

Reinvestment Balances State School Fund

Recent sale of approximately \$3,500,000 in government securities at a profit of \$119,240 and reinvestment of the proceeds of the sale in government bonds offered in the victory loan drive, has eliminated the balance of a long-standing deficiency in the state's irreducible school fund resulting from losses on loans on real property. State Treasurer Leslie M. Scott announced here Friday.

The deficiency had its inception so many years ago that none of the present members of the state land board or employees of the board could fix the exact date. Records show, however, that the deficiency first became tangible with the opening of a definite set of books in the year 1878. After that year, losses upon loans gradually swelled the deficiency until, during the year 1937, it was \$225,000.

Since that year profits on sales of real properties that had previously been taken over upon mortgage by the board, gradually reduced the loss to \$98,591. The profit on the sale of the government bonds more than offsets the amount of that loss.

The government securities in which the proceeds of the sale were reinvested, moreover, contain a potential profit that approximates the amount of the deficiency. The new bonds also bear an average rate of interest in excess of the average rate borne by the securities that were sold.

Too Late to Classify

OLDS Coupe good rubber, heater and clean inside. Price \$500.
WANTED to buy by private party: '40-41 Ford car, 1200 Nebraska st.
FOR SALE or trade: '40 Chevrolet sedan 3046 Marston 2-1501

ELFINOR
NOW SHOWING!

Irene DUNNE
Alexander KNOX
Charles COBURN
Over 21 times funnier than the play that rocked Broadway!

OVER 21

CO-FEATURE
Alexander DUNN
Willard PARKER
Anita LOUISE
John CARTER
John LODER
Eugene SUTHERLAND

Continuous Today!

Warners
CAPITOL
PHONE 5050

LAST TIMES TODAY - 2 HITS

A Thousand and One Miracles . . . and they're all in Technicolor!

A THOUSAND AND ONE NIGHTS

Evlyn KEYES
Phil SILVERS
Mole JERGENS
CORNEL WILDE
IN TECHNICOLOR!

RED RYDER'S LATEST THRILLER!

Colorado PIONEERS

STARTS SUNDAY

ON WAVES OF LOVE AND LAUGHTER WITH STARS SONGS AND DANCES . . . COMES THIS GAY MUSICAL ROMANCE!

FRANK SINATRA
KATHRYN GRAYSON
GENE KELLY

Anchors Aweigh

CO-HIT "Candlelight in Algiers" JOSE ITURBI

In Technicolor!

U. S. Supreme Court Justices Ponder Art of Varga Girl Legs

WASHINGTON, Jan. 11 (AP)—The question whether Varga girl's legs are too long to be artistic was argued in the supreme court today.

The high tribunal was considering a post office department order barring the magazine Esquire from second class mail privileges.

The justices began firing questions when government counsel held up a picture of a red-head in a revealing yellow bathing suit.

"Are you asking us to say whether that is art?" demanded Justice Rutledge.

"I don't think it is art," replied Marvin C. Taylor, justice department attorney. "Esquire says it makes no claim it is art. Anyway the legs are exaggerated — they're too long. The picture is out of proportion — in one thing or another."

"Do we have to rule on that?" asked Justice Frankfurter.

Chief Justice Stone cut through the laughter with the observation that:

"Well, that's the sort of thing

we can see on the New York stage any time."

Esquire counsel, Bruce Bromley of New York, jumped to the defense of the Varga girl.

"I do contend the Varga girl is a work of art," he told the judges. "I do not contend that it's classical art—but it's art."

Attorney Argues

Bromley argued that Esquire met the postal law requirement that to travel by inexpensive second class mail a publication must be:

Originated and published for the dissemination of information of a public character, or devoted to literature, the sciences, arts or some special industry.

Former Postmaster General Frank C. Walker ruled the magazine did not meet the requirement. The U. S. district court upheld him, but the U. S. court of appeals for the District of Columbia overruled the district court.

The court of appeals told the post office department to stop attempting "to compel acceptance of its literary or moral standards."

