

Baby 1938 Is Hailed Noisily and Hopefully

Steiner Seeks Probe, Oregon Mills Boycott

Anti-Trust Laws Broken, His Belief; Requests Action, Cummings

Anti-Social, Effort to Nullify Federal Law at Least, Claims

WASHINGTON, Dec. 31-(AP)—Senator Steiner (R-Ore) dropped Oregon's labor troubles into the lap of Attorney General Cummings tonight and demanded action.

He charged that the AFL, by boycotting lumber produced by CIO union workers in Portland sawmills, had established a "secondary" boycott in violation of anti-trust laws.

Explaining his views that the boycott was of a "secondary" character, he wrote Cummings:

"According to all available information, it is an effort to exercise coercive pressure upon the consumers of the boycotted Portland mills in order to induce such consumers to withhold or withdraw patronage from such mills through fear of loss or damage to themselves."

Asks Investigation, Appropriate Action

Steiner said he was not suggesting criminal proceedings. "I merely request you to investigate the situation and then if you find that the boycott is in fact a secondary boycott and that conspiracy to bring it about is a conspiracy to monopolize any part of the commerce among the several states, take appropriate action."

Steiner argued that the boycott, which forced a shutdown of seven large Portland mills when AFL workers refused to accept a labor board decision naming the CIO collective bargaining agency, had nullified the Wagner labor act.

"The effort to nullify a federal law is contrary to public opinion," he wrote. "A purpose by a minority of employers to strike a majority into submission at the very least is anti-social."

Steiner said an analysis of the Portland situation would show "how completely" provisions of the Wagner act had been nullified. "Elections have been held," he explained, "in which the result showed a majority favoring identification with the CIO. The minority favored the AFL. The majority by its boycott thereupon sold its effect to the majority."

"The rights guaranteed to you by the law of the United States will be withdrawn and defeated through our influence. We deny your right to self organization."

PORTLAND, Ore., Dec. 31-(AP)—Leaders in the labor controversy which closed Portland sawmills last August professed surprise today when advised Sen. Frederick Steiner's charge that the boycott applied to CIO lumber by the AFL was a violation of federal anti-trust laws.

"It's not the first time the senator has been wrong," Ben T. Osborne, secretary of the Oregon state federation of labor and AFL leader, commented. "I think he is wrong in this just as he has been wrong in other things. As far as I know he hasn't tried to get any information from us."

Mayor Joseph K. Carson, who with Gov. Charles Martin has sought to reopen the closed mills and has criticized actions of the National Labor Relations board in the controversy, thought the "restraint of trade" angle contained possibilities.

Farm Bill Seems Wrecked, McNary

WASHINGTON, Dec. 31-(AP)—Senator Hatch (D-NM) said today after a conference with agriculture department officials that the McNary-Bollan amendment to the farm bill holds a possibility of defeating the whole measure.

The amendment provides that federal benefit payments shall be withheld from farmers who divert major crop land to commercial production of livestock, poultry or dairy products. Advocates contend it would prevent the government from "subsidizing" new southern competition against established dairying regions.

Senators Hatch, Pope (D-Ida) and McGill (D-Kas) said after their conference with department officials that the amendment would be "impossible of administration."

Pipeline Blast Probed
ROSEBURG, Dec. 31-(AP)—Sheriff's Deputy Clifford Thornton investigated today a dynamic explosion which destroyed a placer pipe line at the Ernest Riddle mine near Riddle, Oregon. He estimated damage at \$1000.

Obscene Shows Rapped in Grand Jury Report

Rieder Chosen Horticulture Aide to Agent

Entomologist Will Work With Agriculturist, Is Announcement

Field Scanned Carefully by Committee Named by County Groups

The Marion county court yesterday appointed Robert E. Rieder as assistant county agent and county horticultural inspector to work under the direction of Harry L. Riches, county agent. He will begin work next Monday.

The county court, in recommending the appointment of Mr. Rieder, followed the advice of a committee of growers representing most of the organized agricultural interests in the county. The appointment also had the approval of representatives of the state college extension service, the state department of agriculture, and was made only after a thorough canvass of "qualified available persons capable of bringing maximum service to the horticultural interests of the county," it was declared.

