

RAILROAD NOT POOR, SAYS ESHLEMAN

California Commissioner Denies Southern Pacific Has Need to Retrench.

SURPLUS DECLARED LARGE

Official Says He Is "Tired of This Wall of Poverty"—Company Is Seeking to Increase Commutation Rates.

SAN FRANCISCO, Aug. 27.—A vigorous denunciation of the policy of retrenchment put into effect by the Southern Pacific Company and the plea of poverty which it has brought to the California Railroad Commission was made today by Commissioner Eshelman.

The commission's figures, he said, show that the company had \$101,000,000 cash on hand, as of June 30, 1913, and has now a surplus of \$127,000,000.

Reason for Retrenchment Denied.
"I have grown tired of the wall of poverty," said the commissioner. "There is no reason for these frequent announcements of retrenchments. The records show that the company has made large capital investments directly from surplus funds."

The Southern Pacific is seeking to raise its commutation rates between points in Alameda County and San Francisco. With this end in view it has from time to time submitted statements to the commission of the losses it alleges it is making on its suburban routes and printed leaflets of the same have been distributed to all commuters.

Reports Show Cash on Hand.
It was at a hearing today on the company's application that Commissioner Eshelman made his statement. Figures prepared by the commission's experts show that on June 30 the Southern Pacific Company, which is a holding corporation, had actual cash in its treasury to the amount of \$18,507,000, and that the Southern Pacific Railroad Company and the Central Pacific Railroad Company, both subsidiaries, had cash on hand respectively of \$13,553,000 and of \$3,085,000.

F. L. McCaffery, auditor for the Southern Pacific, promised to produce later the company's version of these figures.

Auditor Denies Big Surplus.
At a later session of today's hearing of the Southern Pacific Company before the Railroad Commission, F. L. McCaffery, chief auditor of the company, refuted the figures of the commission showing that the Southern Pacific Company had on hand June 30, 1913, \$101,000,000 actual cash. Auditor McCaffery said that although the accounts submitted to L. R. Reynolds, the commission's expert, showed that amount on hand in cash, it was in reality open accounts, investments in property and other securities, all of which was subject to draft.

"To meet current monthly expenses," continued Mr. Edwards, "we carry a cash fund of only \$18,000,000." Mr. Edwards also explained the enormous cash deposits of the company in real estate, the Southern Pacific Company and the Central Pacific Company, in the same way. "When these amounts showed on our books," he asserted, "we never thought for a moment that the commission would interpret it as meaning hard coin."

Borrowing Methods Criticized.
Criticizing the practice of the parent company in borrowing huge sums from its subsidiaries and then charging interest on these loans, Mr. Edwards asserted, "John M. Eshelman, president of the commission, said: 'In my estimation such a practice is absolutely unjustifiable. It is a reality open against income double interest and no plea based upon such methods will be entertained by this commission.'"

"If we borrow money from outside sources we would have to pay interest and charge it against our income," replied Edwards. "I don't see why it isn't just as well to keep the money in the family," he added with a smile.

BOYS' CAMP DISMANTLED

Y. M. C. A. Spirit Lake Party Reported En Route Home.

The boys' summer camp at Spirit Lake, Wash., was dismantled yesterday, according to reports received by the local Y. M. C. A. The boys started on their 47-mile tramp to Castle Rock, where they will train for Portland. They are expected tomorrow night.

Paul Stone, the 16-year-old son of H. W. Stone, general secretary of the Portland Y. M. C. A., and Nelson English, the son of J. C. English, arrived in Portland at 10 P. M. Wednesday, having walked alone the 47 miles through the woods to Castle Rock. They left the camp at 2 o'clock Wednesday morning.

The leaders of the camp, Ed Bummett, J. C. Meacham and Mr. Holmstedt, will return to Portland via Mt. Adams, after visiting that section.

MUELHAUSEN FIRE DEADLY

(Continued From First Page.)

shot away, the windows smashed and the furniture destroyed. Nevertheless, the proprietor had rearranged his damaged premises as well as possible and was serving customers as if nothing had happened.

"Just outside this village there was a large common grave, in which both French and German soldiers had been buried together, in their uniforms. A large mound marked the site, and here again the villagers had placed roughly heaped crosses."

"Not far from Hunsingen we met an intelligent Alsatian peasant who remembered the war of 1870, and had witnessed some engagements during the last few days. Here is an account of what he saw in his own words:

"The bravery on both sides was amazing; the effects of the artillery fire were terrific; the shells burst, and where you had formerly seen a body of soldiers you saw only corpses or a number of figures writhing on the ground, torn and mutilated by the fragments of the shells."

Destruction Worse Than in 1870.
"Those who escaped unhurt scattered quickly but soon they regained their composure and took up their position on the fighting line as if nothing had happened. Other weapons as bad. It seems remarkable that soldiers can see destruction worked all around them, yet can control their nerves sufficiently to continue fighting."

"I remember battles in 1870, five or six of which I fought myself, but they were no comparison with the battles of 1914. The war 44 years ago was child's play compared with the war at the present time."

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"Germany, which is moving the majority of her forces against us, and attacking with extreme violence because of the urgency of her position, is in great danger. She must transfer part of her army now engaged against France and send it against Russia. We must hold fast no matter what the sacrifice and prevent the realization of the German plan to withdraw part of her troops."

"Our army in the North must not be content to defend, but, when the moment arrives, it must again take the offensive. By our offensive we will be able to know that Germany is stripping our front and as resistance before us becomes less we will push forward."

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The great importance of establishing right habits in the lives of the young people has been stressed, according to Mr. Alderman. The importance of thoroughness in fundamentals, such as penmanship, spelling, arithmetic and grammar, has been emphasized in the schools. The teachers have been allowed much freedom and the results have been more thorough work, says the report. One new plan this year was the advancing of teachers with their classes, a great help to the students. Ungraded classes to care for exceptional students have shown excellent results.

The teaching of foreign language in some of the grade schools has been found successful and will be extended during the coming year.

Among the other things the report finds to have been of profit are the enforcement of the "supplies" employment bureau, the division of boys and girls in the School of Trades, the use of the schools for outside purposes, and the school garden work.

The increase in enrollment in day schools was 1,345 to 32,142; in night schools, from 1816 to 4265, and in vacation schools, from 2500 to 4620.

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Anabel Congregation Joins in Request to Sever Relations.

At a meeting held last night in the Anabel Presbyterian Church the congregation decided to join the pastor, Rev. Robert N. McLean, in asking Portland Presbytery to dissolve the pastoral relations with James H. Hogue, who was elected commissioner to represent the congregation at the meeting.

Rev. McLean will deliver his farewell sermon Sunday morning when he leaves for the Spanish missions of Lower California, where he will spend two months, after which he will begin his work as superintendent of the Spanish department of the Dubuque Seminary, of Dubuque, Ia.

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