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S.P. HUGE ENTERPRISE

In the last year, some 90,801 people were on the payrolls of the Southern Pacific for a total of \$254,864,315. If all the employees of SP could be gathered together into one place, they would make a city almost the size of Portland (with their families).

SP's gross operating revenues exceeded \$628,000,000, a gain of \$30,000,000 over 1943, but operating expenses were \$421,000,000, an increase of nearly \$52,000,000, so that net revenue from operations was \$207,000,000, down some \$21,000,000 from the preceding year.

Take out of this \$207,000,000 net operating income, \$131,000,000 for taxes and \$24,000,000 for "joint facility" rents, and the net railway operating income is only \$52,449,000. Add in miscellaneous income and the figure rises to \$62,000,000 income available for fixed charges—mainly the item of \$24,600,000 for interest on debt.

The final net income was \$36,719,659.66. To 42,993 stockholders, SP paid dividends aggregating \$2.50 a share or \$9,431,908 and distributed the remainder to reserves.

During the year SP reduced its funded debt by \$76,597,715. The balance sheet shows some \$580,444,416.34 long term debt outstanding against a concern with total assets of \$1,793,511,183.87.

During the year SP put more than \$18,136,000 into permanent improvements, such as 530 miles of new rail, 353 miles of relay rail, new bridge over the Pecons, new bridge over the San Joaquin, extensions of Centralized Traffic Control. It wrote off close to \$8,000,000 of obsolete property.

Although more than 18,000 SP employees are with the armed forces, leaving a manpower shortage of 9,000 despite replacements, President A. T. Mercier takes pride in the fact that for the fifth consecutive year SP increased its ton-miles and passenger-miles hauled—an all-time high of accomplishment.

Ton miles of revenue freight were more than 40 billion, an increase of 256 million over 1943. Revenue passenger miles were more than 8 billion, an increase of 761 million.

The report embellishes statistics with pictures of SP people at work (among them Mrs. Mabel Anderson, of Eugene, at a huge oil valve). President Mercier's comments are brief. SP is in good shape, physically and financially. Its main concern is its war job. As to the future he expresses confidence that rails will meet their much advertised competitors:

"It may be noted that in some aspects these other forms of transport and complementary to the railroad, and that further the railroad enjoys the basic advantage inherent in MASS land transport as contrasted with single-unit transport."

He argues briefly for equalization of tax loads among competing types of transport, but concludes:

"Greatest factor in the long-term outlook for the company is prospect of general prosperity and development of regions served by SP. The war has brought vast development and influx of population to this territory. While the problems of reconversion may be more severe than in other parts of the country, it seems likely the final result will be substantial increase over prewar years."

Eugene is the home of more than 2,000 SP employees; it pays some \$250,000 a year taxes

in Lane county; it is a major carrier of everything this region can produce, and its prosperity is linked with ours. It is noteworthy that under President Mercier, the company has taken advantage of "war boom" to reduce its debt, improve its property and get "set" for the period of postwar reconstruction.

Prophets say that American railroads will have to rebuild much of their track and equipment to meet their postwar competition. Mr. Mercier merely hints at these changes. He emphasizes the advantage inherent in "mass haul" and importance of development in territory served. The figures in the SP report are huge and impressive, but in an operation of such size it does not take much to turn them from black to red. The postwar weak spot of railroads (as in many other industries) may be inadequate reserves.

However, railroads generally have trimmed off a great deal of "fat" in recent years (unprofitable branch lines and subsidiaries, and one analyst says they are entering "an era of main line haul." If they have "learned their limitations," as Dean Gilbert is fond of saying, and if policy is determined by sound operating men rather than stock speculators, there is no reason why railroads or railway people should fear the future.

LONG WAY TO TOKYO, STILL

Boldness, well timed, is a tremendous factor in war, and Admiral Mark Mitscher's carrier based air squadrons have dealt the Japanese a telling blow by attacking their main navy units at the supposedly secure bases in the Inland sea. All along the line the attack on Japan is being pressed home. Nimitz is following through after Iwo. MacArthur is completing the mopup in the Philippines.

However, there is timely warning for those who couple the encouraging news from the Pacific with the expected collapse in Germany to predict an early end of the war. The warning comes from that very tough old warrior, Lt. Gen. Holland Smith who directed the Marines at Saipan and again at Iwo. Arrived at Honolulu he remarks profanely:

"They were plenty tough, and as we go along they will get tougher."

