

# Goldfine Tells of Gifts To Truman's Assistant

## WORKERS ON TALENT PROJECT HALT WORK

### AGC, Operating Engineers Meet With Mediator

Delivery Canal Work Stopped Today

Tremors from the labor dispute between Associated General Contractors and the striking Operating Engineers union, currently under federal mediation in Portland, were felt here today.

Work on two sections of the Howard Prairie delivery canal in the Talent project and on the narrowing of the Siskiyou blvd. center strip in Ashland has stopped, according to reports. It was understood the contractor in each case was complying with an AGC order that all its members halt operations immediately on jobs employing members of the striking union.

The AGC stated: "A strike against one is a strike against all."

**Work Stopped**  
Chief Brothers, Sandkay and Birch, Ashland, reported this morning that work on the Talent project stopped in compliance with the AGC request, and that approximately 180 workers were idle. The bureau of reclamation office at Camp White said the company was working on the Howard Prairie delivery canal.

No pickets have been reported in the Talent project area, however. Other contractors said they were "standing by" to receive official word direct from the AGC.

M. C. Lininger and Sons, Medford general contractors, announced that work on the Siskiyou blvd. center strip in Ashland also had been halted in compliance with the AGC. Work on the project began Wednesday.

**Mediator Meets**  
In Portland, meanwhile, a federal mediator was to meet today with AGC and union representatives in an effort to settle the strike. Some \$350 million in Oregon construction work has reportedly been halted.

The strike started in southwest Washington Wednesday and stopped work on the \$56 million Swift dam on the Lewis river. It spread into Oregon Thursday, when pickets appeared at two dams on the Clackamas river east of Estacada.

Associated General Contractors then called upon members to halt operations on jobs employing members of the striking union.

The walkout started after failure to reach agreement on a new contract.

In May, a strike of laborers against AGCA shut down major construction in Oregon. The AGC also is negotiating for a new contract with the Teamsters Union.

Pendleton (UPI)—Oregon life insurance executives opened their first annual convention here today.

Portland (UPI)—George W. Joseph Jr., 53, Chairman of the State Hydroelectric Commission, died here today.

## Surplus in General Fund Said About \$50 Million

Salem (UPI)—Oregon's general fund surplus at the end of the fiscal year was about \$50 million, the Department of Finance estimated today.

The Department also estimated that the general fund balance at the end of the biennium on June 30, 1959 would be about \$30 million.

The figures were prepared for Gov. Robert D. Holmes who commented:

**Bear Out Accuracy**  
The figures apparently bear out the accuracy of the revised estimating procedures of the State Tax Commission and the Finance Department and justify our insistence that:

"Calling a special legislative session to reduce taxes was economically sound and

That we hold the line against politically-inspired attempts to cut them back too far."

## Acoustic Method To Detect Nuclear Explosions Agreed

Geneva (UPI)—Western and Communist scientists, finally agreed on one nuclear detection system, took up today the study of additional ways of spotting bootleg nuclear blasts.

Thursday's session—the longest yet—resulted in the first substantive agreement of the 10-day-old conference.

**Acoustic Method**  
A communique announced the experts had agreed to recommend the acoustic method be included "in the list of basic methods for the detection of nuclear explosions with the aid of a network of control posts."

Problems of acoustic detection have been the only ones discussed so far. Today's super-technical discussions centered on detecting nuclear blasts by measuring radioactive fallout.

The communique indicated each side had won acceptance of at least one of its favorite theories.

**West Hesitant**  
Previously Western scientists had hesitated about accepting the Soviet contention that the sound-waves method of spotting unannounced nuclear explosions was completely suitable.

The Soviets in turn accepted, at least in principle, the Western contention that a worldwide grid of control stations must be established to police nuclear tests. In the Western view, this would mean placing stations in Russia and Red China as well as in Western nations and ships at sea.

**Fire Results When Tractor Turns Over**  
A half-acre fire resulted north of Sams Valley Thursday afternoon when a logging tractor turned over and began burning, according to state forestry department officials.

No injuries resulted from the accident, officials report, and the fire, which began at about 3:30 p.m. was quickly controlled.

The fire danger is high now, the department warned, and persons are reminded to exercise extreme caution when burning materials.

**Third School Budget Election Scheduled**  
The third school budget election for Evans Valley school district has been scheduled for July 25, according to county school officials.

