

# HOMESTEAD DRAWING SPEEDY

In The Day's News

## Gerald and News

WEATHER  
Max. (Dec. 17) 38 Min. 17  
Precipitation last 24 hours .60  
Stream year to date 5.48  
Last year 4.37 Normal 3.37  
Forecast: Fair today, tonight and Thursday. Continued cold.

PRICE FIVE CENTS KLAMATH FALLS, OREGON, WEDNESDAY, DECEMBER 18, 1946 (Telephone 8111) \*\* Number 10813

# Wagner Indicted By Grand Jury

By FRANK JENKINS  
THE new "council of economic advisers" created by the employment act passed early this year makes its first report to the President today.

THE report asserts that the long-time outlook for jobs and production is "more than ordinarily favorable."

There MAY be a temporary "dip" in 1947, the report says, but it adds: "Courageous and sensible action by business and labor CAN hold this recession to moderate proportions" and could avert it entirely.

THE report goes on: "After 1947's possible recession, broad, basic conditions suggest that it will be EASY to have some years of high production, employment and purchasing power without the display of any extraordinary economic statesmanship by leaders of industry, labor, farming and finance."

It then cautions: "But a policy of DRIFTING in those years, or of being content with less than nationwide high production could bring on a subsequent period of SERIOUS unemployment, underproduction and want."

THAT is to say (in the opinion of these economists) we can follow the "let 'er rip" policy (or, rather, lack of policy) that we followed after the last war—WITH ABOUT THE SAME RESULTS.

We can have a little period of the same kind of screwball boom we've had for the past year, based upon price inflation and insufficient production.

This screwball boom (which we had after the last war and are having now) will be followed by a temporary bust.

The temporary bust will be followed (if we just let 'er rip, with no thought of the future) by several years of high production, high employment, high purchasing power and MOUNTING SPECULATION based upon the natural human desire to get rich quick NOW and the devil take the future.

THEN, the report suggests, there will be another bust, like that of 1929—only, it stands to reason, it will be bigger and more awesome.

ALL this, the economists indicate, is based on letting things rip, without intelligent thinking for the future.

BUT, they add, there is now time enough "to chart a course of action which will sidestep that peril and not only raise the national prosperity to new high levels but MAINTAIN those levels with a degree of stability which has not characterized the earlier exploratory and speculative decades of our industrial life."

What these big words mean is that if we go about it intelligently NOW we have a good chance to AVOID the boom-and-bust sequence that has plagued us from the very beginnings of our industrial life.

THE economists then put the cap sheaf on their thinking. They add: "This promise of a long term future free from the swings of boom and depression must be based on a foundation of FREE COMPETITIVE ENTERPRISE, with the government in a supporting and spark-plugging role."

They suggest that the impediments to prosperity in the near future are of the sort that must be worked out, WITHOUT direct government intervention, through the practical wisdom of management and labor, farmers and financiers."

They specifically reject the idea, prevalent during the past decade and a half, that "government can so manipulate its taxing and spending as to relieve

## Policeman Accused Of Jail Beating

Vern L. Wagner, big plainclothes officer of the Klamath Falls city police department, was secretly indicted by the grand jury late yesterday for assault, armed with a dangerous weapon, and spent last night in the county jail. A bench warrant was handed Deputy Sheriff Jack Franey shortly after 5 p. m., and Wagner entered the jail an hour later.

His bail was set at \$3000 cash or property and at noon today Dean Hall and Roscoe G. Lilly posted the bond and Wagner was released.

The officer is specifically charged with striking Robert Farris over the head with his pistol while Farris was being questioned at the police station on April 24. This arrest was apparently a direct result of instructions given to the grand jury to probe reports of police brutality here. The instructions were given by Circuit Judge David R. Vandenberg.

The indictment of the police officer was among three secret bills brought in by the jury late yesterday. Witnesses whose names appear on the indictment are State Police Officer Bill Colbert, Police Chief Orville Hamilton, Assistant Chief Leigh Ackerman, Police Judge Harold Franey, Mayor Ed Ostendorf, Farris, Harold Gartin, Indian Officer Willis Pankey and Louis Craver of the police commission.

Wagner was on duty yesterday and was arrested at the police station. After the 45-year-old officer was booked at the jail an effort was made last night to raise his \$3000 bond. Judge Vandenberg stayed in his office from 7 p. m. until 10:30 to receive the bond, but said that no bondsmen appeared.