Mr. Rieder is a trained entomologist, having earned his bachelor of science degree under Dr. Don C. Mote of Oregon State college and having practically completed his requirements for a master of science degree in entomology. Because his training is such as to enable him to deal effectively with the acute horticultural pest and disease problems, the committee and the cooperating agencies selected Mr. Rieder in preference to other applicants, the committee reported to the court.

Rieder was also strongly recommended by Kenneth Gray, son of Warren Gray, Marion, who gained nation-wide recognition in his work last year in developing a method of controlling pea weevil which threatened the pea canning industry of the northwest.

Field Is Carefully Canvassed, States

Prior to making its recommendation to the court, the committee canvassed the entire field of applicants and had in mind (Turn to page 2, col. 5)

Horror of Yacht Cruise Described

Slayers of Madman Face Murder Charges but Just Formality

LOS ANGELES, Dec. 31-(AP)—Exciting details of murder, piracy, five days of terrorism and near starvation aboard the luxurious yacht Arjie came out today for the first time in stories the survivors told federal authorities. Their stories sounded like some of the stark fiction of Joseph Conrad and Herman Melville.

They told how 28-year-old Jack Morgan, charterer of the yacht, slew the wealthy owner, Dwight L. Faulding, 49, Santa Barbara hotel man, soon after the cruise started. They related harrowing details of how Morgan, apparently half mad, a pistol in each side of his belt, beat and scolded nearly everyone else aboard, almost (Turn to page 2, col. 5)

Flood Waters Receding; 21.5 High Mark; Damage Is Heavy

The Willamette river's flood threat vanished early yesterday as the stream wavered at the 21.5 foot mark, then began receding. By nighttime it had dropped to 20.1 feet. Despite the fact a slight rise in the river was reported in Eugene, no rise of importance was anticipated in Salem.

Light rains were predicted for today by the weather bureau.

As small streams fell back within their banks rapidly, County Engineer N. C. Hubbs announced his crews would immediately begin checking up on road and bridge conditions and making repairs where flood damage had occurred. One crew was put at work yesterday clearing bad slides on Riverdale drive south of Salem, one a short distance past Croisier road and another on the other side of Roberts school. Washout damage on Pringle road near Pringle school also was being attended to.

On the North Santiam highway a county crew was preparing to push its way through snow seven miles farther to reach the junction, to which point a state crew is clearing the road from the east.

