

Weather Max. Min. Precip. Salem 91 82 .00 Portland 91 82 .00 San Francisco 84 86 .00 Chicago 85 75 .00 Willamette river -4 feet. FORECAST (from U.S. weather bureau, McNary field, Salem): Fair today and tonight with some early morning cloudiness and fog. Slightly cooler temperatures are expected today. Highest today near 85, lowest near 65. Weather will be favorable for all agricultural activities today.

The Oregon Statesman

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Then and Now!

Starting next Sunday, THE OREGON STATESMAN will present each week stories linking the old and new Salem area and its many interesting personalities. They will be written exclusively for The Statesman by Stuart Bush, great-grandson of this newspaper's founder. Subjects of the first two: "Man With a Horse" and "Popcorn School."

NINETY-SEVENTH YEAR

10 PAGES

9 NEW SCHOOLS IN SALEM EXPANSION PLAN

State Board Voids Liquor Swap After Talk with Federal Officials

Cancellation by Board Means Loss of Anticipated Revenue

The Oregon state liquor commission as of today is \$899,244 in debt to banks, borrowed to make up the difference between its net revenue and its obligation to the public welcome commission, but its indebtedness has not increased appreciably within the last three months. That was the state's picture when the news arrived Tuesday from Atlantic City, N. J., of the cancellation of a deal with distillers by which the state liquor commission apparently had been aiming at a profit estimated at \$1,341,995.

State Treasurer Leslie Scott told the Statesman Tuesday his department did not know whether cancellation of the deal would make any difference in the future expected revenue for public welfare, nor to what extent.

From all available information here, the deal appeared to be this:

The state in 1946 bought 8,000

barrels (400,000 gallons) of whiskey at \$10.12 a gallon. Earlier this year, with demand dropping on it, an agreement was made whereby the state would return the whiskey to distillers at \$10.75 a gallon—a profit of 63 cents a gallon or a total of \$252,000.

The state in return was to purchase the same amount of other whiskey in bottles (400,000 gallons or 83,333 cases) by which it could make a net profit of \$13,200 a case—a total profit of \$1,089,995.

The entire deal, therefore, was predicted on a combined profit of \$252,000 plus \$1,089,995 for a grand total of \$1,341,995.

However, by the cancellation of the deal next November 30 it is estimated the state will have only 6,000 of its original 8,000 barrels, and therefore presumably will have made its profit on the other 2,000 barrels—or on one fourth of the deal. Subtracting that one-fourth from

the \$1,341,995 cuts the estimated "loss" (a loss only to the extent that anticipated profit will not be realized) to \$1,006,496.

It is known that the liquor commission already has repaid to the banks the \$7,000,000 which members of the board of control aided it in borrowing for the 1946 purchase. The last \$1,500,000 was paid two weeks ago.

The liquor commission's first borrowing in 1947, to meet its public welfare obligations, was on May 12, when it was loaned \$425,000. Since then, its indebtedness has ranged from that amount to the high point of \$1,384,321 on August 12 and currently in less than \$900,000.

The 1947-48 revenues of the liquor commission constituted one of the knottiest problems of the last legislature—the liquor commission insisting the budget should not anticipate more than \$14,000,000 net and the governor placing the estimate nearly \$10,000,000 higher.

Investigation of Issue Dropped By U.S. Bureau

ATLANTIC CITY, Sept. 23—(AP)—Oregon liquor control officials said today they would cancel their whiskey-exchange contracts with distillers November 30, leaving the state with approximately 6000 of the 8000 barrels it planned to barter away.

George P. Lilley, chairman of the Oregon liquor commission, said this decision was reached in a conference with Carroll E. Mealey, deputy commissioner of the alcohol tax unit of the federal bureau of internal revenue.

Mealey said an investigation had convinced him "that it won't be necessary to take the Oregon matter before the department of justice to present at case to the grand jury."

He added that further investigation was under consideration to determine if big purchasers, such as state liquor authorities, were bringing economic pressure to bear on distillers.

Mealey said Oregon under the present contracts were selling liquor with a present market price of \$6.75 a gallon to distillers for \$10.75 a gallon in return for orders for "so many thousands of cases of whiskey."