After he was arrested the plainclothes officer told a Herald and News reporter that he (Continued on Page 14, Column 4)

## Bilbo Case Continues

WASHINGTON, Dec. 18 (AP)—Edward P. Terry, former secretary to Senator Bilbo (D-Miss.), testified today that A. B. Friend, told him last April that if he told what he knew about his former boss he would be killed.

He said that Friend, a war contractor and Bilbo's campaign manager in last summer's election, delivered the warning to him while entertaining Terry and his wife at dinner in a Mississippi hotel.

He quoted Friend as saying: "Ed, if you take any part in this campaign or tell what you know on Senator Bilbo you'll be killed."

Terry, testifying at a senate war contracts investigation, said that later in the evening Mrs. Terry asked Friend if Bilbo was going to tell her husband.

"He said no," Terry recounted, "there were two men going to do the job."

## Suspense Rules As First Homestead Number Is Drawn



This picture shows the drawing of the first number in today's Tulelake homestead drawing at the Klamath army. At left, Nelson Reed, chairman of the homestead examining board, turning the crank on the receptacle containing the capsule-encased numbers. Olney Rudd, Tulelake World War I veteran, is drawing the capsule from the jar. Layton Stephens, superintendent, Klamath reclamation project, is seated at right. Inset shows Ernest Lindsay, assistant county agent, raising his hand as his name is called. He was the first Klamath basin man whose number was drawn.

## 10 Dead In Bus Wreck

NEWBERRY, S. C., Dec. 18 (AP)—Ten pupils and the driver of a school bus were killed today when the bus and a southbound Southern Railway passenger train collided at a grade crossing on the outskirts of Silverstreet, a village seven miles southwest of Newberry.

Eleven other school children were injured in the accident. They were brought to Newberry County hospital for treatment. Attendants said all were in critical condition.

Mrs. H. N. Wallace of the McSwain funeral home, where five of the dead were brought, said ambulance drivers told her the train struck the bus on the side and dragged it for half a mile down the tracks.

Some bodies were carried along on the cowcatcher of the engine while others were scattered beside the track, according to her information.

Mrs. Wallace said the crash occurred on a straight stretch of road. It was theorized, she added, that the bus driver was not expecting the train because it was reported running late.

Richard Sanders was the driver.

## Stassen Tosses Hat In Ring For 1948 Nomination

WASHINGTON, Dec. 18 (AP)—Harold E. Stassen ripped the lid off the 1948 republican presidential nomination battle by declaring his candidacy on an immediate platform of changing the Wagner labor relations act.

The 39-year-old three-time governor of Minnesota and former navy captain added that he is out to steer the GOP along a "truly liberal path."

One of his first efforts, Stassen told a news conference yesterday, will be directed toward amending the Wagner act to prescribe a "set of unfair practices" for labor such as "mass picketing." Practices now spelled out as unfair in this law apply only to management.

Stassen said he wants to "balance up this collective bargaining."

His announcement, unexpected only because of its timing so long before the 1948 nominating convention, came after Senators Vandenberg of Michigan and Taft of Ohio had told reporters they are not candidates. Each, however, left the way open for any campaigns in their behalf.

Stassen, as the first to throw his hat into the ring, served notice on the party's old guard that it can look for a battle somewhat similar to that waged in 1940 by the late Wendell L. Wilkie. Many Wilkie supporters now are in the Stassen camp.

Besides Taft and Vandenberg, others who have been mentioned as contenders for the nomination include Governor Thomas E. Dewey of New York, the 1944 standard bearer; Senator-elect John W. Bricker of Ohio; Govs. Earl Warren of California and Edward Martin of Pennsylvania; Senator-elect Raymond E. Baldwin of Connecticut, and Gen. Dwight D. Eisenhower.

## Air Search Area Widens

SEATTLE, Dec. 18 (AP)—Smoke rising in "puffs or balls" from the scrambled rock-and-timber country around Ashford, 55 miles southeast of Tacoma, prompted the coast guard to shift to that area today in its search for a marine corps transport plane missing since December 10 with 32 men aboard.

Lt. Comdr. R. W. Finley, handling the search for the coast guard, said his aerial party saw the smoke yesterday. State Patrol Chief Herbert Alego, however, said after a check of the same general area yesterday afternoon that his low-flying plane found only loggers burning "slash" from felled trees.

Navy and army planes also were cooperating in the search and an army helicopter was to be flown here Friday from March field, Calif. The navy retained an interest in the Central-Chehalis region, farther to the south, where the early investigation was centered.