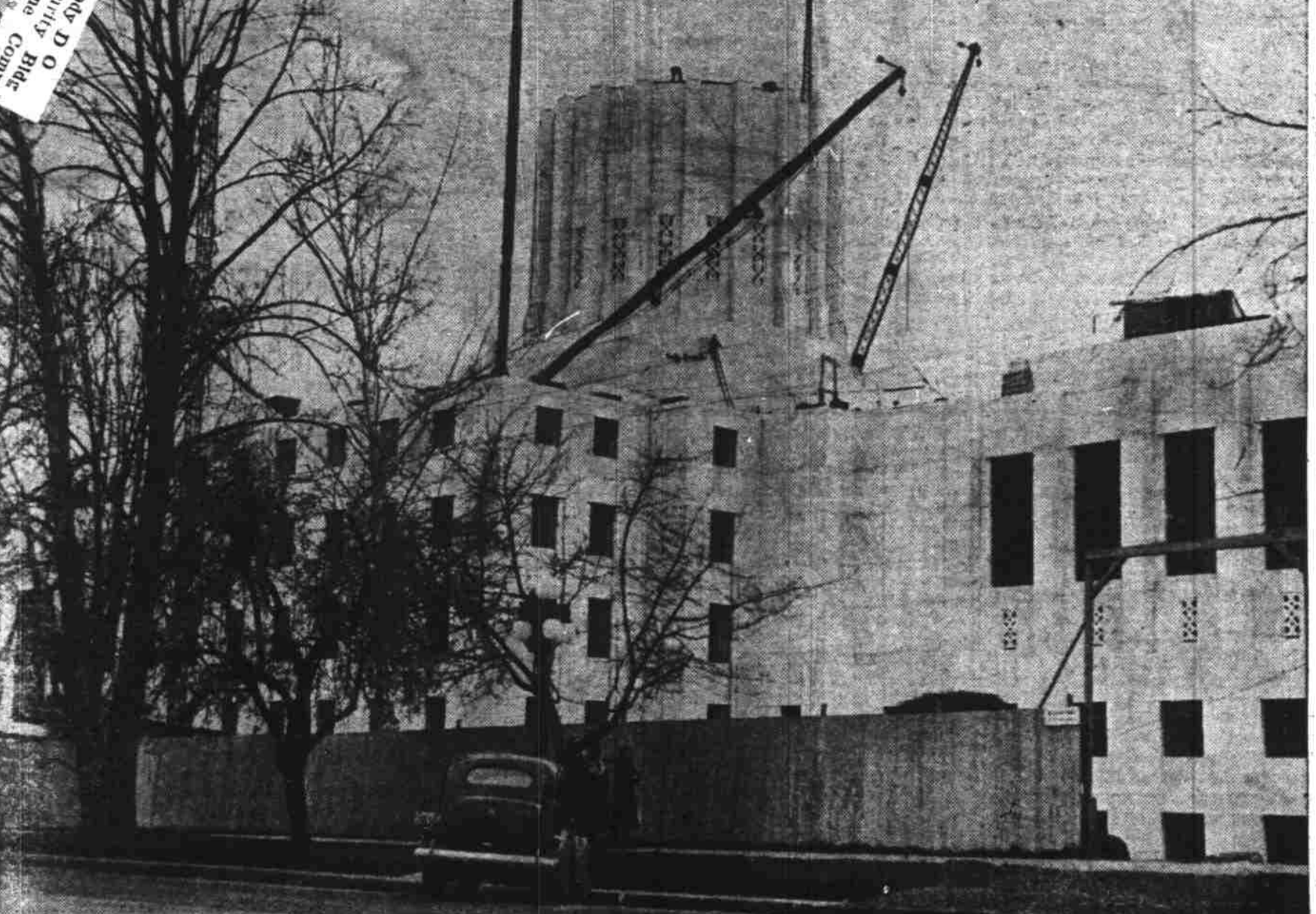
PORTLAND, Ore., Dec. 31-(AP)—Floods which threatened to wash in the new year receded tonight as rivers and temperatures dropped.

After reaching 21.5 feet at Salem and 19 feet at Portland, the Willamette dropped to 18.3 feet and continued to go down.

Tualatin, flooded when the Tualatin river overran its banks, was still partly inundated but the water level dropped a foot.

Columbia river flood perils lessened when it started to drop from a crest of 15.3 feet, two feet less than expected. Lesser streams were below danger levels with no more trouble anticipated unless heavy rains fell. Slides and water still covered (Turn to page 11, col. 8)

YEAR 1938 WILL SEE OREGON CAPITOL COMPLETED



Up goes the tower on Oregon's new \$2,500,000 state capitol, which is being erected with the assistance of the Federal Public Works Administration. This view is taken from the southeast, or State street side of the building, which gives a rear view of the new structure. Legislative chambers occupy the east and west wings on the second main floor (third in the picture, the bottom being the basement floor). The governor's offices are in the south central wing on the same floor as the house and senate chambers. On top of the tower go two more circular courses of marble, then the marble base for the heroic statue of the pioneer. The building will be ready for use by the time the next legislature convenes in January 1939.—Statesman Staff photo.

Home Building Gains in 1937

39 More Houses, \$91,665 Value Increase Shown; Total Permits off

While total valuation of building construction within Salem's city limits for 1937 fell \$637,021.35 below the 1936 figure, according to statistics revealed by the city building inspector's office yesterday, the construction of new dwellings for the past year exceeded those of 1936 by 39 in number and \$91,665 in valuation, indicating that home-making in Salem is on the up trend.

