

Legislative Session, Portland Vice Probe Top 1957 Oregon News Stories

By UNITED PRESS
A record-breaking Legislature, the Portland vice furor which still hasn't completely subsided and a sorry traffic record by the state's motorists topped Oregon's news parade in 1957.

The Legislature got off to some kind of record when it took two weeks to organize the Senate. Split along party lines 15-15, the senators wrangled over who was going to preside and finally settled on Democrat Boyd Overhulse of Madras. It was the first time since 1878 that a Demo-

crat had been Senate president.

The legislators sat in regular session a record 128 days, passed 700 new laws and ran up a \$1,100,000 bill, most costly in history.

The Legislature, among other things, appropriated \$272,000,000 for the next two years; abolished the 45 per cent surtax; increased personal income tax exemptions from \$500 to \$600; revised the tax withholding laws; raised the effective average rate of corporation excise taxes from 5.2 to 6 per cent; increased the basic school support fund; increased teacher salaries; voted \$20,000,000 in highway bonds and \$7,000,000 for a higher education building program; increased the maximum weekly unemployment compensation benefits and boosted the public welfare budget.

Session Called
When an estimated \$70,000,000 surplus was discovered in the state treasury, Gov. Robert D. Holmes, inaugurated in January as Oregon's first Democratic governor in 22 years, called a special session of the Legislature to reduce the surplus. During 19 days of almost continuous bickering, the legislators cut income taxes overall 20.3 per cent; repealed the state property tax; provided tax relief for persons over 65 and the blind, and added \$10 a census child to the basic school support fund.

An investigation of vice and alleged corruption among public officials in Portland by a succession of grand juries made black headlines and carried to a Senate investigating committee in Washington. The final chapter of what started out to be an expose of Teamster Union infiltration into the racket and attempts to influence high public officials hasn't yet been written. But of 116 grand jury indictments, 83 cases have been dismissed; four have been acquitted; one has been convicted; one plea guilty and fines have totalled \$350. There are 27 cases still pending.

The weatherman made his usual splash across the state. As the year opened, a cold spell halted work on The Dalles dam, idling several hundred workers there and on other construction jobs. Floods plagued eastern Oregon, especially in the Vale area. Near record winds lashed the state and two ships, tied up for salvage, broke their moorings in the Willamette river at Portland and smashed into the Hawthorne bridge, tying up traffic over the span for a day. Unseasonal 90-degree temperatures hit the state in April and violent thunderstorms killed a 7-year-old girl and knocked down power line towers, resulting

in \$200,000 damage. There were grass fires in eastern Oregon and a scattering of forest and range fires, although the number of fires and acres burned was less than any of the previous five years.

The most shameful story was written on Oregon's highways. Through December 27 the dead in traffic accidents totaled 463. It was the worst slaughter on the highways since 1946 when 482 were killed. Some 25 others were killed in mishaps involving vehicles on private lands, but the state traffic safety division does not consider these officially as traffic deaths.

Crime Noted
Crimes of violence had their share of attention during the year. Perhaps the most spectacular was the shooting to death of John Troy Lawson, 60-year-old acting town marshal at Paisley, in the holdup of the southeastern Oregon community's post office by two liquor-soaked desperadoes. In the crime which had overtones of the Old West, Donald Lee Ferguson, 32, and Jesse Thurman Hibdon, 30, pistol-whipped the postmaster, Mrs. Norman Bannister and robbed the post office of \$150.

Lawson, a plumber who acted unofficially as the town's law officer, attempted to stop the gunmen but was shot dead as he stepped across the threshold of the post office. Angered townspeople quickly organized a posse and gave chase. Ferguson was dropped by a bullet fired by Douglas Houston, a truck driver, and captured a short time after the holdup. Five days later Hibdon was captured by Hammond Fire Chief Harold Broderick who was hunting in the Summer Lake area north of Paisley. Both gunmen pleaded guilty to second degree murder and were sentenced to life imprisonment.

Guy Earl Cramer, a disgruntled 76-year-old Bonanza pensioner, shot and killed Fred Peterson, 75, Klamath County Welfare Commission chairman, over an imagined wrongdoing, and wounded Mrs. Altha Urquhart, welfare administrator, and Commissioner Jerry Rajnus. Tried and acquitted by reason of insanity, Cramer is confined to the Oregon State hospital at Salem.

At Eugene, Albert Wachsmuth, 65, shot and killed State Policeman Charles C. Sanders and fatally wounded Lane County Deputy Sheriff David D. Hefner when the two officers attempted to investigate a complaint of a disturbance at the Wachsmuth home. He was convicted of second degree murder and sentenced to life in prison.

Russians Send New Year Greetings

London—The Russian leaders send New Year's greetings to heads of state throughout the world Tuesday night and called on the big powers to help the Soviet Union settle "the international climate."

The messages were signed by Premier Nikolai Bulganin, Communist Party Chief Nikita S. Khrushchev and Soviet President Klimenty Voroshilov.

They went to President Eisenhower, British Prime Minister Harold Macmillan, Queen Elizabeth II and the heads of other governments on every continent.

The message said Russia hoped "the coming year will be one of the strengthening of friendship and peace... so that people everywhere need have no fear for the future for their children and their loved ones."

Young Barrymore Ordered To Jail

Hollywood—Actor John Barrymore Jr., 25, must spend the next three weeks in city jail on a conviction of being drunk and disturbing the peace.

Municipal Judge Henry Draeger fined Barrymore \$100 and sentenced him to jail after police in nearby Beverly Hills arrested the young actor.

Police said Barrymore, son of the famed actor John Barrymore, had been quarreling with his wife and became belligerent with investigating officers.

