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Editor and Proprietor

EDITORIALS



POLITICALS ON THE LOUP

A short time ago the coal operators' associations in the states of Indiana, Illinois, Iowa, Kansas and Missouri, filed a brief with the Public Works Administration requesting that the operators be given a hearing in connection with the proposed government-built hydro electric power plant on the Loup River, Nebraska.

The brief is a remarkable document. It sets out facts that have more than local significance—they indicate the terrific lack of fairness and practicability that so often accompany political proposals to launch the government into tax-exempt business competition with private citizens.

The Loup River proposal embraces the building of a plant with a capacity of 210,000,000 kilowatt hours per year. It would sell the power to existing utility companies, which in turn would distribute it to rural and urban consumers. Other similar projects are proposed in the state to produce a grand total of 500,000,000 kilowatt hours annually.

All the territory which the plants could serve is now adequately provided with power, through both private and municipal systems. These systems have more than enough capacity to meet the present demand, and to care for normal expansion for many years to come. In general, the plants are modern and are efficiently operated, and cost of operation is low.

Nebraska's consumption of power touched a high of 558,000,000 kilowatt hours in 1931, and dropped to 514,000,000 for 1932. It is estimated that 1933 production was below 1932. Consequently, if projected Federal plants are built, they will double Nebraska's installed power production facilities, duplicating all over other systems now operating within the state. One or the other group of plants would therefore be useless.

This is particularly interesting in view of the fact that one of the major purposes of the National Industrial Recovery Act is to use to the fullest extent present productive capacity of all kinds, without duplication and waste.

Public interest centers on the influence of the proposed plants on employment. In building them it is obvious that jobs will be permanently lost in the plants whose service has been duplicated. The new hydro plants would displace a number of steam plants. It is estimated that the Loup River project alone would eliminate the use of 210,000 tons of coal a year, and the other projects would eliminate 280,000 tons more. The result would be that a large number of men—one thousand workers are required to produce 200,000 tons of steam coal a year—now engaged in producing coal in the states that furnish fuel to present Nebraska plants, would lose their jobs. This would be felt in all coal communities—by stores, property-owners, professional men and the industries making supplies and equipment used in the mines.

Coal used in Nebraska must be shipped some distance by train from mine to power plant. If the railroads serving the state lost one-half million tons of freight a year, a number of their employes would be inevitably laid off. And, lastly, the

production of power in hydro plants requires only about one-third as many employes as in a steam plant of equal capacity.

From the standpoint of the consumer, the projects are no more appealing than from the standpoint of taxpayer, workers and investors. No material saving—and possibly no saving at all—in power bills can result. The cost of producing electricity is but 20 per cent of its total cost when it is delivered to the consumer. Consequently, if the proposed hydro plants were able to make a reduction of 25 per cent in production cost, it would mean a reduction of but 5 per cent to the user—at the expense of thousands of investors who have put up millions in savings to build existing Nebraska plants, and of the general public which, through taxes, must pay the cost of the new plants.

There's the Loup River story—told without fire of fury. The hearing asked by the coal operators should be granted—and the whole subject should be thoroughly aired to the public. Both sides should be heard, with prejudice toward none. It's easy to spend millions of public dollars on projects about which the public knows nothing—it is a different story when the voters have been given the facts.

TAX-EATERS BEWARE

Department of Commerce figures show that total annual national income dropped from \$83,000,000,000 in 1929 to \$38,000,000,000 in 1932, or 54 per cent.

Federal income tax figures for the state of Oregon, now made public by the United States Treasury, for 1931, show returns dropped to the vanishing point. Statistics for 1932 and 1933, which were worse years, are not yet available.

Only 2.9 per cent of Oregon's population filed returns in 1931 and the total tax paid was \$474,955, as compared with \$2,387,276 at the peak in 1928.

Delinquencies in Oregon taxes assessed on real estate by the state of Oregon and its political subdivisions, in 1932, totaled \$18,379,999, or 43.77 per cent of the taxes charged. In other words, nearly one-half of Oregon's property tax is unpaid.

The condition of Oregon's citizens is no exception to the tax plight of people in other states. New tax raising schemes simply create more delinquencies.

In the face of such a tax situation, lawmakers propose new schemes to put the state deeper into debt and build up greater permanent overhead and interest charges.

What the public needs is tax relief or there will be a greater breakdown than at present in tax collections.

PRIVATE ENTERPRISE

SCORES AGAIN

The Union Pacific Railroad started something new in transportation with its streamline, three-car train. Always a pioneer, this railroad has set a pace that will revolutionize passenger transportation in the United States.

The fastest trains now take 7 1/2 hours from coast to coast. This new type train can probably cover the distance in 38 hours, or less, as roadbeds are improved.