The Marine general knows. On Iwo they encountered more Jap troops and better trained troops than ever before, more elaborate defenses, hidden guns and mantraps which the most detailed aerial reconnaissance failed to show. And as Gen. Smith remarks:

"They have learned some things. They have stopped making those banal charges where we just mowed them down."

There are those who believe the Japs will sue for peace when Germany folds. They should read Sergeant Newt Oliphant's interviews with Jap prisoners—their weird faith in the god-emperor, their cult of destiny to rule the world. Speaking of a pre-war ballgame which a Yank team won in Tokyo, one prisoner said:

"Of course the Yanks had the larger score but Japan won the game."

There must be no compromise on either the German or the Japanese front. There is general agreement that Hitler and his gang must be destroyed, and in our opinion so must the emperor of Japan be destroyed, despite the qualms of our former ambassador Mr. Grew.

It will be a long and costly process, in lives and goods, but we do not see how any intelligent reconstruction can begin in any of these lands unless the sources of national mania are obliterated.

SOCIETY, WOMEN'S ORGANIZATIONS

By MARIAN LOWRY

DEMOLAY BOYS PLANNING DANCE

Demolay Boys are sponsoring their annual ball Saturday evening, downtown Masonic temple, eight-thirty until eleven-thirty o'clock, and during the evening the annual "DeMolay Sweetheart" will be named.

DAUGHTER BORN

Announcements have been received by Eugene relatives and friends of the birth of a daughter, Alice Neale, to Mr. and Mrs. Paulen Kaseberg, at Wasco, March 18. The baby is a grandchild of F. M. Morse, of Eugene.

VISIT IN SEATTLE

Mrs. Burle Grant Thomas and small son, Terry, have been visiting Mrs. Thomas' parents, Mr. and Mrs. W. H. Phelps, Seattle. Mrs. Thomas also has been guest of her brother and sister-in-law, Mr. and Mrs. E. O. Phelps, and has been entertained by many of her old friends, including Mr. and Mrs. Walter Mattson. Mr. Thomas expects to join his family this week-end at the home of Mrs. Thomas' sister, Mrs. Victor N. Jones at Richmond Beach.

Mr. and Mrs. Jones have planned a dinner party at the Rainier club in honor of Mr. and Mrs. Thomas, also a luncheon in the Georgian room of the Olympic hotel for Mrs. Thomas.

TO ENTERTAIN CLUB

Mrs. A. R. Holman is to entertain for the La Junta club on Friday afternoon, one-thirty o'clock.

SEWING GROUP

The Bundles for Britain sewing group, Pythian sisters, will meet Thursday evening at seven-thirty o'clock at the home of Mrs. M. J. Gleason, 1754 Lawrence.

MEETING FRIDAY

S. D. club is to meet Friday evening, seven-thirty o'clock, home of Mrs. J. S. Lusby.

GRAND CHIEF VISITS PYTHIAN SISTERS

Helmetta Temple, Pythian sisters, entertained their grand chief, Mrs. Sadie Graham, Corvallis; past grand chief, Mrs. Queen Woods, Independence; supreme manager, Mrs. Pearl Kinzer, Salem; past grand chief, Mrs. L. C. DeBurgh, Eugene; at a potluck supper and meeting Tuesday evening at the Knights of Pythias hall.

Miss Lucille Gregg, Mrs. Jennie Parker, Mrs. Albert Jall, Mrs. Dewey McAlbin, Mrs. Minnie Marx, Mrs. Elizabeth Romaine, and Mrs. Nellie Griswold were

FRANCES WILLARD CARNIVAL ON FRIDAY

Frances Willard school, assisted by the P-TA unit, will sponsor its annual carnival on Friday of this week.

OBISDIAN PARTY TO BE FRIDAY

The entertainment committee of the Eugene Obsidians announces a party for all Obsidians and friends on Friday evening, eight o'clock, campus YWCA bungalow. Paul Campbell is general chairman. There will be games, dancing, and refreshments.

