

# O&C Counties Lost \$5 Million in Three Years, Specialists Declares

**By B. ROBERT SMITH**  
 (Special Correspondent)  
 Washington — Oregon's O&C counties, and their neighboring neighbors, have lost some \$5,000,000 in timber revenues during the past three years because of limited competition in O&C timber sales.

This is the estimate of a private forestry specialist, Paul J. Graves, in a report given the bureau of land management concerning the effectiveness of marketing area restrictions. His conclusion, that marketing area lines should be erased, is that these long-time restrictions have contributed to the limited competition and thereby reduced

revenue which goes into county coffers from O&C timber sales. BLM has yet to decide whether it will follow the recommendation of Graves, Secretary of Interior Fred Beaton has called for a public hearing on the question, in Portland on March 1.

Graves, who is a professor of forest management at Syracuse University, made a two-month study of marketing area restrictions in Oregon last summer for the BLM. His purpose was to determine the extent to which marketing areas have served their avowed purpose of contributing to the stability of communities.

**Marketing Area Restrictions**  
 Marketing area restrictions have been in effect on O&C timber since 1948 to limit sales of O&C timber to mills which do the primary processing of logs within the area in which

they are cut. The Senate Interior committee, after long hearings on timber sales policies last year, recommended abolishing the restrictions.

Graves' report, which has been made public but has been obtained by this reporter, pointed out that BLM sales have averaged only about half as many bidders per sale during the past two years as have forest service sales in the same general communities, both types of sales being almost wholly by oral auction. The forest service does not impose marketing area restrictions. He went on to point out that sale prices for timber have on the average increased consistently with the number of bidders.

In his analysis, Graves found that the average increase in sales prices per bidder over one bidder was about \$3 per thousand bd. ft. in 1954, about \$5 in

1953, and nearly \$6 in 1952. Last Income

These figures indicate, said Graves, that in the absence of good competition in bidding for O&C timber the taxpayers, especially those living in the 18 O&C counties, have lost substantial potential income from the harvest of federal timber. O&C counties divided up 73 per cent of all revenue from O&C timber sales, although now they are ploughing roughly a third of their revenue into building access roads.

Graves reported that if there had been an average of three bidders per sale during the last

three years, the increase in total revenue would have been \$5,285,211, of which \$4,413,900 would have gone to the counties. The total would have been \$7,656,908 and the counties' share \$3,782,661.

Graves contended, therefore, that by restricting competition below three bidders per sale, marketing areas may have been responsible for the counties losing about \$1.3 million annually which could have been used locally to offset real estate tax levies on local residents.

**Reduced Prices**  
 He said in all probability re-

duced timber sale prices have resulted in either higher earnings for company executives and corporate balance sheets, or have served to protect the subsidy inefficiency within the mills that have benefitted from the cheap stampage.

Moreover, Graves reported, he found no evidence of mill workers being paid higher wages by mill obtaining cheaper timber, or of such mills taking steps to assure continuity of employment and stability of operations for the benefit of the community's future economic well-being.

Graves said he found that the heaviest impact of potential revenue loss occurred in the South Coast, Richland and Santiam master units and marketing areas where there have been the highest percentages of single bidder sales. He noted that a number of mill operators in these areas have been strongly in favor of continuing marketing area restrictions.

**Single Bidders**  
 In the South Coast area, he said, sales that went to single bidders averaged about \$17 per thousand bd. ft. less than those that involved competitive bidding among more than three bidders during 1956. The figures for the two previous years, he estimated, were nearly \$15 for 1955 and over \$7 for 1954.

Based on the volume of timber sold in that area during those three years, Graves said amounted to a \$1,500,000 subsidization of the mills in that area. He said this points up the fact that local mills buying O&C timber may spend considerable effort and money to try to preserve the protective shield of marketing area restrictions.

Graves suggested furthermore, that virtually all timber sold in western Oregon, whether by forest service or BLM, is processed in nearby mills. He said all of the 4 billion board feet of federal timber sold by both forestry agencies in this area during the last three years, in sales where competition was provided by several bidders, was purchased by operators located within 65 miles of the timber. He added that some 95 per cent of it didn't move over 30 miles and about three-fourths of it was not moved over 40 miles.

BLM is supposed to make a report to the Senate Interior committee on what it plans to do about marketing area restrictions. That's why it asked Graves to make a study.

