

STATE CAPITAL NEWS

By A. L. LINDBECK

- Feverish Activity
- Covered Relief
- 9 Million Reserve

Salem, Ore.—The announcement by Walter A. Pearson, democratic state treasurer, that he does not choose to run in the forthcoming campaign has aroused a burst of feverish activity in both political camps.

Democratic chieftains are understood to be attempting to persuade E. J. Griffiths, WPA administrator, to forego his juicy federal job for a go at the state post which carries with it a seat on the board of control and a salary of \$5400 a year. Lyman Ross, democratic state senator from Washington county, is said to be torn between two desires—one to succeed Pearson as treasurer, the other to displace James W. Mott as congressman from the first Oregon district.

In the Republican camp not fewer than five prospective candidates are being "prominently mentioned." Earl Hill, veteran Lane county legislator, whose friends have been grooming him for the treasuryship for several weeks is understood to be almost persuaded and can be expected to burst forth with a formal announcement of his intention to run most any day now. Friends of P. J. Stadelman of The Dalles are known to be urging him to get into the race. Stadelman served for a year as state treasurer, succeeding the late Hal Hoss under appointment from Governor Meier and has served in the last two legislative sessions as state senator from the Hood River-Wasco district. Dean Walker, another veteran legislator, with experience in both branches, is also giving "serious consideration" to the siren song of the political leaders of his party who believe that he would fit admirably into the seat which Pearson is to vacate next January. Walker, however, has a better than 50-50 chance for election to the senate presidency, and may decide to forego a chance at the treasuryship for the senate gavel wielding job which carries with it the position of heir-apparent to the governorship.

Fred Paulus, deputy state treasurer for the past 15 years or more, is known to have harbored ambitions to head the department for many years but this ambition has been somewhat modified by the recent increase in his salary as deputy which now places him within \$600 a year of his boss without the expense and worry of a long and wearisome campaign for the job. Other Republicans whose names are being mentioned in connection with the treasuryship include Floyd Cook of Portland, former state chairman of the Republican central committee; William McKenzie, Portland school board member, and Fred Lampert, Salem banker.

Indications are that profits from the state's liquor monopoly will nearly, if not entirely, cover the legislative appropriation of \$6,500,000 for relief purposes during the current biennium, Governor Sprague declared following a conference with members of the Oregon Liquor Control commission this week. Sprague denied that the conference had touched upon the question of higher liquor prices and indicated that no such move was in prospect.

Vocational education courses will be made available to inmates at the Oregon penitentiary in the near future, according to Warden George Alexander. As soon as the new dining room and hospital, now under construction, are completed the quarters now being used for these two purposes will be available for school purposes, Alexander said.

Although a total of 352,849.65 barrels of beer were consumed in Oregon during 1939, according to records of the Liquor Control commission, this volume was nearly 52,000 barrels below the high mark of 404,538.75 barrels set in 1936.

At 31 gallons to the barrel the

1939 consumption boils down to 938,339 gallons of the amber brew or more than 110,000,000 ten-cent glasses. This represents a per capita consumption of more than 100 glasses.

From the peak of 404,538 barrels in 1936 beer consumption in Oregon declined to 382,453 barrels in 1937, and then still further to 346,578 barrels in 1938. This decline in the popularity of beer is generally ascribed as due to the fact that the novelty of the experience has worn off for members of the younger generation who constituted a large portion of beer parlor patrons in the years immediately following repeal of prohibition.

State Budget Director David Eccles is now engaged upon a standardization of state salaries which, he declares, will effect a substantial saving in costs. Although state salaries were standardized a few years ago Eccles says that he has discovered many glaring inequalities in the pay of state employees.

Ernest Fatland, Condon legislator and heir apparent to the Oregon throne since the resignation of Senate President Robert M. Duncan of Burns, will have his first opportunity to officiate as governor Saturday when Governor Sprague goes to Seattle to deliver a Lincoln day address. Speaker Fatland is expected to come to Salem to avail himself of the opportunity.

Three convictions have already been secured by the State Unemployment Compensation commission in the drive against abuse of the jobless insurance fund. In all three convictions workers were found guilty of receiving unemployment compensation checks while drawing pay on other jobs.

One person out of every four in the state 65 years of age or over were receiving old age pensions in September when the pension rolls hit their peak, it was revealed in reports of the State Welfare commission.

The reserve in Oregon unemployment compensation fund passed the \$9,000,000 mark on February 1 to hit a new high mark in the commission's experience. This figure is 50 percent above the "adequate reserve" established by the commission in December. Benefits paid out by the commission to temporarily unemployed Oregon workers during the past two years totalled \$10,124,649 the commission reported.

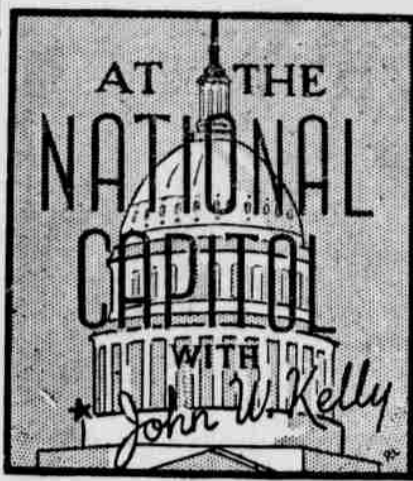
If the automobile business is any criterion residents of Oregon were far more prosperous in 1939 than they were in 1938. Sales of new cars and trucks last year totalled 31,641 compared to only 23,192 during the previous year, according to figures compiled by Secretary of State Snell.