Silverton Man Dies In Local Hospital

SILVERTON, Jan. 11 (Special)—Peter Oas, for 35 years a resident of Silverton, died in a local hospital Friday night. Funeral arrangements are being made by the Eckman funeral home.

Surviving, in addition to the widow, are two children, Mrs. Ida McClury, Salem and C. B. Oas, Gerard, Penn., who is now in Silverton, and two grandchildren.

Norblad Long Active in State Public Affairs

By the Associated Press
Walter Albin Norblad, Jr., 37, Astoria attorney recently discharged from active status as a captain in the army air forces and newly elected representative of the Oregon first congressional district, is no stranger to Oregon politics or public affairs.

A son of former Governor Albin Walter Norblad, sr., he has served two terms as state legislator, in the 1935 and 1937 sessions, and one special session.

He was a member of the Oregon republican delegation to the 1940 national convention that nominated Wendell Willkie. During the convention he served as secretary to the important rules committee.

He served as a member of the state re-employment board during 1935-36 and at Astoria was active in civic affairs of the junior chamber of commerce. He is a member of the Masonic lodge and the Presbyterian church.

Born at Escanaba, Mich., Sept. 12, 1908, he came to Oregon with his parents. He attended Astoria public schools and the New Mexico Military Institute and was graduated from the University of Oregon in 1930, remaining until 1932 to study law. He was graduated from Harvard University law school in 1933 and then joined his father as an associate in their law practice at Astoria.

He married Elizabeth Bendstrup on Nov. 14, 1936. They have one child, a son.

During the 1938 primary election, he sought the republican party nomination for congressman, but lost to the late James W. Mott whom he now will succeed.

Norblad entered the army air forces late in 1942, serving with the ninth air force combat intelligence division in Europe. He participated in flights over enemy-held territory and in the D-day assault. After successfully defending air corpsmen in many courts martial, he was named a law member of the general court martial for the ninth air force.

He was discharged with rank of captain in September 1945 and holds the air medal. Military service took him to 37 different foreign nations.

He is a member of both the American Legion and the Veterans of Foreign Wars.

Fire, Blast Destroy Sawmill at Summit

PHILOMATH, Ore., Jan. 11 (AP)—The Ellis & Mann Sawmill at Summit, 15 miles west of here, was razed today by a blaze caused by explosion of a diesel engine.

The operator, Charles M. Hampton of Philomath, estimated \$25,000 damage—half of it covered by insurance.

Philomath firemen arrived too late to save the plant.

GI Responsible for Plane Crash Given Jail Sentence, Fine

HONOLULU, Jan. 11 (AP)—Headquarters of the commanding general of the Pacific division, air transport command, announced today the conviction of John R. Patrick, 27, of Tulare, Calif., on a charge of involuntary manslaughter growing out of the crash of an army plane at sea Nov. 3 with loss of 18 lives. He was sentenced to six months confinement and fined \$2000.

The plane, a four-engine Liberator, ran out of fuel and plunged into the ocean 500 miles northeast of Honolulu en route to Fairfield, Calif. Patrick, civilian flight engineer, was one of eight survivors.

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Dance at K. P. Hall
Silverton, Jan. 12th
Strachan's Orchestra

V.F.W. Victory Club
DANCE
Old-Time Dancing
TONIGHT
Veterans Hall
Corner Hood and Church Streets
Music by Adam Kerber's Orchestra
Admission 60c inc. tax Welcome

Coast Guard Critical Point Score to Drop

WASHINGTON, Jan. 11 (AP)—A two-point drop in coast guard discharge scores, effective Feb. 2, was announced today.

Other reductions will be effective in the next two months.

As of Feb. 2, the discharge scores will be:

Male officers 41, Spar officers 30, male enlisted 38, Spar enlisted 24.

The present discharge score is male officers 43, Spar officers 32, male enlisted 40, and Spar enlisted 26.

On Feb. 15 the discharge score for both male enlisted and Spar enlisted personnel will drop to 37 and 23, respectively.

On March 2 the score will be cut to: male officers 40, Spar officers 28, male enlisted 36, and Spar enlisted 22.

March 15 the male enlisted score will drop to 35, and on April 2, to 34.