Oregon Passed Some Financial Milestones, Unander Declares

Editor's note: The following report on Oregon's financial condition was prepared for the United Press by State Treasurer Sig Unander.

By SIG UNANDER
Written for United Press
Salem—In 1957, Oregon passed some financial milestones. For the first time, our bonded debt crossed the \$200 million mark and now rests at the approximate constitutional maximum of \$220 million. The state's bonds, however, maintain their AA rating. Less than \$50 million of these obligations depend upon general taxation. The rest, for example highway bonds, are redeemed from gasoline taxes, motor vehicle and motor carrier receipts.

The last biennial period of 1955-57, the state had a General Fund budget of \$221,846,968. We now operate on a General Fund budget of \$277,966,346, and there are some who wish to see this increased, possibly to \$330 million plus in the next biennium. I am not among the sponsors of big spending.

Total Nearly \$800 Million
In addition to the general fund, the so-called dedicated or self-sustaining funds like the Highway Commission, Fish Commission, and Game

Commission, etc., have budgets approved by the Legislature and revenues coming from fees and licenses, including dedicated funds, together with the General Fund, we have a total biennial expenditure of \$794,406,114. On an average in 1956, therefore, the operations of the state government—not including municipal, county, and local governments—will amount to \$33 million per month.

Our timber industry has been in an unsatisfactory position. I look for improvement. I have taken action to secure release of approximately one billion board feet of federally-owned timber for sale primarily to the small mills which have no private timber resources.

Interstate rates affect our timber and the housing construction field, and I have requested and there has been granted a decrease in the Federal Reserve discount rate which should tend to ease credit. In the housing field, we constructed slightly less than a million houses in the United States in 1957. Forecasts call for improvement here and in general construction activity. This should

improve prospects in 1958 for the entire timber industry which is the economic main-spring in the state.

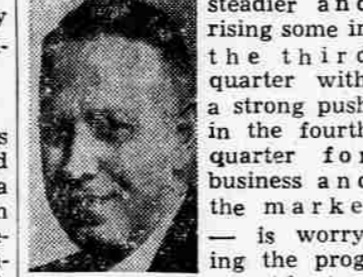
Outlook Said Good
Our two other large sources of income are agriculture and the tourist industry, and a close eye should be kept on prospects here as these develop. Very substantial income is derived, in approximately equal amounts, from mining and fisheries. The immediate prospects for these appear at least as good as in 1957.

The overall effect of the rearmament and defense programs must be watched. Present indications indicate a favorable derivative for Oregon's economy from these activities. The stepped-up highway program will account for expenditures in 1958 of \$84 million.

There are many indications, therefore, that more people will find good employment opportunities and that we will make substantial progress in 1958. Nationally, construction is rated several billion dollars ahead of 1957. In Oregon alone, many large projects will materialize in 1958.

Market Predictions For Coming Year Worry Forecasters

BY ELMER C. WALZER
United Press Financial Editor
New York—The unanimity of the forecasts for 1958—down in the first half and rising some in the third quarter with a strong push in the fourth quarter for business and the market — is worrying the prognosticators



who have said just those things.

So now they are toning down their advice, pointing out the pit falls ahead in the market with stress on one word—selectivity.

Jacques Coe, head of the brokerage firm that bears his name, says "the nearest trick of the year will be to try to ferret out those groups which may do better than average."

Downside Predicted
He believes more groups will go down than will go up. One which he thinks will produce more profits in 1958 than in 1957 is the meat packing industry and here's why he thinks so:

"When hogs and cattle are at low prices, the margin of profit increases substantially. During the forthcoming year, it is quite evident that there will be a plentiful supply of hogs. The hog-corn ratio is an index that guides farmers in their decision whether it is more profitable to sell the corn than feed corn to the hogs and sell the hogs. "This ratio is between 15

and 16 per cent. Last year at this time it was 12.4 per cent. Should the ratio fall below 12, it would be better to sell the corn rather than feed it to the hogs."

However that works out, he thinks the packing companies which in recent years have brought cost and inventories into control, should be prosperous.

Some Exceptions
Edmund W. Tabell, analyst for Walston & Co., is worried over the unanimity of the forecasts, and he, too, selects several groups which might profit in 1958. His first choice is the consumer goods line which he has been suggesting for some time.

He believes three other likely candidates are groups that topped out a year and a half or two years ago, namely building supplies, chemical and paper.

He suggests watching bonds and money rates. A further rise in bonds, he says, should stimulate some equities, notably electric utilities.

Tabell also finds beneficiaries from easier money might include some container issues, electronics and building stocks.

He lists some of the railroad equipments because they supply the railroads with cost and labor saving products.

Box Canyon Dam Settlement Near

Spokane—A formal settlement, ending the Box Canyon dam case, is to be agreed upon here Friday.

The out-of-court settlement provides that Pend Oreille County Public District No. 1 would receive \$2 million from Pacific General Shea Contractors.

The PUD brought suit in connection with alleged delays in construction of the dam on the Pend Oreille river in northeastern Washington. The utility cancelled Pacific General Shea's contract and brought in Morrison-Knudsen to finish the job.

The case was technically a Pend Oreille County Superior Court case, but was heard here by Superior Judge Raymond Kelley.

Mexican Labor Fees Increased

San Francisco—The U. S. Department of Labor announces that fees charged employers of Mexican farm workers entering the United States under the migratory labor pact with Mexico have been increased, effective today.

Glenn E. Brockway of the department's regional office said the contracting fee will go up from \$7 to \$10 per worker, and the recontracting fee from 4 to \$5 per worker.

The increases were ordered to bring collections more closely in line with actual transportation and subsistence costs incurred by the United States in bringing in Mexican Nationals, Brockway said.

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