California is Oregon's best butter customer. Reports compiled by the state department of agriculture show that approximately 10,000,000 pounds of this dairy product are shipped to the southern state each year.

U-O Working Students High in Scholarship

University of Oregon, Eugene, Feb. 7.—(Special)—Students engaged on National Youth Administration projects at the University of Oregon during the fall term made a grade point average of 2.73, compared to 2.30 for the university as a whole, and of 119 students gaining places on the honor roll, 30, or 28 per cent were from the NYA ranks, it was announced by Karl W. Onthank, dean of personnel. Of the 10 students who made straight "A" grades, six were NYA students.

The showing is regarded as remarkable since only 10 per cent, or 351 students are employed under the NYA project, Dean Onthank points out. The high grade standing of these students was also made in spite of the fact that a considerable portion of their time was spent in working. A number of them also do other forms of work and a large proportion are actually entirely self-supporting.



Washington, D. C., Feb. 10.—Seriousness of the drouth prevailing last fall is stressed by the department of agriculture, which predicts (despite winter snow) a wheat production this year of 60 to 80 million bushels less than the normal amount consumed. No shortage is expected, however, as the carryover will be 300 million bushels by July 1, and if the estimates of the experts are correct on 1940 production the carryover July 1, 1941, will be in excess of 200 million bushels.

Of course, the drouth situation has political possibilities, good or bad, for the administration and in an election year, but the man who is not giving cheerful news is the chief of the weather bureau. He forecasts the weather regardless of the effect on political fortunes. This drouth has not captured the imagination nor received the publicity of the earlier drouth with its dust storms and farmers fleeing to the Pacific northwest, but department spokesmen assert that it is fully as severe if not worse.

The dry spell has ranged from the Oregon-Washington country to the Rocky mountains and then east across the plains even to the Atlantic coast. In anticipation of a grave situation for many farmers who cannot make a crop, a program for relief has been drafted and placed in a pigeonhole, in case.

Active spirits in the Commonwealth Federation in Washington and Oregon are reviving the plan to call a conference or convention of "liberals" within a few months. Primarily, the group wants President Roosevelt for a third term. The plan, as reported in the national capital, is to boom Mr. Roosevelt as the new deal candidate, and if the Democratic convention refuses to nominate him or name someone he wants, a protest third party may be formed. The general outline of the idea was submitted a few days ago to the president by three government officials who are in touch with the Pacific northwest "liberal" wing.

The new seed law becomes operative this month and eastern Oregon growers want their product classified as "eastern Oregon seed" and not as "Oregon seed" because they claim the western Oregon rates lower in "growing adaptability" to the middle west than eastern Oregon seed on account of climatic conditions. This will probably be challenged by the seed farmers west of the Cascades. What appears to have aroused the eastern Oregon farmers is a decision by New York that Oregon seed is not acceptable and not qualified for payments under the soil conservation plan.

Many wheat farmers have abandoned grain and turned to red clover, which is more profitable, but very expensive because of the care required to keep the fields free from weeds.

All the Douglas fir plywood manufactured in the United States is in Oregon and Washington, and Pacific Forest Industries is an export trade association representing these mills. Now Federal Trade commission cracks down on Pacific Forest Industries, ordering the association to cease and desist from advertising in foreign countries that it is the sole export representative of the plywood mills in the Pacific northwest and claiming that Douglas fir plywood can be purchased only through Pacific Forest Industries.

The federal trade commission has decided laws are being violated because members of the association have not been selling to individual American exporters.

Reconstruction finance corporation has rejected a proposal that it make loans to timber owners in Oregon and Washington which would enable them to pay their taxes and thus remove the necessity of liquidating their holdings regardless of market conditions.

In its economy streak the house of representatives deleted from the agricultural appropriation bill \$27,000,000 to finance purchase of farms by tenants. For fiscal year 1940 there were 929 applications from Washington state for such loans and only 27 were made. In the first two years of the act 728 applications were filed from Washington and 24 were approved. Oregon applicants for 1940 were 274 with 17 loans, and in the first two years of the act 194 applications came from this state and 15 were allowed. Bulk of the loans approved were to share-croppers in southern states, such as Mississippi, where 656 were allowed in fiscal year 1940 and 630 in the first two years.

Members of the senate are being begged to restore cuts made by the house and while the senate is favorable to the idea on many items, it doubts whether the house would accept a senate bill carrying the restorations. The house has limited the navy program to two years and refused to increase the navy yard at Bremerton or at Mare Island. Almost every appropriation in which the northwest is interested has been reduced in the house.

EXAMINER COMING

A travelling examiner of operators and chauffeurs is scheduled to arrive in Heppner Thursday, Feb. 15, and will be on duty at the city hall between the hours of 11 a. m. and 5 p. m., according to announcement released from the secretary of state's office. All those wishing permits or licenses to drive cars are asked to get in touch with the examiner during these hours.

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