The budget to be voted on is \$44,160.17, the same amount as was defeated by one vote in the last election.

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## MEDFORD TRIBUNE

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### A Business Investment—With No Hope Of Ever Making A Profit?



(Herblock is on Vacation)

## Attempts Declared Made To Intimidate Gangland Witnesses

Washington (UPI)—The Senate Rackets Committee revealed today that the FBI is investigating attempts in Chicago and Detroit to "intimidate" witnesses scheduled to testify during the current underworld hearings.

Chief counsel Robert F. Kennedy said there were two such reported incidents in Detroit last weekend and one in Chicago. He said the Chicago witness is scheduled to testify next week in connection with the investigation of gangster infiltration of labor and management groups in that city.

**Criminal Threats**  
Chairman John L. McClellan (D-Ark.) reported on the attempt to intimidate the witnesses at the start of today's session. Several alleged members of the Chicago crime syndicate, including Tony Accardo, its reputed leader, were scheduled for questioning.

McClellan said efforts to intimidate the witnesses provide the strongest evidence needed to support his assertion that criminal elements moving into the labor management field "threaten the security of our country."

He said the committee would start contempt of Congress action against any persons who in any way threaten, coerce or otherwise attempt to keep witnesses from testifying.

**Rival Hoodlum Groups**  
The committee's investigation of underworld penetration of business and union groups in the Chicago area has turned up a situation which makes ordinary thievery look as innocent as a game of jackstones.

It involves a reported attempt by one group of hoodlums to set up a restaurant association in competition with another group of hoodlums who were running a labor racket through another association.

In the process, according to the testimony, Abraham Teitelbaum, an association attorney who got his start as the late mobster Al Capone's lawyer, was in danger of getting shoved out of his own office window.

And the two hoodlums who allegedly planned to do the shoving—Joseph Weinberg and Paul (Needleose) Labriola—themselves wound up as victims of a gangland slaying.

**Baseball**  
AMERICAN LEAGUE  
Cleveland ..... 3 7 1  
New York ..... 11 14 2  
Narleski, Constable (7), Martin (8) and Brown; Turley and Berra, Howard (8).  
Chicago ..... 1 8 0  
Boston ..... 6 7 2  
Wilson, Lown (8) and Batty; Delock and Berberet.  
NATIONAL LEAGUE  
Pittsburgh ..... 7 7 0  
Chicago ..... 2 6 0  
Kline and Hall; Drabowsky, Nichols (5), Henry (6), Hobbie (9) and Taylor.

Three persons were sentenced to the Oregon state penitentiary Thursday by Circuit Court Judge Edward C. Kelly.

Sentenced were Charles John Dahm, 18, of Jacksonville, and Richard Duane Tilley, 23, of 1950 Sunset drive, Medford, both charged with burglary not in a dwelling. Dahm was sentenced to 14 months and Tilley was sentenced to 32 months.

The two men were arrested in connection with the burglary of Hydraulic Jack service.

Also sentenced to 32 months was Max Marvin Mayo, route 1, box 298G, Central Point. Sentenced on a charge of burglary not in a dwelling, Mayo was arrested in connection with the burglary last month of Echo Tavern, Shady Cove.

## Pouncing Cat Puts End To Squeaking Static From Radio

Iuka, Miss.—(UPI)—For about a month, Mrs. Sue Vinson was continually having to chase the cat from atop the radio.

And the radio had been emitting a strange squeaking sort of static.

Finally Mrs. Vinson removed the back panel from the radio, with the cat an interested onlooker.

A mouse ran out, the cat pounced and the case was closed.

## Areas of National Forest to Close Because of Hazard

Several small areas in the Rogue River National forest having unusually high fire hazards will be closed to entry by proclamation by Gov. Robert D. Holmes, Forest Supervisor Carroll E. Brown announced today.

The closure, effective at midnight tonight, prohibits entry except under permit, and permits will be issued only to persons having business in the areas.

A governor's proclamation covering all land in the Rogue River National forest, which was issued July 4, requires the public to refrain from smoking while traveling, and to have an axe, shovel and water bucket when using campfires, except when traveling as a pedestrian or camping at improved, designated and posted campgrounds.

**Ashland Canyon Closed**  
Ashland canyon has been closed, Brown pointed out, as it is each year as a special protective measure for the city watershed.