Ground crews and radio trucks also were shifted by Commander Finley in an effort to set up a triangular "fix" on the rugged Ashford region where three persons reported sighting a bright fire yesterday morning. One man said the blaze flared "as though it were being fed by gasoline."

The smoke puffs were seen, he said, approximately at the intersection of lines drawn between Bald mountain and Alder, and between Silver lake and Cougar mountain.



Harold E. Stassen

## Grand Jury Indictments

Recessing again late yesterday afternoon, the Klamath county grand jury returned one open indictment and three secret indictments, and asked to be called back into session soon after the first of the year for further investigations.

The one open indictment was against Carl Richard Shuter, for malicious destruction of public property, with bond set at \$1500. One of the secret indictments charged Verne L. Wagner, city police officer, with assault, armed with a dangerous weapon. Wagner was arrested last night and released on \$3000 bond this morning.

The jurors brought in a report covering every jail in the county, and only one—the county (Continued on Page 14, Column 2)

## Job, Production Outlook Brightens, Say Advisors

By STERLING F. GREEN  
WASHINGTON, Dec. 18 (AP)—The president's council of economic advisers today predicted a "more than ordinarily favorable" outlook for jobs and production for "some years ahead."

A temporary "dip" may come in 1947, the board of three economists told President Truman, but "courageous and sensible" action by business and labor can hold the recession to "moderate proportions, if not avert it."

The report was the first submitted by the high economic advisory body created by the employment act of 1946, and headed by Dr. Edwin G. Nourse, chief of the Brookings Institution agricultural economics division.

The council is instructed to report on economic trends, and advise on legislative and executive steps which will contribute to "maximum employment, production, and purchasing power."

economic statesmanship by leaders of industry, labor, farming and finance."

The council rejected two traditional views of business cycles: "First, that which it termed the 'spartan' theory, in which businessmen accept recurrent swings factually and try merely to predict them and ride them out."

Secondly, the Roman bread-and-circuses' view that government can so manipulate its taxing and spending as to relieve the citizens of all responsibility.

"We believe the great body of American thinking on economic matters runs toward a more balanced middle view," the council asserted.

## Valley Flood Shows Drop

PORTLAND, Ore., Dec. 18 (AP)—The Willamette river was back in its banks today except in the lower valley where it was dropping but still 2.9 feet above flood stage at Portland.

The waters swirled over low-lying wharves and warehouse floors in Portland harbor, but damage was negligible. The principal effect in the lower valley was the halting of work at Oregon City paper mills and closing of some secondary highways.

The level had dropped to 19.4 feet at Albany, slightly below flood stage, and to 20 feet, the bank-full level, at Salem, the weather bureau reported on its 8 a. m. reading today.

The Columbia at Vancouver had fallen one-tenth of a foot below its yesterday's crest and was at 18.6 feet.

## Road Conditions Unchanged Today

SALEM, Dec. 18 (AP)—Oregon highway conditions were little changed today, with mountain roads reported icy, and the Oregon coast, Wilsonville Ferry, Siletz, Alsea, Little Nestucca, Woodburn-Sandy and Hillsboro-Silverton routes still closed by slides or high water.

The U. S. weather bureau told the highway commission that snow showers throughout the state are possible Thursday.

## Eureka Area Shaken By Quake

EUREKA, Calif., Dec. 18 (AP)—The heaviest earthquake in 14 years shook this coastal area of northern California at 6:21 a. m. today. Light fixtures swayed and dishes rattled but no damage was reported.

Joseph Boguanda, in charge of the University of California seismograph at Ferndale, said the quake centered off Cape Mendocino. It lasted more than five seconds and approached damage point intensity.

The last heavy tremor in this area in 1932, caused extensive damage.

# E. M. Lindsay First Klamath Basin Winner

In an atmosphere of sustained suspense, the drawing for the first land to be opened for World War II veterans proceeded smoothly and rapidly today at the Klamath army, and by early afternoon the first 86 names had been drawn. Eighty-six farms in the Tulelake area are to be awarded, and if these 86 veterans pass the second screening test, they will get the fertile land homesteads.

Robert L. Smith of Banks, Ore., was holder of the first number drawn, and if he finally qualifies he will get first choice among the homestead units. First drawn name of a veteran present was that of Ernest M. Lindsay, assistant county agent, and the only woman's name drawn was that of Eleanor Jane Bolesta, Everett, Wash. There are only six women among the 1305 veterans participating in the drawing.