## Benson Takes Steps To Block Passage Of Relief Proposal

Washington — (AP) — Secretary of Agriculture Ezra T. Benson took steps Saturday to try and block house passage Monday of a Democratic drought relief proposal.

He said the house should not vote on the plan until he has informed congress of the conclusions reached by President Eisenhower from his recent aerial inspection tour of drought areas.

Benson's surprise stand was revealed by House Republican leader Joseph W. Martin, Jr. (Mass.) in an interview with the United Press. Martin predicted there would be a floor fight if Democratic leaders refuse to delay action on their measure.

Democratic leaders, informed of the unexpected development, declined to say immediately what they would do.

**Slow Surprise**  
 Benson's decision took House Republicans by surprise. The Democratic bill sped through a subcommittee last Tuesday and was approved by the full house agricultural committee on Thursday with no audible objection.

The bill would require the government to offer to "rent" on millions of acres of drought-stricken pasture to induce owners to keep cattle off the parched land. The idea is to prevent the land from being permanently damaged before it has a chance to re-seed itself.

The agriculture department's drought relief chief, Kenneth L. Scott, testified last week that the department has "some reservations" about the legislation. Nevertheless the bill had been considered so non-controversial that Democratic leaders scheduled it for house action Monday under an unusual procedure which restricts debate to 40 minutes and requires a 2-1 vote for passage.

Were it not for this unusual parliamentary situation, Benson would have no hope of blocking house approval Monday. It was taken for granted that the bill would easily pass if only a majority vote were required.

## Welfare Group Investigating KF Office Operation

Klamath Falls — (AP) — Two field representatives from the Oregon Public Welfare Commission arrived here Friday to make preparations for a sweeping investigation ordered by Gov. Robert Holmes.

The two, W. R. Sinythe, director of field services, and Richard Hager, field representative, said a complete review of the administration of the Klamath County Welfare office would be carried out under order of Jean Jewett, state welfare director.

The investigation was ordered after a petition containing 76 signatures was submitted to Gov. Holmes, state legislators and County Court officials. The petition charged the Klamath County Welfare Commission with "unequal and shameful treatment of welfare cases."

**Blame Commission.**  
 The petitioners blamed the local commission office with the situation which led to the fatal shooting of Commission Chairman Fred Peterson and critical injuries to two others last month.

Guy Earl (Bill) Cramer, 76-year-old pensioner, faces a first degree murder charge as a result of the shooting.

Smythe said an office would be set up here this week end for the use of the field directors and John Brugman, assistant attorney general who is to take part in the investigation.

He said a full administrative review of the Klamath county office, including a check of case files, administrative procedures and statements from persons who wish to testify will be taken.

Principal mining products of the Philippines include gold, silver, copper, iron, manganese and chrome and some of the lesser products as well.

More than four-fifths of the telephones in the U.S. are operated by the Bell system but the smaller independents serve two-thirds of the U.S. area.

# U.S. To Supply Britain With Missiles To Replace Manpower

Washington — (AP) — The United States has agreed to supply Britain with guided missiles to replace military manpower, informed sources said Saturday.

But the weapons, equipped to carry British atomic warheads, may not reach Britain in time to offset economy cuts in Britain's NATO forces. This is causing American officials grave concern.

The United States is reliably reported to have asked Britain and any other nation contemplating NATO cuts to delay such action to the time being.

**Sandys Leaves**  
 British defense minister Duncan Sandys left for home Saturday apparently satisfied, after a series of high-level conferences, that the United States understands Britain's need for American missiles and other weapons to keep Western defenses strong.

A joint communique by Sandys and Secretary of Defense Charles E. Wilson said the two governments are exploring "possible adoption by Britain of certain American weapons."

Informed sources said this means Britain will get "U.S. guided missiles and possibly atomic cannon as they go into quantity production here."

They will not be equipped with U. S. atomic warheads or shells. This is forbidden by law.

But the British can add the atomic "business end" which they now have the capacity to manufacture.

**Official Worried**  
 High U.S. military and diplomatic officials are seriously worried, however, about prospects Britain will cut her forces in the North Atlantic Treaty organization before they can be replaced with the weapons.