Lilley estimated that by the end of November the state would have unloaded 2000 of the 8000 barrels of surplus bourbon. The remainder, Lilley said, will be bottled by the state and sold as straight bourbon.

He added, "we are delighted with the cooperation of the alcohol tax unit in this matter."

Lilley also said the liquor was being sold in order to pay \$24,000,000 into a state public welfare fund as required by the legislature. The sum was increased from \$12,000,000 last year, he said.

Log Rafts Off Salem Part of Record Cut



Log rafts continue to pile up in the Willamette river from Corvallis to Portland this week as ideal logging conditions permitted lumbermen to make a record cut this summer. Shown above are some of the log rafts moored near the Center street bridge. Most of the river tugs operating on the drive are manned by Salem men, and they are moving the logs through the Oregon City locks at a rate of 100,000 log feet per hour, or 160,000 log feet per 16-hour working day, according to Willard Taylor, Salem tugboat operator. This makes about 50 lockages a day. (Photo by Don Dill, Statesman staff photographer.)

\$2 Million Program Tentative

By Winston H. Taylor, Staff Writer, The Statesman

A tentative proposal for a \$2 million but flexible five-year program enabling Salem school district to meet the needs of a growing "tidal wave" of the younger generation was placed before the school board Tuesday night by Superintendent Frank B. Bennett. In discussion which favored developing and pursuing such a plan, which in its first phase includes nine new school buildings, the board indicated that a single bond issue for perhaps \$2,000,000 might be required.

After presenting statistics numerically and graphically to show the Salem area's rapid population growth, through births alone, Bennett declared the schools must do one of three things—obtain quonset huts and prepare other temporary measures to meet the influx as it develops, plan from year to year with separate bond issues or make a long-range program to meet anticipated and experienced needs and finance it with a single issue.

No Formal Action

The board took no formal action but plans to officially develop such a long term program.

Births in Marion county have increased considerably since the late '30s and at a greatly accelerated rate since the end of World War II, it was shown. Even disregarding the large immigration to this section, Bennett said birth statistics projected into future classes show local school population six years from now half again as large as now.

Some of the work should be done before next September, said Bennett. Without showing how priorities might be distributed for expansion of the system, he listed as probabilities for a five-year plan the following projects:

Senior high school—Present building adequate for 10 years, according to lower birth rate during '30s. Vocational education building should be enlarged to provide more classrooms in main building. Construction of new grandstand.

Junior high schools—New building at W. Salem where junior high established this year. New school for Capitol area, with simultaneous remodeling of Parrish school.

Elementary schools—Building to serve Capitol area: Buildings to relieve congestion at Bush school, now using 15 teachers, and Englewood. Construction at Four Corners, where land recently cured, to replace Ricker school. Replacement of Washington, Grant and Liberty buildings. All grade schools in south Salem said at full capacity.

Pre-school classes—Possibility of facilities to be considered in construction plans.

IT SEEMS TO ME

By Charles F. Stryker

Monday I spent some time studying the statement prepared by Paul H. Hauser, city treasurer, covering the city's financial situation. Noting the steady diminution of outstanding indebtedness and the strong cash position of the various funds at the close of the fiscal year and the growth in earnings of the water department I couldn't help having a very comfortable feeling. Tuesday morning's paper however reported the plan of the city manager, J. L. Franzen, for building a sewage disposal plant with intercepting sewer lines and sewer extensions, which will require an additional bond issue of some \$815,000, and the "comfortable feeling" was somewhat dissipated.

First, let's take a look at the city's debt statement. Of bonds serviced from the tax levy there remained unpaid as of June 30th last \$472,500 out of a total issued of \$1,259,500. In this fiscal year \$72,000 will be retired and in the following fiscal year \$35,500 would leave a total of \$445,000. The total interest requirement on these bonds for the current fiscal year is only \$8,801.79.

Improvement bonds issued originally for street improvement and then refunded have dwindled to \$34,000. These are serviced from assessments on property benefited. The amount outstanding should show increase now that paving has been resumed on a liberal scale.

