Willamette Cuts Price To $750,000 But Wants Site; Still Far Apart

World News at a Glance

(By The Associated Press)

Florida Storm:

Miami—Rescue parties seek hurricane victims with known death toll near 309.

Washington—Seek to fix blame for failure to move 675 veterans from path of hurricane; Florida governor says "great carelessness somewhere" responsible.

Ships in Distress:

Miami — Passengers rescued from liner "Dixie" praise crew; captain remains with ship on reef.

London—British liners rescue 63 passengers from Cunard line "Doric" after collision at sea; damaged ship reaches Spanish port.

Portsmouth—S. S. Whipplingham with 400 passengers aboard taken in tow after she sprung a leak in thick weather in the English channel.

Ethiopian:

Geneva—League of Nations council meeting adjourned after Italian delegates walk out of session; organized labor committee pledges league "all support" to battle war in Africa.

Rome—The war ministry called to the colors 50,000 youths of the class of 1912, who previously had been exempted from military service.

Addis Ababa—Emperor Haile Selassie hurried new troops to the frontiers, but took steps at home to prevent circulation of inciting and inflammatory remarks about Italy or its leader.

Domestic:

Hyde Park—President Roosevelt orders all government agen-

Board of Control is Expected to Eye Reply Today

Pasture Cost Figures in Parley; Meet is Protracted

After seven hours of deliberation behind closed doors in Eaton hall, trustees of Willamette university last night decided to "reject with regret" the offer by Governor Charles H. Martin and the board of control to pay $700,000 for the university campus.

However, the trustees did yield a point by dropping their price $100,000. They substituted a $750,000 figure for the earlier $850,00 value they had placed on the property.

The state's offer of $700,000 required that the university provide $50,000 from other sources to assist in purchasing Bush's Pasture as a new campus site.

In both its prices—$850,000 and $750,000—the trustees specified that the state supply the Bush's Pasture acreage without cost to the university.

Board and McNary May Confer Today

It was expected that Governor Martin, Secretary of State Earl Snell, State Treasurer Rufus Holman and Senator Charles L. McNary would confer this morning to discuss the rejection. None would comment last night.

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Trustees and Governor Still $200,000 Apart in Price

BOARD LOWERS TOTAL $100,000

But Wants Site Without Any Additional Cost; Bush Offer Now Factor

(Continued from Page 1)

The action of the trustees came after they had heard a lengthy communication from Governor Martin in which he outlined in complete form the situation in which the state and the university campus is under to permit expansion of the capitol site.

The executive special committee, consisting of Orael Hoyer, Dallas, and Ivan F. Shields and E. E. MacNaughton, Portland, presented the letter to the trustees.

J. N. Chambers, chairman of the school district committee, and Hoyer V. E. Kuke, T. M. Hicks and Wallace McAmis all addressed the trustees.

Difference Is only $200,000 at Present

The conference proposal actually differs $200,000 from the trustees' last offer. The trustees offered $150,000 of the losing payment of the $350,000 between the university and the state, and the $200,000 the trustees asked, the other $150,000 was the amount the governor offered the university committee toward the new site.

The trustees, however, refused to budge from their position, the $200,000 difference remaining.

Governor Martin's letter revealed that the state has already paid $150,000 for the land, but would be forced to pay $250,000 before it could be turned to a Salem city school district. The remaining $100,000 is the difference between the $150,000 already paid and the $250,000 which would be necessary for its capital purchase.

It was learned that the trustees would not be willing to make any further concessions in the matter, pointing out that the university has been in Salem for years without cost.

They also pointed out the right to receive from the campus approximately $100,000 in property which they would be charged.

Not All of Bill Passes Approved

Two of the most important provisions in the university's latest appropriation bill, which the trustees have not yet been able to obtain, it was learned, also figured in the discussion. The bill provides that the state board would have the cost of rebuilding the university's burned Condon Hall over, it was said by an authoritative source, but the trustees would not run more than five per cent.

Regarding the PWA requirements, the trustees declared they would agree to spend the $750,000 which it would receive from the state, provided wages and that the work would be done by contract. Force account labor was not to be used.