The Feb. 2 cut, the coast guard said, will apply to all ranks, but the subsequent changes will not apply to yeomen, storekeepers and pharmacists' mates.

The coast guard, which had a wartime strength of 170,000, had cut its force to 99,000 as of Jan. 1. This, it said, was six weeks ahead of the initial demobilization program.

Since the hostilities ended, the coast guard has been transferred back to the treasury department, from the navy.

Services Plan Joint Activities

WASHINGTON, Jan. 11 (AP)—Secretary of Navy Forrestal disclosed today that the army and navy, in advance of any eventual merger, are jointly whipping into shape plans to mesh more than a score of activities.

Detailed arrangements, he said, have been worked out by army and navy planning groups, and are now ready for consideration by top commanders.

Among major projects are consolidation of the army's air transport service and the naval air transport service, establishment of a joint intelligence service and common use of shipping and port facilities.

All But 57 Mills Back to Work

PORTLAND, Ore., Jan. 11 (AP)—Only 57 lumber plants in the Pacific northwest still are strike-bound, the AFL Lumber and Sawmill Workers union reported today.

Settlements have restored operations in all pine area plants except 17 in Montana, 16 in the Spokane district, three in the Inland Empire district, 10 in central Washington, four in central Oregon, four in the Klamath basin and three in the Blue Mountain district, the union said.

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OLD TIME DANCE
Waltzes, 2 and 3 Steps, Quadrilles, etc.
Tonight
Over Western Auto
Music by Paul Winslow's Gang
Public Invited

DANCE
Every Saturday
Silverton Armory
9 to 12
Glenn Woodry's Orchestra
12 Entertainers 12
Admission 71c Plus Fed. Tax 14c Total 85c

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Alcoa Monopoly Curbs to Continue

WASHINGTON, Jan. 11 (AP)—The justice department said today it would wait until competitors captured some significant share of the aluminum market before easing its monopoly curbs on the Aluminum Company of America.

ALCOA last night opened the door to competition by granting free use of its valuable alumina patents. This will enable the Reynolds Metals company to lease and reopen two big government-owned aluminum plants in Arkansas.

Kimmel Tells of 'Smear' Plot in Old Testimony

WASHINGTON, Jan. 11 (AP)—Adm. Husband E. Kimmel told a navy court in 1944 that he believed there was "a deliberate campaign to smear" him and Lt. Gen. Walter C. Short.

He described as "malicious lies" reports that he and Short failed to cooperate for defense of Pearl Harbor, where they were in command when the Japanese struck.

Kimmel's testimony at previous inquiries has been distributed to members of the senate-house committee investigating the disaster. He is to be the witness when the group resumes public hearings Tuesday.

Short also denied these were failure to cooperate. A transcript of his testimony to an army board of inquiry was received by the committee.

"Admiral Kimmel and Admiral Bloch and I were on extremely friendly terms personally as well as having very frequent conferences officially," Short declared.

Adm. C. C. Bloch was commandant of the naval district embracing Hawaii.

Points Dropped In Mid-Pacific

HONOLULU, Jan. 11 (AP)—Headquarters of Lt. Gen. Robert C. Richardson, jr., announced today a change in discharge requirements which would mean immediate release of more than 6000 officers and men of his mid-Pacific command.

The public relations office could not say immediately whether this was the result of a new directive from the war department, whose recent demobilization slowdown order touched off soldier protest demonstrations in the Pacific.

Under the change, all male enlisted personnel with 38 months of service in the army or 48 discharge points, and all male officers, except medical officers, with 47 months of service or 68 points are eligible for immediate discharge.

PORT TO BE STUDIED

PORTLAND, Jan. 11 (AP)—The mayor's port development committee today was considering appointment of a port coordinator to study Portland's port expansion and development of the Columbia river region.

ENDS TODAY! (SAT.)
Brown and Carney
"ZOMBIES ON BWV."
Wild Bill Elliott
"TUCS-N RAIDERS"

THE HOUSE THAT WIFE BUILT
LIBERTY
— CONT. FROM 1 P.M. —
TOMORROW!

Out of the West . . . and into your heart!

