representative from Salem appearing before the CAB in Washington to ask for United service to Salem. Franzen, the city's representative, will outline the improvements made at McNary field the past two years as the city prepares for expanded service here.

## Airfield Crisis To Be Discussed

Salem's future air line status is to be discussed in Portland Friday morning at a meeting of Salem representatives and Harold Cravy, vice president in charge of United Air Lines traffic, with offices in Chicago.

Cravy, en route to Seattle to attend the dedication ceremonies for the new Tacoma-Seattle terminal, is to arrive in Portland Thursday night and will meet with the Salem group at 10 a.m. Friday.

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## Exempt Austria from War Reparations

London, July 7 (AP)—The Big Four deputy foreign ministers formally exempted Austria today from having to pay war reparations to the allies.

Russia accepted for inclusion in the Austrian independence pact which the deputies are drafting a British proposal saying:

"No reparations shall be exacted out of Austria arising out of a state of war in Europe on September 1, 1939."

## Dewey Names Dulles Senator from New York

New York, July 7 (AP)—Gov. Thomas E. Dewey today appointed John Foster Dulles, his veteran foreign affairs adviser, to the United States senate as successor to Robert F. Wagner.

Dulles will serve an interim term until December 1. A senator will be elected at a special election November 8 to serve for the balance of Wagner's term from Dec. 1, 1949 to Dec. 31, 1950.

Dewey said it was "unlikely" that Dulles would run in the Nov. 8 special election as the republican nominee.

He said he had made the appointment because of Dulles' wide knowledge of foreign affairs.

"The foreign affairs issues before the senate made his appointment the greatest contribution to the senate that I could make," the governor said.



John Foster Dulles

## Czechs Tighten Censorship

Prague, Czechoslovakia, July 7 (AP)—Reports from strife-torn Slovakia say Red censorship has been clamped so tightly over that strongly Catholic area that communists themselves complain their mail is being read and their telephones tapped.

Newsmen who visited Bratislava, Slovakian capital, for the week-end religious holidays, said the atmosphere is more tense since last week's church-state troubles. At that time the controlled press reported rioting between Red police and Catholics trying to defend their priests from arrest.

The situation is now believed to be quiet, on the surface, but authorities are increasingly watchful.

The newsmen said Catholic churches were packed for the week-end services and church collections, which the communists tried to stop in some sections, were still being taken up.