Defense officials said Britain may cut 30,000 and perhaps

even 40,000 men out of its estimated 80,000 NATO contingent in Germany. They said it will be some time next year at the earliest before such deep cuts could be balanced by supplies of nuclear missiles and other new weapons.

Officials were reported fearful the time lag will weaken NATO at a critical time and jeopardize allied bargaining power with Russia in United Nations disarmament talks.

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"We are determined to carry the fight on until we have driven every crook and gangster out of the American labor movement," he declared.

**Three Unions**  
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The three, with a combined membership of about 170,000, have been under threat of suspension since last summer.

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**Coincide With Plan**  
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Bedwell, however, was unable to post the bond and was returned to the Cook county jail where he has been held since his confession, later repudiated, in the slaying of Barbara Grimes, 15, and her sister, Patricia, 13.

Meanwhile, police launched a search for two young men reported to have spent the night in a stalled auto three days before the girls' bodies were found nude and frozen in a ditch on Chicago's southwest outskirts Jan. 22.

Police also searched 75-acre McKinley park for the clothing or other clues in the deaths of the sisters, whose bodies were discovered after a spring-like thaw had melted snow which covered them.

## EAGLE POINT District Now First Class

**LOUISE M. BERG**  
 Eagle Point — A total of 197 votes were cast in the special school district election in the Eagle Point High school gymnasium on Thursday, Jan. 31. The Eagle Point schools will now operate independently as a First Class district. Of the votes cast, two were against this proposal and 195 were for the removal of the Eagle Point School district from the Jackson county rural district and from the jurisdiction of the rural school board.

The mother's march conducted by the Lady Lions, rated third place in the county in their collections according to Don Gerken, chairman. The total amount collected was \$155. The coffee parties netted a total of \$114.85, according to Mrs. Don Ashpole. Mrs. Earl Miller, chairman of the coffee parties thanked the ladies of this community for their efforts in making these parties such a success. It is urged that all March of Dimes cards be sent in as soon as possible so that a final count can be taken.

On Monday evening Mrs. Jake Olsen entertained the board members of the Lady Lions. A discussion was held regarding the pot luck cook book to be published by the club which will be sold at the Lions' convention held in Medford in June. The title of the book will be "Pot Luck Dinners" by Lions Club of Eagle Point." Each member has submitted her own favorite recipes for this book.

A special meeting of the elementary executive committee board of the PTA was held this week. Plans were made to hold coffee klatches and card parties starting with Mrs. Stan Smith, president. The money from these parties will be used to further the activities of the PTA.

The grade school elementary PTA will serve the teachers of Jackson county class room teachers on Monday, Feb. 18, at a dinner held in the school cafeteria.

A volleyball team is being organized through the PTA and anyone interested in joining may do so by contacting Mrs. Stan Smith.

Ray Barrow has returned from a 5000 mile trip to Texas visiting relatives. He visited his sister, Mrs. Toney Calangelo and daughter, a brother, Bob Barrow and wife, his mother and father, all of Armillo, and a sister, Mrs. Melvin Isley and her son of Bonham, Tex.

E. T. Nye of Butte Falls was in Eagle Point on Thursday preparing to leave for Portland where he will stay a few days. He will return with Mrs. Nye and Sue Collie, who have been attending several plays and the ballet in Portland.

Dobe Greb of the Crater Lake highway suffered an injured back this week when he slipped on some ice.

Mr. and Mrs. Roy J. Edwards and children, Gil and Kenny, have moved to California this week. Mrs. Edwards is the daughter of Mr. and Mrs. H. W. Crocker, new managers of Brook's cafe.

Mr. and Mrs. Dick Spain have added a fireplace of Roman tile to their home. Dee Zimmerman of Medford is the contractor.

Mr. and Mrs. Neil Knudsen of Ashland were visiting with Mr. and Mrs. Harold Knudsen, Neil's parents, this past weekend.

Mr. and Mrs. Jim Clark moved this week to the J. H. Stanley ranch where Clark will be employed. Clark was formerly with the Lee Clothing company as a salesman. Mrs. Clark is employed at the city hall in Eagle Point.

Mr. and Mrs. Walter Howell will occupy the Harold Clause home on Fifth street vacated by the Clarks.

Mr. and Mrs. Glen Cave and son, Gary Elvin, are staying with Mrs. Cave's parents, Mr. and Mrs. Claude Griffin.