Gentle Annie

with JAMES CRAIG DONNA REED MARJORIE MAIN

THRILL CO-HIT!

GENE AURTY

Your Oldie in
"RANCHO GRANDE"

with Smiley BURNETTE

Czech Doctor Tells of Nazis' Visit to Concentration Camp

By James F. King
NUERNBERG, Germany, Jan. 11 (AP)—A Czech doctor who spent four years at Dachau told the international tribunal trying 22 ranking nazis today that five of the defendants had visited the notorious concentration camp, and he dramatically pointed out four of them.

The reaction was swift. Wilhelm Frick, former minister of the interior and one of the men pointed out by the Czech, Dr. Franz Blaha, shook his fist and angrily demanded through his counsel that he be given a chance to take the stand immediately to "confront" his accuser.

Another defendant pointed out by Dr. Blaha was Alfred Rosenberg, nazi party philosopher. Rosenberg sat with a smug snarl on his face, but his counsel joined with Frick's lawyer in denying that Rosenberg and Frick had been at the camp.

The presiding justice told the lawyers that all defendants would get an opportunity to present their cases, but they would have to wait their turn.

Dr. Blaha testified that he personally had seen Rosenberg and Frick at Dachau and that he had been told three other defendants, Walter Funk, former Reichsbank president, Fritz Sauckel, in charge of slave labor, and Ernst Kaltenbrunner, one-time security police chief, had made inspection visits there. He pointed to Funk and Sauckel also. Kaltenbrunner was not in court because of a cranial hemorrhage.

Seattle to End GI Backlog

SEATTLE, Jan. 11 (AP)—The port of embarkation reported tonight only 6728 troops remained in the Fort Lawton, northeast Fort Lewis and Vancouver Barracks disposition areas early today awaiting transportation home after a lull in ship dockings gave trains a chance to catch up in the movement of men to their homes.

Eighteen trains carrying 6020 troops left Portland, Seattle and Tacoma yesterday. Four troopships were due today with an additional 7350 service men.

\$17,000 Ceiling on 2-Family Houses

—WASHINGTON, Jan. 11 (AP)—The civilian production administration today fixed a top sales price of \$17,000 for two-family dwellings built under the government's new housing program.

Heretofore the program, which goes into effect next Tuesday, had provided only a rent ceiling of \$80 a month for such dwellings. In the case of sale, there had to be an agreement that these units would be rented for not more than that amount. This provision is continued.

HOLLYWOOD Today!
Open 1:45
"A Tree Grows in Brooklyn"
with Dorothy McGuire, James Dunn, Joan Blondell, Peggy Ann Garner
"Crime by Night" with Jane Wyman and Jerome Cowan

GRAND
PHONE 3467 CONT. SHOWS DAILY FROM 1 P.M.

Preview Tonite After 12 P.M. . . . Starting Tomorrow! Re-Issued For Your Pleasure!

No Passion Greater THAN THE VIOLENCE OF THWARTED LOVE!

Samuel Goldwyn, Hollywood's master showman, presents Emily Brontë's powerful conflict of emotions . . . an immortal screen version of an immortal novel!

WUTHERING HEIGHTS
The Strangest Love Story Ever Told

co-starring MERLE OBERON • LAURENCE OLIVIER • DAVID NIVEN
with Flora Robson • Donald Crisp
Geraldine Fitzgerald • Scramplay by Ben Hecht and Charles Mac Arthur
Directed by WILLIAM WYLER

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Seattle to End GI Backlog

STATE
— CONT. FROM 1 P.M. —
NOW PLAYING!

DO YOU EVER SEE A WOLF WITH WINGS?

Robert YOUNG
Lillian DAY
Those Endearing Young Charms

— CO-FEATURE —
Gene Tierney
Don Ameche
IN TECHNICOLOR
"HEAVEN CAN WAIT"

ENDS TODAY! (SAT.)
Barry Fitzgerald
"AND THEN THERE WERE NONE"
Virginia Bruce
"LOVE, HONOR & GOODBYE"

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LATEST NEWS FLASHES!
● President Appeals on Reconversion
● World Events of 1945
● Football Thrills from Bowl Games