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THE OUTLOOK FOR THE YEAR 1917.

It begins to look as if the United States with typical American caution has already discounted the chances that the great European war would end in 1917. From every quarter comes the report that speculation is decreasing, that banks are conservative in their loans, that manufacturers are preparing to go into other lines when the war orders cease. Indications are that when the great day comes the United States will be ready to retain the advantages that the fortunes of war have brought to our shores.

The year 1916 was remarkable in many ways. It brought on us full tilt the high cost of living, which is due in part to the short crops of the year. In 1915 we had a billion-bushel wheat crop; in 1916 639,000,000. Reduced yields in other cereals brought the total cereals yield up to 4,703,000,000 bushels as against 5,882,000,000 in 1915. Ordinarily this would have caused distress among the farmers, but the high prices compensated them for the short crop.

The United States is now the banking nation of the world, and one of the great problems thrust upon the New York bankers is how to dispose of the great influx of gold that has been pouring into this country to pay for war orders and supplies. We are accustomed to rail at Wall Street, but we must say that, led by Frank A. Vanderlip, the New York bankers have been showing some statesmanlike grasp of the situation. Vanderlip's bold stroke in invading the South American trade and leading the American manufacturers with him is real banking. In the last eleven months we have increased our export trade by \$1,665,000,000.

America has developed qualities of independence and leadership during the war that we will keep. America has demonstrated its supremacy in all forms of manufacturing, it is learning ship-building, if the war keeps up long enough and we revise some of our shipping laws we may have a merchant marine. Our lumber trade will immediately revive after the war, and ship building will continue good for many years. And if we study the lessons of the war by the time it is ended we will also have a first-class army and navy and able to cope with the world.

TRYING TO ANNUL THE LAW.

There are ominous murmurings and mutterings that a bill is to be introduced in the present legislature that proposes to seriously curtail or even abolish the functions of the present water commission of Oregon and hinder its work in equitably adjusting the distribution of water from the various streams where the "water-hog" has heretofore prevailed in his tyrannical reign.

As the writer understands this new legislation only authorizes the water commission to make the findings as they are presented through evidence, but then must submit this to the judicial arm of our government. In other words, to simply act as referee. Or this legislation may go so far as to abolish the commission entirely and throw the whole matter into the courts. But if not abolished, then the commission is to be shorn of its rights in making a decision of any nature whatever.

It is a well known fact to all the News readers that the Oregon water code passed full muster before all the courts of the land and that the water commission is fully vested in its rights. Any act to weaken this authority of the commission is but a thrust into the vitals of the now invulnerable water law of this state.

This idea is supposed to emanate from an Eastern Oregon sen-

The man that says advertising doesn't pay is like the man who burnt one match under a ten gallon kettle of water and said that fire would not heat water.

Some advertising doesn't pay, but that doesn't signify that it cannot be made to pay.

The OBSERVER with its superior circulation is the paper you need to reach the most buyers in Union and Wallowa Counties at the least cost.

Broken Lines of Boy's Clothing at Less Than Factory Prices. All Sizes.



We have the goods and it is our business to please you.

It is your business to get values for your money.

We welcome your inspection of the
MAMMOTH GROCERY
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Our Want Ads bring results.

ator, who is a member of the law fraternity. This endeavor on his part is probably to obtain additional fees for conducting claims through both avenues of supposed justice.

The next idea is that it will aid and abet the large grasping companies and corporations, who hope to gain a decided advantage over the poorer contender for an equitable adjustment of rights by an expensive program of litigation. The powerful ranch and cattle companies together with certain individuals of the law fraternity are behind the proposition as strong as possible. These again are aided and abetted by individuals and institutions of more than mediocre success who desire to leave conditions in a semi-comatose form for their own selfish gain, because under this condition they are reasonably assured of a personal profit. These individuals and institutions are not in line with immediate progress on account of the shortsightedness to the fact that a general prosperity means prosperity for them, too. They are willing to accept things just as they are and to hold with posterity and prosperity for the many.

Should this vastly important issue be wholly placed within the jurisdiction of the courts, this dignified body would spurn a personal visit to inspect conditions as they really existed. The court would decide very coldly and technically according to law. If the law was not good, then get rid of it, the court would say, and there you are.

As it is with the water commission, they visit and associate themselves with the natural physical conditions as they exist and know and feel a strong prompting to do everything for the good of the many. The water commission has not as yet completed any of its full functions and should not be judged, juried and a verdict of condemnation given until there is full and complete evidence of being guilty as proven by its acts and decisions.—Harney County News.

SMALL PUBLIC UTILITIES ARE ENTITLED TO PROTECTION.

The small public utility companies are making a last stand to keep from being swallowed up by the big ones and being drowned by unfair competition.