Of the total issue of \$2,100,000 for the water system \$1,885,000 remains outstanding. Against this the water department had sinking fund investments of over \$357,000 as of Dec. 31, 1946. Revenues of the water system are expected to be sufficient to (Continued on Editorial Page)

Audience Jeers as Taft Lauds T-H Act

SEATTLE, Sept. 23—(AP)—Senator Taft (R-Ohio), his left hand bandaged from an injury suffered in the excitement of a tumultuous demonstration upon his arrival, strode through jeering picket lines tonight and amid audience heckling called upon voters to render "gratitude" to congressional backers of the Taft-Hartley labor act.

Coming to this labor stronghold of the Pacific Northwest to challenge labor leaders on what he called a campaign of "propaganda and vituperation," Taft refused to be escorted through a side door of the Seattle Eagles auditorium. As he walked smilingly into the front entrance, massed pickets burst into a storm of boing.

Expected "Boing"

Taft characterized his greeting as "vociferous" and called the picket line placards "rather ouch." He said he had rather expected it.

"But I came here to help the republicans win the next election," he said.

As he spoke cries rose from various sections of the audience of "eat less."

Taft continued calmly to ignore the interruptions.

Proud of Record

"We are proud of our republican record in congress," he said, to mingled boing and cheering from the floor.

It was by all odds the most unruly audience yet to greet the Ohio senator.

Shortly after Taft began his prepared address, and as though by prearrangement, approximately 100 members of the audience rose and filed out of the auditorium.

Taft's left hand was swathed in a white bandage.

Six stitches were taken after his hand was crushed when the door of his open automobile was accidentally slammed on it during the excitement of the massed picketing which greeted him at the railroad station upon his arrival shortly before 5 p. m. (PST).

Construction at Hillcrest Meets With Favor

Plans for new construction at Hillcrest school at a cost estimated at \$700,000 or \$750,000 received the state board of control's tentative approval Tuesday.

Minor revisions are expected to be completed within six weeks at the direction of the board, which then will consider finally the expansion project for the state industrial school for girls here.

A dormitory housing 54 persons, a new school building, a food service building and a tunnel are under consideration. Stokes and Allyn, Portland architects, estimated cost at \$750,000 and the state at \$700,000.

Of the expenditures proposed at Hillcrest school \$110,000 represents a legislative appropriation. Hillcrest school officials reported that the institution now has a registration of approximately 70 girls against a normal capacity of 60.

At a meeting of the board of control Friday bids will be considered for four projects at the Woodburn boys' school to cost approximately \$400,000. These include a school building, work shop, gymnasium and boys' cottage.

LIVE MINES OFF MIAMI

MIAMI, Fla., Sept. 23—(AP)—Six live Japanese anti-boat mines were washed up on the shore near Vero Beach, Fla., the Seventh coast guard district reported today.

WAA to Take Control of Farm Labor Camp on Thursday; 55 Families Given Eviction Notices

After 16 months of operating the Salem farm labor camp near the airport, the U. S. department of agriculture will turn the camp over to the war assets administration at midnight Thursday.

This week the 55 families of farm workers at the camp were busy moving out, under the direction of camp manager Jay Schreckengust. They received eviction notices Monday.

More than 1,000 workers have been handled by the camp since its opening in May, 1946, by the agricultural department which had leased the site from the WAA. Although population figures for 1946 are not known, Schreckengust revealed that since January 1 of this year, 911 persons have been housed at the camp, including 409 who were in the camp at year's beginning.

Camp operational equipment, such as bedding and tents will be leased to Salem Agricultural Housing, Inc., by the department of agriculture, Schreckengust

WU Census Climbs to 1,167

An all-time high enrollment of 1,167 students at Willamette university, including a record 120 in law school, was reached Tuesday as classes began on the local campus.

The total registration compared with 1,047 for the fall semester a year ago, the highest up to that time. The final law figure compares with 99 students last year and a previous high of 63 in 1927. The low mark was reached in 1945, with two students.

Law students are registered from 17 states and Canada and are grouped in classes as 57 freshmen, 47 second year and 14 seniors, according to Dean Seward P. Reese.