It was not even rumored what the Willamette trustees' offer of $750,000 for their campus in Salem had taken, first stand. He wrote:

"Please understand definitely that the future benefit set and secured upon the 'Old Site' be built to which my associates and I will use the figure in not a trading proposal. We have already given the state a generous and complete figure we had in mind."

Governor Martin's Letter Is Full Text

Governor Martin stressed the fact that his proposal was subject to confirmation by the state works administration and the legislature. Here is the full text of his report.

Be urged immediate action so as amended application for federal funds may be filed with the PWA within 30 days. He pointed out that $750,000 for purchase by the state of the campus site added to the $3,500,000 already asked.

Governor Martin wrote that he had filed an application for funds from the trustees' committee for such sum as the state might pay for such building on the campus, 50 percent thereof to be based on the book value of the structures.

Governor Martin also stated a tabulated report of such values which sets out the book value of your new buildings, as shown by our own officials, as $1,279,000," the governor wrote. "I am told that this sum is before any charges for depreciation or obsolescence and probably includes all furniture and fixtures and equipment.

"I am told on good authority that the book value of your land is $250,000. This is somewhat in excess of the assessed value for the 14 acres immediately south of the old capitol, the assessed value being stated to true value.

Bids Some Good Will To Achieve Total

"Because of the age of your buildings, and applying statutory depreciation, I do not believe the present value of your buildings exceeds $700,000.

"The remaining sum between the total of these items and $2,950,000 represents what the state could well value."

The governor reminded that he was in sympathy with Willamette's desire for an adequate, modern plant, but that it was obvious that he could not present a sum of more than $700,000 to the legislature for such purpose.

"The letter and bill of the university trustees that Mr. and Mrs. A. N. Bush and Miss Sally Bush stand ready to release their life interest in the 57 acres of Bush's pasture, lowland already under deed to the city of Salem. They also stand ready to deed irrevocably the entire 14 acre site of land.

"The price of the Bush family for the 57 acres and the 14 acres is $150,000," the letter stated.

Committee's Views Told

REPORT TO BOARD OF TRUSTEES

September 5, 1935

To the Members:

Subsequent to the meeting of the board of trustees in June Gov. Charles H. Martin called on Amos W. Smith, president of the board of trustees of the university and requested that a committee representing the university be appointed with whom the state might carry on discussions relative to the possible acquisition of the Willamette campus for state capitol grounds. At the meeting of the executive committee of the trustees several months ago, the chairman, Paul Wallace, was appointed to act as chairman of a committee and the following were named: Amedee M. Smith, chairman, R. Bush, E. S. Collins, Robert Notson, C. A. Sprague, President Arthur E. Burke and I served with the committee at all its meetings.

On July 23 the committee met in open conference in a session with the governor's committee, Mr. Smith presiding. At its own discussion the committee was of one firm conviction that the university should not sell the historic site which is the founders of the institution, improved through the sacrifices and devotion of succeeding generations of friends of the university, and which is a priceless heritage preservation of which should never nearly a century, unless the future welfare of the university should be necessary for its capital; primarily, it was the opinion that it should not abandon the state in the heart of the city of Salem. The committee felt that if the state should be in a position to take over the fair consideration should be that the university should be given a site elsewhere in the city and the campus plats on a new and acceptable location. Under such circumstances the university would be injured financially, and the committee was of the opinion that the state should in view of the fact that the university's plant would be destroyed, that the historical and sentimental values connected with the old campus would be lost, that the university would be forced to upgrade, control, of great strategic value to the university and convenience, accessibility to libraries, administrative offices, principal churches, and from the standpoint of the university's growth and venture, and would have to be moved to the outskirts of the city, that the state should pay the extraordinary financial loss. This formula has since governed the committee in its deliberations.

W. U. Attitude Told

At the sailing session with the governor's committee President Smith for the committee outlined the university's attitude and particular as this committee could represent it. He stated that the university owned land bounded by the north side of Court street, and the south side of Mill street, and felt the university would expect to be reimbursed for the cost thereof in property by purchase. The committee's committee was informed that some definite figure be given the university for the site for the state's consideration.