They have asked the legislature to help. They ask to be guarded from confiscatory competition. They ask the legislature to pass a law requiring companies proposing to enter a local field, already occupied, to show that public necessity exists for another utility, in other words, to get from the Public Service Commission, after a thorough investigation and public hearing, a "certificate of necessity and convenience."

The movement in Oregon is being led by the Oregon Local Telephone association, of which Charles E. Wells, of Hillsboro, is president. This organization consists of about 20 of the locally-owned town and rural telephone companies of the state. Mr. Wells points out that regulatory laws aimed at the larger corporations land on the "little fellow" with great force because the little fellow must obey in spirit and letter since he has neither the money nor the legal organization to "take a chance."

Speaking for the telephone industry, Mr. Wells says practically all the small local lines are now operating in this state at a very small margin of profit because they have no connecting lines to bolster up their earnings, the Bell company having control of practically all the toll line. Many of the local companies, he says, have insufficient revenues to meet the depreciation charges, to say nothing of building up reserves as a basis for dividends.

"Always the owners are confronted by the danger of competition," said Mr. Wells, "which in most cases means confiscation of investment. A little study will show why this is so.

"An operating company must needs have plant and invest-

ment sufficient to serve its community. It cannot, under the law, make more than fair interest rates upon its investment. When competition comes, it means not only rate cutting—temporarily at least—but it also involves division of the patronage with consequent reduction of revenues. A portion of the existing plant, therefore, become idle and nonproducing, with the result that it is a struggle to earn operating expenses. The securities of a company that cannot pay a return are worthless.

"Manifestly, under these conditions, owners of small telephone plants and their friends and bankers are apt to be dilatory about loosening their purse strings when additional money is needed for improvements or extensions."

Mr. Wells asserts that the local telephone company usually can supply service at lower rates than the Bell company because of smaller overhead expense. Gradually but surely, he said, the Bell company is taking over the small plants at prices that do not allow the investors their due because of implied threats of competition which the small companies cannot stand.

Mr. Wells declares the law should protect the small company for the reason that the public is too apt to "jump on" the local company that has been serving it at starvation rates for years just as soon as it tries to raise rates to provide a fund for depreciation.

"The public will do this with greater force than it would upon the big company that has been really robbing it," Mr. Wells asserted.

This argument strikes us as reasonable. After all the public pays the bills. What the public wants is good service at reasonable rates. The public should be opposed to duplication of service for which it eventually pays and pays heavily. The legislature would make no mistake in passing this bill.

Jobs at \$7500 Salary Are Going Begging

President Can't Get Big Men to Work for That Salary on Tariff Commission and Shipping Board.

BY ROBERT J. BENDER (United Press Staff Correspondent.) Washington, D. C., Jan. 30.—The high cost of prosperity in the country is hitting President Wilson.

He can't get men he wants for big jobs now at his disposal. Business men are making too much money in their regular pursuits to willingly yield them in favor of some board or commission upon which the president wishes them to serve.

A mere \$7500 at one time considered a princely sum per annum for any man, is now regarded as too paltry to appeal to many men the president desires to serve the country.

That's what makes selection of different committees at the president's disposal very difficult. It has held up completion of the tariff commission for weeks. It delays selection of the shipping board. Each member of both of these commissions receives \$7500 a year.

The president himself has protested against the situation. He attempts to have the salaries of the tariff commission fixed at \$10,000 each. Congress declined to put the figure above \$7500.

NEUKIRCHNER OBITUARY Shirley Allen Neukirchner was born June 19, 1896, at Mulino

Clackamas county, Oregon, and died in La Grande, January 28, 1917. He was the eldest son of Mr. and Mrs. Albert Neukirchner and came to La Grande with his parents where he had resided since he was six years old. He is survived by his father, mother, one brother and four sisters. The funeral will be held at 2 p. m. tomorrow from the Christian church of which the deceased was a member. Interment will be in the Odd Fellows cemetery and members of the Modern Woodmen, Knights of Pythias and Royal Neighbors lodges will participate in the funeral.

Sergt. Rice Will Be Marines' Man Here

Sergeant Charles E. Rice of Spokane was yesterday named by Captain C. P. Pinkston, Portland district, to have charge of the La Grande U. S. marine recruiting station to be opened here about February 5.

Imbler Team Is On Barnstorming Trip

The Imbler Athletic club's basketball team plays the Wallowa team in Wallowa tonight. Imbler was a winning team this winter and the predictions are that tonight's game will be fast. Imbler plays at Enterprise tomorrow night and at Lostine Wednesday night.

Dead or Alive!

A dead dollar is the one which is hidden away; which earns you nothing, and which is liable to turn up missing without a moment's notice; or the kind you carelessly push across the counter, for this and that; things you really don't need—then wonder in a week's time where they have gone.

A live dollar is the one which you place in this bank, where it is always safe. They will call for company; the result is, more saving; then when opportunity arrives, you are financially able to meet it with open arms, and a bank account.

La Grande National Bank