The picking of capsule-encased numbers from a churn-like device fashioned from a pickle jar and a few scraps of steel climaxed proceedings that began with a program of music and speechmaking.

Here are names in order drawn:

Drawing Number	Appl. Number	Name	Address
No. 1	No. 128	Robert L. Smith, Banks, Ore.	
No. 2	No. 1938	Gewin McCracken, Arlington, Va.	
No. 3	No. 1078	Miles J. Jakes, Portland, Ore.	
No. 4	No. 984	Ermine Leslie Walter, Alsea, Ore.	
No. 5	No. 1418	Benjamin E. Hamlin, Canby, Ore.	
No. 6	No. 502	Paul R. Wagner, Boardman, Ore.	
No. 7	No. 533	Robert E. Barrows, Eugene, Ore.	
No. 8	No. 698	Paul E. Christy, Eugene, Ore.	
No. 9	No. 1668	Keith S. Buckingham, Salem, Ore.	
No. 10	No. 281	Donald L. Oman, Mt. View, Calif.	
No. 11	No. 662	Jess M. Prosser, Alturas, Calif.	
No. 12	No. 57	Wm. M. Crawford, Shedd, Ore.	
No. 13	No. 1268	John P. O'Sullivan, San Francisco	
No. 14	No. 802	Edward A. King, Eagleville, Calif.	
No. 15	No. 1547	Ernest M. Lindsay, Klamath Falls	
No. 16	No. 1327	Shirley A. Congdon, Klamath Falls	
No. 17	No. 1534	Tom J. Rink, Klamath Falls	
No. 18	No. 931	Oliver E. Bryant, Myrtle Creek, Ore.	
No. 19	No. 254	Elmer Robert Metz, Wellington, Kan.	
No. 20	No. 948	Robt. G. Solterbeck, Payette, Ida.	
No. 21	No. 348	Harry H. Hundley, Malin, Ore.	
No. 22	No. 1188	Wm. P. Barks, Tulelake, Calif.	
No. 23	No. 255	Garvin H. Kirby, San Francisco	
No. 24	No. 1584	Glen E. Darrow, Vina, Calif.	
No. 25	No. 322	Bert G. Buckingham, Fresno, Calif.	
No. 26	No. 1460	Kenneth H. Duncan, Malin, Ore.	
No. 27	No. 1117	John S. Wynn, Corvallis, Ore.	
No. 28	No. 730	Marcell Wallaert, Escalada, Ore.	
No. 29	No. 1692	Larry Ferrel, Rocky Point, Ore.	
No. 30	No. 1850	Vernon Elwood McVey, Parker, Ariz.	
No. 31	No. 1091	Wm. D. Hamilton, Tulelake, Calif.	
No. 32	No. 1772	Everett Lee Lynam, Brothers, Ore.	
No. 33	No. 496	James G. Stearns, Lapine, Ore.	
No. 34	No. 815	Richard L. Fuller, Red Bluff, Calif.	
No. 35	No. 1165	Robert L. Heckman, Chiloquin, Ore.	
No. 36	No. 1295	Frank J. Sullivan, Klamath Falls	
No. 37	No. 1778	Lester J. Toler, Grants Pass, Ore.	
No. 38	No. 113	George A. Smith, Prosser, Wash.	
No. 39	No. 601	Robt. F. Hirschback, Toppenish, Wash.	
No. 40	No. 411	Jack Wallace Taylor, Alsea, Ore.	
No. 41	No. 23	Roy A. Hodges, Bonanza, Ore.	
No. 42	No. 954	Harlan G. Meyer, Outlook, Wash.	
No. 43	No. 1254	Royal E. Bossen, Portland, Ore.	
No. 44	No. 1082	Walter E. Johnson, San Francisco	
No. 45	No. 1289	Stanley Bradbury, Tulelake, Calif.	
No. 46	No. 1158	Franklin W. Elzner, Malin, Ore.	
No. 47	No. 921	John F. Byron, Brockway, Ore.	
No. 48	No. 641	James A. Bell, Dunsmuir, Calif.	
No. 49	No. 691	Forrest W. Kennington, Afton, Wyo.	
No. 50	No. 1946	Frederick B. Lehman, Beaverton, Ore.	
No. 51	No. 356	John M. Bettendorf, Alturas, Calif.	
No. 52	No. 88	Walter M. Hulse, LaHabra, Calif.	
No. 53	No. 109	John A. Irving, Roseburg, Ore.	
No. 54	No. 1140	Herbert Hilsend, Junction City, Ore.	
No. 55	No. 1541	Edward A. Sens, Hillsboro, Ore.	
No. 56	No. 1898	Theophile J. Godlewski, San Francisco	
No. 57	No. 1906	James D. McAdie, Portland, Ore.	
No. 58	No. 1310	Eleanor Jane Bolesta, Everett, Wash.	
No. 59	No. 1993	Lowell C. Kenyon, San Mateo, Calif.	
No. 60	No. 300	Brett D. Law, Merced, Calif.	
No. 61	No. 1094	Fred A. Robison, Tulelake, Calif.	
No. 62	No. 1647	Thomas W. Chatburn Jr., Merrill, Ore.	
No. 63	No. 223	Robert H. Lillard, Klamath Falls	
No. 64	No. 1882	Paul L. Rogers, Medford, Ore.	
No. 65	No. 481	Jesse S. Walter, Yamhill, Ore.	
No. 66	No. 1506	Frank L. Howard, Grants Pass, Ore.	
No. 67	No. 1499	Merle E. Woodley, Merrill, Ore.	
No. 68	No. 1111	Jack C. Mace, Medford, Ore.	
No. 69	No. 1544	Phillip Kriest, Klamath Falls	
No. 70	No. 585	Dale E. Sprout, Tulelake, Calif.	
No. 71	No. 1522	Robert E. Watson, Springfield, Ore.	
No. 72	No. 237	Andrew J. Naylor, Tulelake, Calif.	
No. 73	No. 1392	Charles W. Edwards, Condon, Ore.	
No. 74	No. 1402	George S. McCracken, Eugene, Ore.	
No. 75	No. 1368	Don E. Hurlbert, Burns, Ore.	
No. 76	No. 849	Lawrence W. Hartley, Tulelake, Calif.	
No. 77	No. 1907	Sheldon W. Lewis, Rio Dell, Calif.	
No. 78	No. 185	Max W. Fleming, Beaver City, Neb.	
No. 79	No. 1528	Robert F. Anderson, Klamath Falls	
No. 80	No. 1718	Ralph E. Saylor, Echo, Ore.	
No. 81	No. 1426	William V. Santana, San Jose, Calif.	
No. 82	No. 464	Herbert J. Schwarz, Salem, Ore.	
No. 83	No. 1229	Robert R. Heiny, Tulelake, Calif.	
No. 84	No. 1608	John S. Spike, Echo, Ore.	
No. 85	No. 1552	John E. Sismore, Fort Klamath, Ore.	
No. 86	No. 1086	William E. Macy, Lakeside, Calif.	