The committee university committee commissioned A. E. Doyle & Associates, an architectural firm of Portland, to prepare estimates for the cost of the new buildings and the cost of the improvements involved gated the land proposed for a site for the state capitol grounds and the gravel beach as assisted for campus purposes, and appraisal thereof of a tract of some 24 acres in the original town plat of Salem, embracing, upland for buildings and a beach for a bathing and athletic field. Mr. Wallace and Mr. Bush and the committee have interviewed Mr. A. N. Bush respecting the possibility of acquiring the land and later were advised it could be obtained. No definite committee action was made as to the cost of the land, though the intimation was given that the price would probably be about $150,000.

As soon as the architect's report was ready this committee met in part, on August 20, Mr. Bush being detained by illness. The report of Mr. Doyle was carefully and reductions made from a total of $2,950,000. The committee decided that it would arrive at what it felt would be a fair valuation of the site, and that it would not inflate its figure in anticipation of bargaining methods. It had no desire to over-reach from the state or anyone else. Concluding its study the committee advised the governor's committee that the price which it felt it could recommend to the trustees was $150,000 with site to be furnished in addition.

Would State No Price

On August 29 the committee met with the governor's committee which on behalf of the governor sought to obtain from the committee the naming of a lower price. This the committee declined to do. Newspapers having published reports that the university was asking exorbitant figures, the committee prepared and issued a short statement announcing that it was not pressing the question in the negotiations.

The governor's committee from Salem offered to meet the committee halfway, but the university would accept $200,000 as the consideration and campus improvement and other charges incident to the transfer is $850,000; that was in the debate of the committee's report some items may have been high, or capable of reduction; others may prove too low, and there are other items not thought of in the brief time allowed for the study. Such would be at all probability more than offset those possible savings.

Fourth, that to accept a lesser sum would force the university to one or more of these alternatives: First, to abandon (1) its site to its undefeated endowment funds and (2) its plant to the state without adequate funds for new structures or a taxpayers or not the state would (1) profit by (2) a building fund drive immediately or (2) a partial plant.

Fifth, that it is absolutely essential for the university to have a full freedom in the expenditure of the funds it receives, on the basis of the estimates submitted.

Sixth, that the price named is no more than just to the university for surrendering its historic site and accepting as isolated and inconvenient one, and from the inception and inconvenience which the change would make, and that the price compares favorably with prices on property on the north side of the capitol grounds.

Must Protect Holdings

The committee is aware of the value and beauty of a new site, is aware of the need of additional buildings and modernization of the campus, but feels it is eager to speed the day for a larger and better Willamette. But it feels the university should protect what it has, that it should not run into acceptance of an offer which might leave it short of necessary facilities, putting it in the same or worse fix than it now is in. It knows also has approached the committee in a fair and reasonable

(Continued on Page 2)

Full Text of Thursday's Negotiations for Willamette Campus Site is Presented

Special Committee Reports to Board of Trustees; Governor States His Position and Makes Tentative Offer; Trustees' Reply States Terms; Wide Divergence of Ideas on Price Remains

SITE FOR CAPITOL INVOLVED IN DAY'S NEGOTIATIONS

The proposed capitol site involving the state's purchase of the Willamette university campus. If this 14-acre area is added to the capitol grounds, State street will be swung south at 12th and follow the mill creek, the Willamette buildings would be removed to make room for a new capitol, a separate for the executive mansion. The university reserves the governor remained some distance apart in asking and offering price at the end of the day's negotiations.—Photo by Kyerly Aircraft company.

669 to be expended under PWA regulations and provided the university would pay for the other $50,000 to the Bush family on the basis of the remainder of the cost of the site to be supplied by the state. Governor Martin's proposal is the full committee action the evening of September 3. There was a difference of $200,000 between the tentative "asked" and "offered" prices. In addition there was the condition attached to the purchase money that it be expended in accordance with PWA regulations.

Report to Board

The president of the board of trustees having called a meeting of the board, the committee decided it should report its work to the board before it should take such action as it deemed best.

The committee wishes to make these points clear:

First, that it was duly appointed under the authority of the executive committee.

Second, that it has never presumed to speak for the board, and has by every instances stated action lay only in the hands of this board.

Third, the committee has never felt that it possessed any governmental authority nor power of action that it could exercise on the board.

The conclusions of the committee which it submits for consideration of the board, are these:

First, that the university does not forsake its ancient seat unless the state asks it to forsake for its capitol plan.