Other areas closed effective at midnight tonight are where timber is being cut near Hanley gulch, Crater-Hurricane creeks, Rabbit Ears creek, Copeland-Wyee creeks, Ginko-creek, W-o-o-d-r-u-f-f-l-e-t and management groups in that city.

Kennedy said the two witnesses in Detroit are slated to testify later this summer.

**Interim Group to Hold Hearing Here**  
The state interim committee on mental retardation and emotional disturbance will hold a public hearing at the Jackson county courthouse auditorium Saturday, July 19, John D. O'Donahue, executive secretary, has announced.

The hearing will start at 9 a.m. and the morning session largely will be devoted to hearing agencies which now work with mental retardation and emotional disturbance among children and adults. Also to be heard will be individuals who wish to express their opinions.

The meeting here is aimed primarily at getting a closer look at programs and services being offered in southern Oregon for mentally retarded and emotionally disturbed. Medford's meeting is the 16th held by the committee, which will report its findings to the next legislature.

O'Donahue said the afternoon hearing, which also will be open to the public, will be a discussion among committee members.

State Senator Carl Francis of Dayton is chairman of the group.

**Jury Trial May Continue Saturday**  
The trial of the state versus Roger Smith, 106 Crater Lake highway, is expected to continue today Saturday, it was reported today, with the state tentatively scheduled to rest its case this afternoon.

The trial entered the third day this morning with two state witnesses testifying. They were Ralph Prouty, Oregon state crime laboratory technician, and Thomas C. Matthews, of the state department of geology and mineral industries, Portland.

More than a dozen witnesses have been called by the state including nine Medford city police officers.

Smith is charged with removing a safe from Southern Oregon Distributors, 710 South Grape st., on March 30. The trial, in circuit court, is being heard by Circuit Court Judge O. J. Millard. District Attorney Thomas J. Reeder is presenting the state's case with George Rode attorney for the defense.

Salem (UPI)—Speed—the No. 1 driving error—continues to be the principal killer in Oregon, an analysis of the 20 fatal traffic accidents in May revealed today.

**WEATHER**  
FORECAST: Fair and warm through Saturday, except for some chance of thunderstorms over mountains Saturday evening. Low tonight 60, high Saturday 97.  
Highest Yesterday ..... 96  
Lowest This Morning ..... 58

**Our Skies Tonight**  
Sunset today ..... 7:49 p.m.  
Sunrise tomorrow ..... 4:45 a.m.  
Moonrise tomorrow ..... 1:28 a.m.  
New Moon ..... July 16  
PROMINENT STARS  
Alair, low in east at sunset, will be high in south east at sunset, will be high overhead Saturday 37.  
Highest Yesterday ..... 96  
Lowest This Morning ..... 58

**Soviet Ambassador Called for Protest**  
Washington (UPI)—Russian Ambassador Mikhail Menshikov today was summoned to the State Department to receive a stiff American protest against the shooting down of an unarmed U.S. Air Force transport plane over Soviet Armenia June 27.

## Paid Hotel Bills For Adams Zooms Back in Spotlight

49 Nights Said To Cost \$3,096.56

Washington (UPI)—Sherman Adams zoomed back into the House influence investigation today on a carpet of hotel bills paid for him by one of his "dearest friends," Bernard Goldfine.

New records of the House Subcommittee on Legislative Oversight showed Adams spent 49 nights in three hotels at a cost of \$3,096.56 to Goldfine since becoming the President's aide.

**Total Higher**  
The committee said "previous testimony indicated that Goldfine paid about \$2,000 in Adams' hotel bills. Records supplied by Goldfine reflect that the total as to these hotels now is \$3,096.56."

Some of Adams' hotel bills ran over \$100 a day as he signed checks for everything from laundry to parking space, paid by the textile tycoon.

The committee late Thursday released a revised accounting of Adams' hotel bills. It showed some hitherto undisclosed items. For one thing Adams stayed at the Sheraton Plaza Hotel in Boston, one of his favorite inns, on Goldfine's cuff as recently as last May 5-6.

**Investigators Browning**  
If Adams, the former governor of New Hampshire, had known it, he probably could have spotted some committee investigators browsing around Boston about the same time.

The list covered 21 separate visits to hotels by Adams, sometimes with his wife, sometimes with their children, always at Goldfine's expense.