Dick Mulhollen, son of Mr. and Mrs. Richard Mulhollen, is improving from a recent illness. He is the grandson of Mrs. Raymond Schermerhorn of Eagle Point.

Mr. and Mrs. J. C. Meza had their home destroyed by fire last week, losing all their furnishings and clothing. The Mezas have five children, a girl nine, a girl six, one girl two, a boy three, and a baby six months old.

## George Frey of 113 Alta Street Confined to the Rogue Valley Memorial Hospital with a Fractured Left Leg

George Frey of 113 Alta street is confined to the Rogue Valley Memorial hospital with a fractured left leg. Frey fell from a hystor this past week while working at the Burill Lumber company in White City.

H. W. Crocker entered the Rogue Valley Memorial hospital on Thursday for a major operation.

Mr. and Mrs. Bill Jones of Central Point have purchased the ranch formerly owned by Joseph Mayham on the Brophy road. On the 280 acres Mr. Jones will raise Angus cattle and in the near future he will construct a new home. Mr. and Mrs. Jones have three children, Loyd James, twelve, Deborah, six, and Bill Jr. three. Stagnridge Realtors of Central Point handled the sale of the property.

Bruse Cathey, who was shot a week ago while working on the Tiller road clearing the snow from the highway, is very much improved. Cathey is in the Rogue Valley Memorial hospital.

Mr. and Mrs. Lenord Ward have gone to the home in Manhattan Beach, Calif., for a month vacation.

Mrs. Clyde Bunker has returned from Cheyenne, Wyo., where she has been visiting her son Dick Bunker, who has been ill with rheumatic fever. Dick is reported to be much improved.

Elaine Meyer, who was burned 10 days ago when her dress caught on fire, is improving in the Rogue Valley Memorial hospital, and it is expected that she will return home next week. Her father, who was also burned while extinguishing the flames on Elaine's dress is also much better.

Jack Fortis returned to his home on Saturday and is much improved. Fortin was injured in an automobile accident this past week in Central Point and was hospitalized in the Rogue Valley Memorial hospital. Mr. Fortin is employed by the state forest patrol.

Fence posts have been installed along Little Butte creek near Putnam's cold storage plant to keep the cars from going over the bank. This work was done by the state road crew.

The Reverend Mr. Munshaw and Mrs. Munshaw entertained 14 of the Young People's group at a get together and Valentine's party this week in the church. Refreshments were served.

The Putnam lumber mill, which is leased by W. H. Daugherty, has been closed this past week due to weather conditions, but will resume operations soon.

Mr. and Mrs. Lawrence Messal and children, Judy, Jerry and Linda, have moved to Medford. Mrs. Messal was active in club work here.

Mrs. Stewart Hopper entertained the Lady Lions at the close of the mother's march this week. Coffee and cookies were served.

The chief exports of the Azores are fruit, grain, cattle and dairy products, varieties of canned fish and whale oil.

## Siskiyou Hospital Records 1st Triplets

Yreka — The only set of triplets on record at the Siskiyou county hospital in Yreka were born Friday about 4 a.m. to Mr. and Mrs. John Phillips, former residents of Eagle Point who now live on the Klamath river in California.

The babies, all girls, weighed three, four and five pounds and were named Rita, Nina and Tina. The Phillips have four other children: Chester, six; Albert, five; Vivian, three; and Carrie, one.

Mrs. Phillips is the daughter of Mr. and Mrs. Adolph Pech of Lake Creek, Ore.

## Thomas Suggests Low Interest on Homes

Washington — (AP) — A congressional foe of subsidized public housing proposed Saturday that the government give low income families a chance to purchase modest homes with no down-payment and low interest mortgages.

The suggestion was advanced by Rep. Albert Thomas (D-Tex.), chairman of the House Appropriations subcommittee which has jurisdiction over public housing funds.

Under the public housing program the government undertakes for 40 years to pay part of the cost of low income families occupying such projects. The subsidy will amount to an estimated \$99 million in the fiscal year starting July 1. Thomas said it will soar to \$175 million when authorized projects are completed.

**SABREJET CRASHES**  
 Bedford, Mass. — An air force sabrejet spun out of control and crashed in a hangar at Hanscom field here Saturday. The pilot was killed. Air force officials said the \$109,000 F-86 jet was on a landing approach when the crash occurred.

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