Second, that in case of sale the university should receive as consideration a suitable site in the same tract, and funds sufficient to duplicate its plant and to provide for the present capacity and adequate to perform the functions of the university.

Third, that the sum required for

Martin Tells His Position

Mr. Amedee M. Smith, President of the Willamette University Trustees Salem, Oregon.

Dear Sir:

I am pleased to know that the Board of Trustees has called today into special session tomorrow at 10 o'clock to consider the possible use of the Willamette university campus as an addition to the site of the capitol grounds now in the State of Oregon.

Within the next 24 hours it is my purpose to have on the desk of each member of the board of trustees a complete tabulation of federal buildings and modernization projects approved by the governor to speed the day for a larger and better Willamette. But it feels the university should protect what it has, that it should not run into acceptance of an offer which might leave it short of necessary facilities, putting it in the same or worse fix than it now is in. It knows also has approached the committee in a fair and reasonable

Aerial view of Bush's pasture, involved as the site to which Willamette university's campus present campus. In the foreground, the upland portion of the pasture so desired as location for would be moved if the state purchased the the capitol. In the city, for which Bush family would have to be compensated.—Photo by Kyerly Aircraft company. but buildings and not heretofore transferred to the campus.

Committee Reports Terms Of Proposal

al sum of $700,000 be added to the $1,500,000 already applied for at Washington; the $2,200,000 to be for a complete site, or your campus and the buildings thereon.

2. The $750,000, when received, would be blocked off for the full use and benefit of Willamette university subject to these restrictions:

a. The amount must be used in entirety for construction of buildings or grounds.

b. None of the funds thus paid could be used for investment purposes or for movable equipment.

c. While Willamette university would be required to submit all details for its new buildings, prevailing wages, and the bids and PWA specifications and your institution will appoint a committee consisting of Mr. Smith as chairman, Mr. Collins and Robert A. Notson of Portland, and Mr. E. E. Kaiser of Salem, and Mr. R. A. Bush of Salem, with the belief that the full board of trustees would be represented and approve.

By-to consider the question of whether or not Willamette university wished to sell its campus or for what price. I am incorrect in my information I shall appreciate advice at once.

Says Price Too High

From newspaper reports you have doubtless gained the impression that $250,000 represents a minimum price of $150,000 for the campus. This is not the case. The price of the campus without cost to Willamette university was fixed by the board when it was determined you are interested in purchasing it. The board's report made to me is now unchangeably fixed at that sum and I shall not report it.

I suffice it to say that my committee's efforts have been to obtain the best bargain for obtaining any better price than the board has fixed.

Yours very truly,

The theory of law adopted in the state of Oregon is that members of the board of trustees are in duty bound to see that Willamette university is entitled to the full value of the 14 acres of land on which the institution is located, and the cost price less depreciation of the present buildings thereon to such a sum as is fair and reasonable to compensate the state for the loss of that beautiful spot, good-will and inconvenience to the university.

I am sure you will not present a proposition which will not present a fair and reasonable proposal that the state of Oregon and the people of Oregon will approve, and particularly in view of the fact that the state of Oregon has invested additional buildings to the value of $1,500,000 together with such items as funds for capitol improvements, repairs, offices, etc.

I am sure that such a proposition would not be entertained by the board of trustees of the state of Oregon, and I, to present the rights and interests of the people of Oregon.

My negotiation committee of the board of trustees, the state Capitol Committee, headed by Judge Amedee M. Smith, has tried repeatedly by wire and by letter, and personally to obtain from your committee a reasonable proposal for the actual cost of each building, the depreciation thereon, and the book value of the land on which it is located.

I have personally wired for information and have received no hour today it has not been forthcoming.

Book Value Stated

Fortunately I have at hand a published report of recent date of the book value of the values of your own buildings, set by your auditor at $1,279,000, and I am told this sum is before any charges for depreciation or obsolescence and probably includes all furniture and fixtures and equipment.

I am told on good authority that the book value of your land is $250,000. This is somewhat in excess of the assessed value for the 14 acres immediately south of the old capitol, the assessed value being stated to true value.

Bids Some Good Will To Achieve Total

Because of the age of your buildings, and applying statutory depreciation, I do not believe the present value of your buildings exceeds $700,000.