WOMEN OF MOOSE GROUP MEETS

College of regents of the Women of the Moose met Monday night at the home of Mrs. C. O. Beitel. Plans were made for the graduate regents to fill the chairs at next Friday's regular auxiliary meeting. They include: Mrs. Ross Wood, past regent, Mrs. C. O. Beitel, junior regent, Mrs. J. L. Copenhaver, chaplain, Mrs. Joe Bartlett, guide, Mrs. Claude Alumbaugh, assistant guide, Mrs. Elmer Geiger, artist, Mrs. Cora Parker, treasurer, Mrs. N. L. Thomason, pianist, and Mrs. J. A. Flannigan, recorder.

QUOTARIANS HEAR REPORTS AT MEETING

Quota club held its dinner meeting Monday evening at the Osburn hotel. Mrs. Earl Blackburn and Mrs. Don Motter were in charge. Reports were given from various committees as follows:

Mrs. Blackburn, budget committee; Miss Nellie Lyle, ways and means; Mrs. James V. Danielson, program; Miss Marjory Stewart, membership; Mrs. Anne Gaveny, attendance; Mrs. Mary Sands, achievements of women; Mrs. Genevieve Hellen, good citizenship; Mrs. Nettie Soranson, international relations; Mrs. Gene Gibson, house committee.

Mrs. Gertrude Graham, club president, gave a brief talk and Miss Thelma Schaefer, secretary, reported on the yearly meetings. Mrs. Harold Jensen gave a review of her activities as Quota representative on the Eugene youth council. Mrs. Emille A. Lundy as editor of the monthly bulletin, "Quota Quacks," also reported on her work.

Next meeting of the club comes as a luncheon at the Osburn hotel on April 2.

DeVries, songs by Eugene high school quartet, directed by Glenn Griffith, novelty dance by White studio, magician acts by Tony Zilkooski, stunts by trick dogs by La Vanway. All patrons and parents of the school are invited to attend the dinner and carnival. AUXILIARY MEETING: Ilahee division, auxiliary of B. of L. E. will meet Saturday at six thirty o'clock at the Knights of Pythias hall for potluck dinner. Mrs. Casey heads the dinner committee. HOSPITALITY CLUB: Hospitality club met Monday evening at the Osburn hotel, about twenty-five attending. Mrs. A. L. Houghton and Mrs. A. Madsen won the bridge prizes. Next meeting for the club comes April 2.

High School Girls On Odd Fellow Program: The Eugene high school club of 50 girls under the direction of Glenn Griffith will meet Tuesday night at the meeting of Spencer Lodge, I.O.O.F. R. H. Collins, Lebanon, an impersonation of Abraham Lincoln and an arctic expedition featuring Mexican customs given by the Hyde sisters. A skit was given by Mrs. C. Smith, Mrs. O'Neil, Mrs. Marsh, Mrs. Ella Bray, Mrs. Davenport, and Mrs. Bertie bar, followed by a reading by E. R. Moon. Do houses sell for more than are INSURED? Yes. Oaks, 669 High.

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VFW Makes Plea For Overseas Vets

WASHINGTON, March 21.—(AP)—The Veterans of Foreign Wars yesterday renewed its plea for rotation of furloughs to provide 35 days' leave in the United States for all soldiers having 18 months or more of foreign service. In a letter to Secretary of War Stimson, the VFW's national legislative representative, Omar B. Ketchum, said he recognized the difficulties but asserted: "Surely there are enough replacements and transportation to grant relief to personnel who have been in continuous service, and much of it combat for three years or more." He cited specifically the 25th Infantry division, which he said was stationed in the Hawaiian islands at the time of Pearl Harbor and has been fighting in the Pacific ever since.

The war department reported that any reply from Stimson would have to be made public by the VFW.

The rotation policy, a department spokesman said, is administered solely by the various theater commanders who determine who and how many soldiers are to be returned. Generally, three factors govern the number: availability of shipping, availability of replacements and the condition of the men themselves.

Without giving a breakdown by theaters, the department said that approximately 30,000 troops are returning monthly to this country under the rotation and furlough programs. On rotation, they are brought back for a furlough and then reassigned to duty with units

in this country, while under the furlough program they return to their organizations overseas after a brief stay here.

Fay Brownson Back After Long Illness

After being laid up for three years, including 18 months in a hospital and seven operations, Fay Brownson is in business again at 1250 Willamette street. The karmel corn kitchen at that address is now open under Brownson's management, selling popcorn, candy and peanuts in addition to the product which gives the establishment its name.

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