Sweet Home Robbery Suspect in Portland

PORTLAND, Sept. 23—(AP)—Joe Berry Bishop, 27, one of two men charged with the \$58,000 robbery of the Sweet Home bank Aug. 29, arrived here today in custody of police. He was placed in the Multnomah county jail.

The other man arrested, Henry Clay Tollett, 47, is held at Bakerville, Calif.

FUEL SUPPLY ADEQUATE

WASHINGTON, Sept. 23—(AP)—The U. S. chamber of commerce said today the nation's supply of fuel will be "adequate" for the coming winter contingent upon normal weather and freedom from strikes and transportation tie-ups.

U.N. Majorities Sweep Over Red Opposition

NEW YORK, Sept. 23—(AP)—Heavy United Nations majorities steam-rollered Russian opposition today and approved American proposals to deal with the Greek and Korean crises and consider creation of a new veto-free security agency.

Over the persistent objection of Soviet Deputy Foreign Minister Andrei Vishinsky, the 55-nation assembly also approved an American-supported Argentine proposal that it debate and suggest revision of the new Italian peace treaty. This issue brought a split among the western powers as well as between them and Russia.

The six votes of the Slav bloc held solid in the minority throughout on all east-west issues.

Russia and the United States showed upon the same side of the voting on only one issue—creation of a special 55-nation committee on Palestine—and this the Arab bloc was an adamant minority in opposition.

As the debate closed and discussion of the agenda opened, Secretary General Trygve Lie made an impassioned plea for harmony and compromise among the battling great powers. He was applauded unanimously but otherwise got no immediate observable result.

Vishinsky ignored the appeal. Immediately afterward he began a point-by-point attack on American policies.

Meat Drops, Wheat Climbs in Portland

PORTLAND, Sept. 23—(AP)—Wheat gained on the Portland market today, but the first break in the climb of meat prices was seen by some in the 3-cent cut for pork loins by independent wholesalers.

The cut was expected to be reflected in lower pork chop prices which had been up to 98 cents a pound in some stores.

Packers dropped bids on choice butcher hogs 75 cents to \$1, but sellers resisted and few were sold.

Wheat went up 3 to 7 cents to \$2.47 for hard red and soft white classes. Hard white reached a record \$2.94.

Sailors to Keep Hiring Halls

SAN FRANCISCO, Sept. 23—(AP)—Harry Lundberg, head of the AFL Sailors Union of the Pacific, said today the Pacific American shipowners' association has granted the SUP renewal of its hiring hall and closed shop privileges.

Lundberg's announcement added that the hiring hall and closed shop issues "have been settled," apparently thus averting a threatened AFL coast shipping tieup September 30, when the SUP's contract expires.

He declined to say what formula had been developed to cover the hiring hall and closed shop provisions, which shipowners previously said might conflict with terms of the Taft-Hartley labor act.

Chicago Man to Replace Dr. Stone

Dr. Frank Sissler of Chicago has been appointed by the Marion county board of health to replace Dr. Willard J. Stone as Marion county health officer on a temporary basis beginning November 1, the board announced Tuesday.

Having expressed an interest in public health work during a visit to Salem several months ago, Dr. Sissler was contacted by the local board through the state board of health. Dr. Stone left Tuesday for Berkeley, Calif., where he will take advanced courses in public health at the University of California, for the next nine months.

Winds Reach 70 mph in Florida; Damage Light

MIAMI, Fla., Sept. 23—(AP)—The second tropical disturbance to cut across the Florida peninsula in less than a week was 30 miles west of Jacksonville at 10:15 p. m. tonight after hitting the mainland with 60 mile an hour winds in the Tampa area on the west coast.

The storm, which had wallowed about in the Gulf of Mexico off Tampa most of the day, suddenly was sweeping across the state—through the wealthy citrus belt—at a forward speed of 20 miles an hour.

The erratic tropical disturbance, irritating to storm weary Floridians, but far from dangerous, left little damage in its wake as it swirled across the state.

Its highest winds still around 60 miles an hour with 70 miles an hour in squalls, dah done very little damage. At St. Petersburg Beach, which apparently received the brunt of the storm, swains were shredded, some foliage was down and palm fronds ripped from the tall stately royals, but little more.