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Martin Tells His Position

(Continued from page 4)

one while the city's gift is borne by 26,084 citizens. I feel confident that the State of Oregon will not fail you or me should we agree to this proposal. I am equally confident that Washington will go to bat. I realize that $50,000 to you seems a large sum but as the governor here I provided it should be realized any bidder is getting a bargain at much less to use every dollar of the bond issue now provided.

3. Method of Purchase.

Should this trustee of Willamette university not see fit to accept this proposal I suggest the procedure:

A resolution should be drawn and passed right at which all trustees were notice to time to calling your attention thereto. The resolution should set forth that it be the sense of the trustees that this proposal be accepted, that the president be heard, in case the today's action should be shown against your be-lief, and be allowed be binding and legal action.

The resolution should set forth that your entire action in connection with the development of the proposal be authorized and approved. Resolutions so drawn would protect you be taken from personal responsibility.

It should state that it is understood that the trustees shall finish legal and have the City of Salem.

As for me, I have presented your proposition accordingly. If Willamette university should be unwilling to accept this proposal I shall be content that I have done my best and that I have not been responsible for the failure. I would forever have the right of satisfaction that I had done my best.

Allow Reasonable Time

It might well be suggested that while the state acquire title to all your buildings and grounds, then as it sees fit, the State might rent it for a period to you on reasonable terms that one of such buildings for a reasonable time, as would not interfere with completion of the new capitol and would assure you in a temporary period. The resolution might request, that the state of Oregon shall allow Willamette free from certain state institutions which be provided by the state as set out. Willamette university is the constitutional and historical institution of its new campus.

The resolution would be duly attested, executed in at least the standard general form and presented that it could accompany any application you made to Washington.

4. Conclusion.

In conclusion and I wish you to know that we approach this proposal and I say it as a matter without the remotest thought of rancor and with complete objectivity. I have long been a citizen of Oregon. I love the state. I know of Willamette university's glorious history. Before Oregon was Willamette. Seldom if ever in the history of the world has a college existed as a university and then a commonwealth been so interwined. But we of today have a tremendously impressive history. Ours is even a more glorious future. I have high hopes for the progress and improvement of Oregon. On all fronts through the years I have reports of business progress and state development developments. Our educational and cultural institutions are growing. I earnestly desire that Willamette university and a great state of Oregon shall be the traditions of the past, but each look forward hopefully, willing to face the 1935 legislature. It is in this spirit, I submit this letter. I trust that my representatives will vote over this letter and my feeling in it.

Yours, respectfully,
CHARLES H. MARTIN,
Governor.

We endorse the proposal, of submitting the question of the PWA for capital building and site and bonding for same with other proposals that Willamette university should be given serious consideration and that the governor be left out the question of the site should be favorable, all of which, as stated by Governor brief, to be submitted to the legislature by the 1935 legislature.

RUFUS C. HOLMAN,
State Treasurer.
EARL SNELL,
Secretary of State.
Members of Capitol Site Control.
Members of the State Building Commission.

Board Sends Its Answer

The board of trustees acknowledges receipt of Governor Martin's proposal of September 5, 1935, and having given the subject earnest consideration, is with regret unable to accept the proposal in its present form for the reason that the amount offered will not adequately replace the present facilities of the university.

However, the board of trustees, being unwilling to obstruct the state's program for a new capitol building is willing to sell to the state its present campus and move to the Bush site upon the following conditions:

1. The university to receive $750,000 to be expended for new building, equipment and campus facilities.

2. The Bush site to be furnished without cost to the university.

3. The university to have the use without rent of Lausanne hall for five years and of the other present facilities for the current college year except as absolutely required by the state.

Salvage Right Asked

4. The university to have the privilege of removing and retaining any equipment, facilities and shrubbery on the present campus and any salvage from present buildings. If it shall wish to use such salvage at the new campus.

5. The university would carry on its new work under the following conditions:

(a) It would furnish to the state or to PWA satisfactory proof that the entire $750,000 is expended within 18 months for new buildings, facilities and campus improvements.

(b) Pay prevailing wages.

(c) Carry state industrial insurance on all work.

(d) No other PWA restrictions to apply.

6. Other details would be agreed upon and the university's present special committee is continued in existence and is authorized to represent the board of trustees in further negotiations with the state.

7. The state to cooperate so far as possible in campus improvements.