

STATE CAPITAL NEWS

- Land Exchange
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- Reduced Interest

By A. L. LINDBECK

Salem.—Immediate exchange of state school lands located within the public domain for isolated holdings of the federal government outside of grazing areas was recommended by a committee of educators and stockmen meeting here Saturday to consider ways and means of enriching the irreducible school fund. The recommendation also carries with it the stipulation that the lands to be taken in exchange must be good lands that can be converted into cash immediately. The committee also recommended the leasing of school lands within the public domain to the federal grazing service pending an exchange of these lands for federal lands that might lend themselves to "blocking" for sale to stockmen or to grazing associations.

Saturday's meeting was the outgrowth of an agitation of several years on the part of educators over the state for an increase in the revenue received from the states 700,000 acres of grazing lands in central and eastern Oregon. The session, incidentally was the first at which the two contending factions—the stockmen and the educators—have been able to agree on any program for the administration of the school lands.

Secretary of State Earl Snell does not choose to run for Congress in the forthcoming campaign he let it

be known during the past week. Snell was being mentioned as a possible Republican candidate against Congressman Walter M. Pierce of LaGrande. Having just been returned to a second term in his state job Snell feels that he should complete his term before turning his attention to other political honors, he said.

The annual rush for automobile license plates is now under way. The temporary tables have been installed in the corridors outside the licensing department and each day finds an increasingly long line of applicants awaiting their turn to trade a five dollar bill for a pair of the shiny new blue and white plates.

Transportation of passengers in private automobiles on a "share expense" arrangement without a PUC permit is in violation of the Oregon Motor Transportation act, O. R. Bean, public utilities commissioner, warned this week.

Interest payments on Oregon's bonded debt have been reduced by more than \$1,000,000 a year since 1928, according to Walter E. Pearson, state treasurer. In 1928 with state bonds hitting their peak at \$66,062,810 the state was paying \$2,928,323 in annual interest charges. This year with the debt load reduced to \$38,706,085 the annual interest charge has been cut to \$1,771,288. Pearson points out that if the state had issued callable bonds this annual interest charge could be still further reduced to about one-half its present proportions.

The state's irreducible school fund is suffering through competition offered by federal and private lending agencies, according to Lewis Griffith, clerk of the State Land

Board. In spite of the low interest rates and favorable terms on which school fund loans are offered to Oregon farmers the board now has approximately \$250,000 lying idle in its coffers and bringing in no returns to the school fund, Griffith pointed out.

Interest about the capitol these days centers about the fate of Dan Fry as state purchasing agent and secretary to the Board of Control. Rumor has it that Fry is scheduled to walk the political plank for a return to private life along about the turn of the year. There are, however, several considerations which may contribute to a delay in the prospective ouster if not postpone it indefinitely.

If Fry is ousted it will be by the votes of Governor Sprague and Secretary of State Snell. The third member of the Board, State Treasurer Walter Pearson, a Democrat, is committed to Fry's retention. Both Sprague and Snell deny that there has been any conference on the matter and insist that Fry's replacement by a Republican is by no means a settled fact as yet.

It has been known for some time that the Republicans have been demanding Fry's scalp, the lucrative board of control job being one of the few still remaining in Democratic hands. It had been hoped by Fry's friends, however, that he might escape the political purge that has been under way since the change in the complexion of the state administration inasmuch as he is a board appointee and not subject to the whims of any individual.

The fact that Fry is a personal friend of both the Republican members of the Board who admit that he has done an outstanding job as purchasing agent was believed to weigh strongly in his continued employment at the head of this important state activity.

Should it ultimately be decided that Fry must go it is understood that both Sprague and Snell have candidates for the job, a situation which might result in a deadlock between the two majority members of the board.

The State Board of Agriculture at its meeting here Saturday announced the dates for the 1940 State Fair as September 2 to 8, inclusive. This means the fair will open again on Labor Day as it has for the past several years.

Complaints from the Canyon City chamber of commerce charging that state police were discourteous in their treatment of deer hunters in that section of the state have been received by Chas. P. Pray, superintendent of the state police bureau. The complaint refers to the deer hunters as "guests of Canyon City." Pray declares that unless the complaints are made more specific he will be seriously handicapped in any

investigation of the alleged offenses.

Captain Clyde Warren of the state police department has announced his resignation effective December 31 to accept a position as head of the Liquor Control Commission's enforcement division. Warren was formerly deputy state fire marshal but joined the state police when that organization took over the arson investigation work of the fire marshal's office. In his new post Warren will succeed Walter Winters who was also with the police bureau before going to the Liquor Control commission on May 1, 1937.

The State Tax Commission lost its fight to tax back salaries earned by employees of federally sponsored corporations when the state supreme court ruled this week that these employees enjoyed the same status as federal employees, whose salaries only became subject to state taxes through a recent ruling of the United States supreme court. The tax commission had taken the position that these corporations were doing a private business and were not in fact governmental agencies.

Mr. and Mrs. Clarence Rosewall drove to Portland Tuesday afternoon on a brief business trip.



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