Rain in torrents seemed to be the principal headache accompanying this storm. Seed beds in the Bradenton area, one of the state's richest truck farming sections, were reported either destroyed or heavily damaged by the torrents.

Three Trustees Escape 'Gang'

Three state prison trustees were being sought today, principally between Salem and Portland, after they disappeared Tuesday afternoon from a cornfield at the penitentiary annex south of Salem.

The men, dressed in overalls and jumpers, are Eugene Hammond, 25, committed from Marion county Dec. 12, 1942, for five years on larceny, paroled in 1944 and returned in 1945 as a parole violator; Elmer Murr, 33, committed Feb. 6, 1945 for five years from Wasco county for larceny; Roy Thomas, 24, sentenced Aug. 29, 1945, from Multnomah county for five years for larceny.

They had been working among high cornstalks under a gun guard, according to Prison Warden George Alexander, and were missing at the late afternoon check.

Mercury Sets 4-Year Record

Hottest late September weather for four years got autumn off to a "good" start Tuesday in Salem. The mercury reached 92 degrees, which was surpassed by 97 on September 23, 1943 and tied a 92 on September 24 that year. All-time high for September was set in 1944, when it reached 103 on the 5th.

Weather forecasts promised a fair, but cooler, Wednesday, with temperatures ranging near 85 degrees.

Hottest spot in the state Tuesday was Medford with 95 degrees.

Dallas Garden Club Scores Success with Fall Flower Show

By Lillie L. Madsen, Garden Editor, The Statesman

DALLAS, Sept. 23—(AP)—Dallas Garden Club scored again today with a first rate flower show, and harmed not one whit by its setting in the attractive chamber of commerce rooms in the Dallas city hall.

Mrs. Allie Hennagin, who moved to Dallas from Independence five years ago, is given credit for much of the success of the Dallas shows, garden club members said today. Mrs. Hennagin for the past two years has held classes in arrangements as well as taught judging at the show.

While the horticultural division was good, it was surpassed by the arrangement division with more than half of the 177 entries in the latter division. Non-competitive entries included a rose display by Dr. Earl William Benbow centered around a bud of the new, deep red Nocturne rose; a chrysanthemum display by Beckman's Chrysanthemum Gardens of Glen Creek road, and a garden corner arranged by Mrs. Lynn Cook of blue petunias, gold marigolds and bird bath.

A division appreciated more by the women than the men was the roadside weed group in which dock from dark brown to green colorings predominated. The blue ribbon winner was entered by Mrs. Norman Baker and composed of the various shades of dock, most from Diamond lake and tall grass weeds.

An arrangement of pompon dahlias, iris seeds and foliage, gladioli, ruffled tetrasnaps and grape tomatoes won for Mrs. Ora Lantz of Rickerwell the tri-color sweepstakes ribbons.

The Dallas club has been formed but three years and now has 28 members headed by Mrs. Claude Hoisington, who assisted in receiving both during the afternoon and evening. Judges were Mrs. A. Schmidt and Mrs. Lee Powell of Corvallis. The flower committee was headed by Mrs. Lynn McCulley and assisted by Mrs. A. V. Oliver, Mrs. John Tilgner.

More than 200 visitors were present at the show and during the evening in charge of the tea hour were Mrs. Ernest Hoisington, Mrs. Ray McWhirter, Mrs. John Meeker and Mrs. John Cerney. (Awards on page 4.)

Barber Trade Not Limited to Citizens, High Court Holds

The state supreme court Tuesday held unconstitutional a provision of the Oregon law which restricts the practice of barbering to citizens of the United States.

Justice Percy Kelly, in writing the opinion, held the provision a violation of the 14th amendment to the federal constitution which guarantees equal protection of the laws to all persons within the United States, regardless of whether they are citizens.

Suit attacking the constitutionality of the law was filed by Sammy Q. Quisor, Portland Filipino, who was refused a license by the state board of barber examiners because he was not a citizen of the United States.

Animal Crackers



Look-Heavier than air!