Adams has insisted these trips were merely manifestations of a close friendship between the Goldfine and Adams families. The committee offered no records to show Adams ever had Goldfine as his house or hotel guest in Washington.

**Postal Officials End State Meeting**  
Post office officials from Portland and Washington, D. C., planned to leave Medford today after attending the 24th annual convention of the Oregon chapter of the National Association of Postmasters here.

E. George Siedle, assistant postmaster general in charge, D. C., discussed problems of transporting mail at the convention's banquet at the Medford hotel last night.

Another official, S. G. Schwartz, Portland, regional operations director, told more than 200 postmasters and their wives or husbands from Oregon of improvement in the mail service since regional districts were established.

The convention started Tuesday, and continued for three days with classes of instruction at Medford High school. General business sessions were held in the Medford High auditorium.

**Tito, Nasser Blame Both Sides Equally**  
Belgrade, Yugoslavia (UPI)—A joint statement by Presidents Tito and Gamal Abdel Nasser blaming East and West equally for cold war ills was considered likely today to bring violent reaction from the Soviet bloc.

Their communique criticized "antagonistic blocs." This was almost a repetition of the Yugoslav Communist Party thesis that equated NATO with the Warsaw Pact. The Soviets and their allies responded to this by reading Tito out of the Communist family.

This time the Soviets were not expected to go so far since Nasser, president of the United Arab Republic, also signed the communique and the Soviets have been wooing the Egyptian for months.

**Streetlights in Berrydale, Grandview Areas May Be Installed Next Month**  
Streetlights for Berrydale, Grandview and the Jefferson school areas are next on the list for installation, a spokesman for the California Oregon Power company said yesterday.

The company's crew assigned to full-time work on the city's streetlight improvement program is expected to reach these areas next month, according to Frank A. Benesh, district manager for Copco.

**Railroad Crossings**  
Benesh also estimated that other workmen would begin installation of 20,000-lumen mercury vapor lamps at three downtown railroad crossings within 60 days. Five were planned for the Eighth st. crossing, and two each for the Sixth and Main st. crossings. The lamps are similar in output to those installed elsewhere along Main and Sixth sts. May 1.

New metal standards are required for eight of the rail-



BERNARD GOLDFINE  
"A Contemptible Lie"

## Bids Are Opened For Sewer Systems In Two Districts

Bids on the Kenwood-Grandview and Laurelhurst sanitary sewer projects were opened today at city hall.

R. A. Heintz company, Portland, submitted the low bid of \$427,973.90, which was \$2,439.40 above the engineer's estimate. City Public Works Director Vernon Thorpe, who opened the bids, said the Heintz bid, along with others, would be referred to the city council at its meeting next Thursday.

**Other Bids**  
Other contractors and their bids included Lee Hoffman, Inc., Portland, \$438,989.10; the two Medford firms of M. C. Lininger and Sons and Tru-Mix Concrete company, a joint bid of \$479,673.50; and Trio Construction company, Eugene, \$91,670.58 on one schedule of the project only.

The Corvallis engineering firm of Cornell, Howland, Hayes and Merryfield estimated \$425,534.50 for the whole project and \$87,612.50 for Schedule B alone.

Thorpe instructed the contractors that construction of 1,500 feet of trunk sewer along Hilton rd. would be delayed pending word from the State Sanitary commission that federal aid for this section had been granted. He said federal aid could not be applied retroactively to work already accomplished.

**Timber Taxation Measure Approved**  
Portland (UPI)—The legislative subcommittee on taxation for timber and natural resources today approved a measure under which timberlands would be taxed by a new formula.

Under the measure, timberland would be taxed by area. The State Tax Commission has ruled that present law calls area all land within the county. Depletion rates are now based on these areas.

Under the new plan, areas would be made into smaller parcels of the county.

The subcommittee agreed to send its report to the full committee which meets August 16 at Medford.

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## Contempt Case Said Possible

Washington (UPI)—Bernard Goldfine testified today he gave Christmas gifts to former President Truman's chief assistant, who helped him get "a commitment" for a \$12 million federal loan. The loan never was made.

The Boston textile magnate reported his relations with Dr. John R. Steelman, the assistant to the president in the Truman administration, in the fifth day of testimony before a House subcommittee investigating him and Sherman Adams.