Permits issued in 1937 numbered 1119 for a total valuation of \$1,156,227 while 1060 permits were issued in 1936 at a valuation of \$1,893,246.35. Two hundred and 84 new buildings, including structures other than residences, were erected in 1936 at a cost of \$1,719,844.90 as (Turn to page 2, col. 7)

Capps Recalls '85 Winter Tough one

PORTLAND, Dec. 31-(AP)—Walter Douglas Capps, born at Salem 74 years ago, visited Portland and the Willamette for the first time in 52 years today from his home at Drewsey, in northern Harney county.

In the winter of '85, Capps recounted, the Willamette river was frozen over and teams dragged sleds across to the "Grass and Duck lakes" that were east Portland. He went to Drewsey that winter.

Youth Rescues Man From River, Trapped by Wires

GRANTS PASS, Dec. 31-(AP)—P. E. Hatch was rescued from the Rogue River by Ivan Neely, 16, after he had been trapped in guy wires when a fishing boat overturned.

Hatch shouted and attracted the youth's attention as he passed on a road.

Exterior Construction Of Capitol Nears End

General Contract to Be Completed in July; Art Work to Require Most of Remainder of Year but Officers may Move in Earlier

During 1937 work on the new state capitol progressed steadily. Now the construction work is entering the final stages. The contract calls for completion of the building by the last of July, 1938. It is expected, however, that the building will be completed a few weeks in advance of the contract date, barring unforeseen delays.

Postoffice Makes Gain in Receipts

Near \$30,000 Jump Over 1936 Figures; Final Quarter Busiest

Matching business to the tempo of the beautiful modern postoffice building which Salem gained in 1937, receipts for the postoffice here during the year just closed shot up virtually \$30,000 over the year 1936, statistics compiled by Postmaster H. R. Crawford show.

The 1937 increase of postal receipts over the previous year, based on figures up to 4 o'clock yesterday afternoon, was exactly \$29,951.38.

Every month for 1937 recorded a substantial gain over the corresponding month of 1936, with the total 1937 receipts \$225,932.66, as compared to \$295,932.27 for 1936.

Although during the Christmas holidays the past year, all-time records for letter and card cancellation were made and smashed again on three successive days, it was not the quarter ending in December that showed the greatest gain in postal receipts the past year.

The greatest quarterly gain for 1937 over 1936 was made in the three months ending September 30, with this quarter in 1937 showing receipts of \$76,279.19 compared to \$59,242.77 for the same period a year ago.

December receipts in 1937, up to 4 o'clock yesterday afternoon, to (Turn to page 11, col. 8)

North Santiam Is Reopened, County And State Crews

Marion county and the state highway department last night handed eastern and western Oregon a New Year's gift in the form of a reopened North Santiam highway, from Salem to Bend.

County Engineer N. C. Hubbs reported his road crew notified him at 6 p. m. that the last seven miles of snow between Detroit and the new Santiam river bridge had been cleared from the road. State police at his request later obtained the information from Bend that the state highway department's snow crew had reached the same bridge from the east.

Travel across the North Santiam route into central Oregon will be permitted as long as the road can be kept open and in safe condition. Engineer Hubbs said no motorist should attempt the trip without chains.

Long-Standing Jury 'Retires'

Urges Competent Audit in Report; County Court Beats It to Draw

Marion county's marathon grand jury—its seven members had served continuously from September, 1935—closed its official activities at 7 p. m. last night by bringing in a series of routine indictments and two general reports, one criticizing questionable entertainments and the other recommending that the county court employ the state department of audits for the 1938 audits of courthouse offices.

The county court, however, had anticipated the grand jury's action, in some manner, it was evident, for at a late afternoon session it issued an order carrying out the forthcoming grand jury recommendation almost to the letter. The courthouse offices and the Salem justice court will be audited by the state department, the outlying justice courts by J. H. Roland and W. "Dick" Richardson.

Courage of Jurors Praised by Judge

High commendation of the grand jury's long services was spoken by both Circuit Judge L. H. McMahan and District Attorney Lyle J. Page at the early New Year's eve report session.