After drawing the first 86, the same number of alternates was drawn. Alternates will move up for consideration if any of the first 86 are disqualified in the final screening.

The center of activity at the army was in the prize fight ring, with the spectators banked about the squared circle as well as in the balconies.

Klamath Union high school band provided music for the occasion, and gave a preliminary concert while the crowd gathered. Many of the qualified applicants, with their families, arrived early, and sat in a special section reserved for them.

George Conner, chairman of the civic committee on arrangements, opened the program with a short statement, followed by talks by Mayor Ed Ostendorf of Klamath Falls and Mayor Ralph Fawcett of Tulelake.

The program then went into a Mutual network broadcast with Dave Hess of KFJL acting as master of ceremonies.

Nelson Reed, chairman of the homestead examining board, made the first talk, pointing out the difficult task of the board. He said that good land is scarce, and deserving veterans are myriad. The land given away in this drawing, he said, is fertile, already tried, and offers a great opportunity. He pointed out that the veterans whose numbers are drawn will be re-checked before final awards.

5 SHOPPING DAYS LEFT

BUY CHRISTMAS SEALS

Other members of the board were then introduced, including Layton Stephens, Fred McMurphy, Locky McLeod, Robert Norris, another member, was not present. Tenbrook Williamson, the reclamation official in special charge of the drawing, was introduced.

Lawrence Carr, head of the veterans bureau of California, spoke as representative of Gov. Earl Warren, and W. C. Ryan, head of state institutions, was present to represent Gov. Earl Snell of Oregon. Col. Kenneth R. Dye, represented General Omar Bradley of the veterans administration.

Others who spoke were Howard Dayton, commander of district No. 2 of the Legion in California; R. W. Kraus, assistant chief of staff, VFW of California; Walter Horning, representing the U. S. land office; Ray Best, district engineer, USBR, and Olney Rudd, who drew the first capsule.