Adams, who also received gifts from Goldfine, is the assistant to President Eisenhower.

Goldfine brought Steelman's name into the hearings after these developments:

—Subcommittee counsel Robert W. Lishman accused Goldfine of having "tapped the till" of one of his firms for \$104,793—a charge hotly denied by the witness.

**Claims Fox Lied**  
Lishman said Goldfine was guilty, in his opinion, of the contempt charge the subcommittee was fast building against him. Goldfine also rejected this charge.

—The subcommittee wound up its fifth day of questioning Goldfine without taking direct action in its steadily building contempt case against him. It directed Goldfine to return at 10 a.m. Tuesday.

—Goldfine denounced as "a contemptible lie" charges by John Fox, Boston promoter and former friend of Goldfine, that he once claimed he had Sherman Adams "in his pocket" and that he also said Adams was not "letting him down" in his troubles with government agencies.

**Can't Remember Bill**  
Rep. Joseph P. O'Hara (R-Minn.) asked Goldfine if he once paid a \$900 bill for Adlai E. Stevenson, Democratic candidate for president in 1952 and 1956. Goldfine replied "I can't remember."

—Rep. John Bell Williams (D-Miss.) told Goldfine his generosity to Adams, in the form of more than \$3,000 in hotel bills and assorted gifts, was a "perfectly obvious" clue to why he got alleged special treatment from government agencies.

It was O'Hara who started Goldfine off on Steelman. The witness said he had done favors for Steelman as well as Adams.

"I sent him (Steelman) some Christmas presents," he said, "if you call that gifts."

"Did you appeal to him to help you in any of your problems?" O'Hara asked.

**Help on RFC Loan**  
Goldfine, who had courted what now appeared an inevitable contempt situation by balking at numerous other queries during the morning, showed no reluctance at this one.

"I did," he replied, adding that "through his connections I got a commitment . . . for \$12 million from the Reconstruction Finance Corporation."

He said the loan was to be used for construction of an underground garage in Boston Common. The garage plan fell through, however and the loan was not actually made.

Asked what Steelman's role was, Goldfine said "he done quite a lot of work on that." He said the Truman assistant helped him get appointments with RFC officials.

O'Hara questioned Goldfine about Fox's testimony that Goldfine told him he bought a house for Adams.

"That's not true," Goldfine declared. ". . . I have never bought anything outside of the rugs and coats that was talked about. As far as the house or anything like that, that's absolutely not true."

**Governor Kept Gifts**  
O'Hara asked whether Goldfine said in Adams' presence that Adams "doesn't let his friends down and won't let me down," in connection with Goldfine's problems at the Federal Trade Commission, as Fox had claimed.

"It's a contemptible lie," Goldfine said.

As for ever saying he had Adams in his pocket, Goldfine asserted:

"Why that's silly. Why I never did. That's a contemptible lie."

Goldfine said in 1955 he arranged to have bolts of cloth sent to all 48 governors and hadn't had any returned yet.

Goldfine struck by his earlier assertions that the questions weren't relevant to the inquiry. He said they exceeded the authority of the subcommittee looking into charges that Goldfine got favored treatment from government agencies as a result of his favors to Adams.

Subcommittee Chairman Oren Harris (D-Ark.) had gone to great pains to show this wasn't so.

**High-handed Finances**  
He had read a 13-page statement into the record in an effort to show that Goldfine's "manipulations" with funds of two Boston firms were relevant and pertinent to the inquiry.

Harris accused Goldfine of having run his East Boston Co. and the Boston Port Development co. in a high-handed manner to eliminate minority stockholders.

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New metal standards are required for eight of the rail-

road crossings lights, while the 79 others along Main and Sixth sts. merely involve a change of lamps. Benesh said the new standards had just been received.

Berrydale will receive 20,250-lumen lights, according to Copco's present plans. Ten will be installed in the Grandview area, seven of these at various intersections along Crater Lake ave. The Jefferson school area will receive 13,250-lumen lights and two 4,000-lumen lights.

**Lights Improved**  
The Copco crew's present block of work includes lights on Eighth, Bartlett, Fir and Front sts. Fifteen existing lights along Eighth st., not counting the railroad crossing area, are being improved by installation of more powerful lamps. One new light is being added. Two 6,000-lumen lights are also being added on the island formed by Eighth and King sts. and Oakdale ave.,