The jury is not being continued into the January term because the Marion county gambling investigation is finished and there is no pending business before it, Judge McMahan explained. Foreman J. (Turn to page 2, col. 1)

Moorman Indicted Upon Two Forgery Counts; Bail High

Wilbur L. Moorman, former state highway department employee, was named on forgery charges in two of six open indictments returned by the Marion county grand jury late yesterday. This jury also handed down one secret indictment and one not true bill as it wound up its business for all time.

Circuit Judge L. H. McMahan fixed Moorman's bail at \$5000 on each charge upon the recommendation of District Attorney Lyle J. Page, Moorman has been in the county jail since his arrest here early last month.

The two Moorman indictments were identical in charges but applied to two separate time statements, one for \$80.08 made payable to James Sanford, timekeeper, September 25, 1937, and the other for \$87.76, made out to E. L. Holman, timekeeper, last October 28. Both statements bore the name of George Sothman as counter-signer.

Witnesses before the grand jury in the Moorman case were C. H. Armstrong, J. G. Bromley,

Orderly Here; Many Parties Are Attended

Public Opinion Only Solution Members Hold

Apprehension Is Marked Even Amidst Gaiety in Some Nations

Public Officials, Salem Newspapers, Leading Citizens Blamed

Evil Cumulative; Starts With Fan Dance, Gets Worse, Indicated

The progress of "stag" party entertainments in and near Salem from fan dancers to dancers without the fans and finally to obscene motion pictures, as described recently by The Statesman, was rapped by the Marion county grand jury last night as it issued its final report before being dismissed after 2 1/2 years' continuous service to the county.

This progression to more and more daring forms of entertainment "is only natural," the grand jury pointed out, but added that it was "only what can be expected when officials, newspapers, and leading citizens are passive or openly welcome this type of entertainment."

Turns Issue Over To Public Opinion

The only force that can correct the lack of regulation of such forms of entertainment, in public opinion, the grand jurors declared, as they called upon "the religious and civic leaders of Marion county to be alert to these conditions and to insist on strict law enforcement, vigorous prosecution of law violations and honest accounts of events material to our moral standards in the daily newspapers."

Only six of the seven jurors concurred in the report. Mary E. Nettling, Stayton, seventh member and clerk, signed as not concurring. Those supporting the report were J. W. Brasher, foreman; Gertrude F. Loddell, Leslie Eppers, John F. Manning, May Fontenous and Joseph W. Buller. Complete Report of Jury Released

The complete report of the grand jury on its vice investigation is as follows:

"To the Honorable L. H. McMahan, judge of the above-entitled court:

"We, the members of the present Marion county grand jury, (Turn to page 2, col. 3)

American Writer Killed at Teruel

"Spur" Correspondent Is Victim; Neil of AP Wounded in Leg

ST. JEAN-DE-LUZ, France, Jan. 1-(Saturday)—(AP)—Two war correspondents, one an American, were killed and Edward J. Neil of the Associated Press was wounded yesterday in Spain when a shell struck their automobile during the battle for Teruel.

The dead American was identified as Bradish Gallard Johnson, Jr., about 26 years old, who went to Spain as a representative of the Magazine "Spur" and "News Week."

His family, prominent socially in the United States and France, (Turn to page 2, col. 5)

Building Supplies Group Ordered to Quit Price Fixing

WASHINGTON, Dec. 31-(AP)—The federal trade commission announced tonight that it had ordered a nationwide building material supply association to stop price-fixing and other practices tending to increase costs to consumers.

The effort to hammer down prices comes at a time when the Roosevelt administration is preparing a campaign to stimulate home construction through lower costs, and when administration men are declaring that "excessive" prices helped caused the economic slump.

However, the investigation on which the trade commission based its order tonight was conducted before the other two developments crystallized. The order directed the National Federation of Builders Supply associations and its dealer members to cease "unlawful" practices which have tended to suppress competition.

BALLADE OF TODAY
By R. C.

Ring out wild bells to the wild sky, the old year's dying, let him die (at New Year's dawn you must be gay as though the year you'll feel that way); ring out the old, ring in the new, ring out the false, ring in the true (it's customary to be glad, but still the old year wasn't bad); ring out old shapes of foul disease, ring in a thousand years of peace (we've met life's problems up to date, grant us much for '38).