From the standpoint of comfort, these new trains will surpass anything ever before offered to the traveler. From the standpoint of safety, they are following modern automotive methods. Center of gravity will be 20 per cent lower than in old railroad cars, putting the weight nearer the ground where it ought to be. This will give better balance, less sway when taking the curves and cause the cars to "hug the rails."

Just as the modern automobile combines greater safety with greater speed, so will these trains bring a new day in railroad transportation.

Thus does this railroad pioneer slay the ghost of antiquated methods.

INTELLIGENT CRITICISM

Writing in the United States News, David Lawrence says: "Today we are not concerned with the eventual alignment of parties or their opportunities to retain or regain power. We are eager to get from the minority groups a demonstration only of intelligent criticism, helpful suggestion, honest debate and factual persuasiveness to the end that economic recovery may be achieved for us all."

CONSTRUCTION PROBLEM GAINS GREATER ATTENTION

The Federal government has started a nation-wide farm housing survey to ascertain the potential demand for improved home facilities, the cost of providing them, the development of standard specifications adapted to the needs of various areas, and practical plans for financing improvements and ew building.

It is generally known that there is a tremendous unfulfilled demand for new housing, in city as well as rural areas, due to the lack of building for five or six years, and to the high rate of depreciation of existing structures.

One of the great stumbling blocks to building now is that banks are unable to loan funds because of inflexible laws, and the interest rates charged by other agencies are often so high as to discourage the prospective builder. Both private and public agencies are now working on the financing problem to develop some plan whereby money can be made available for construction at reasonable interest rates, and still earn a fair profit. There is also hope that there will be sufficient change in the banking situation to permit a little more leeway in making building loans on the basis of an applicant's general character and reputation, instead of on his liquid assets only.

If a major building wave can be started, on the farms and in cities, one of the biggest steps toward recovery and stability will have been taken.

In the meantime, those who can build or repair now will be benefiting themselves and the nation by starting dollars rolling, for let us hope that never again can we buy or build as cheaply as today.

DEATH ON THE RADIATOR

About one out of every ten of the automobiles that use the public streets and highways, should wear as an emblem a large, staring death's head.

It wouldn't be a pretty sight. But it would be an accurate symbol. Ten per cent of motorists are responsible for our gigantic death and injury toll. Not all of them, of course, have an accident every year. But they all take chances. They are irresponsible or incompetent or congenitally careless. They cut in and out of traffic, missing oncoming cars by an eyelash and feeling a thrill of achievement while doing it. They pass on hills and curves, and regard even the most basic and sensible traffic laws as being inimical obstacles which should be avoided whenever possible. They drive at high speeds when road and traffic conditions make it exceedingly dangerous.

And—every year—they leave behind them 30,000 corpses and hundreds of thousands of injured persons whose sole offense was that they happened to be present when the reckless driver was taking one of the chances he didn't get away with.

Yes, there should be the emblem of death on a long line of automobiles which otherwise look no different than any other cars of their kind. This suggestion may make some of the reckless drivers think twice before running a risk the next time.

A.A.A. Cooperators Will be Favored Under Loan Plan

In its relations with agriculture the federal government has decided definitely to "let its right hand know what its left hand is doing." In fact, orders have been given for the

Farm Credit administration on the one hand to cooperate with the AAA on the other to see that production loans do not work against the purposes of production control.

The extension service at Oregon State college has just received word that it is to assist in completing arrangements to see that the activities of these two agencies of the federal government are coordinated in this state.

Under an agreement reached between the FCA and AAA, production loans through the newly formed production credit associations will be granted only to those growers who either have joined in the production control movements in which they are eligible, or those growers who will agree not to increase their acreage of basic commodities listed in the farm act.

That is to say, if a man who grows wheat has not joined his local wheat production control association and thus agreed to decrease his acreage by 15 per cent this year, he will have to agree not to increase his wheat acreage, as well as any loan from the new production credit associations. Farmers who have signed control agreements will need no further proof of their cooperation in order to borrow.

This ruling applies only to the short-time or production loans and has nothing to do with the long term real estate loans obtained through the federal land banks, according to the information from Washington. It does apply to private lending agencies which discount farmers' notes with the federal intermediate credit banks.

"This close cooperation between the AAA and the FCA does not contemplate an undue hardship on those who have not joined production control associations, but it does look forward to a coordination of these agencies in bringing about production control," says William I. Myers, governor of the farm credit administration.

Home Interest Meet To Start Feb. 28

A more varied and inclusive program than ever before is being arranged for the fourth annual Home Interests conference at the school of home economics at Oregon State college February 28 to March 3, announces Claribel Nye, director of home economics extension. The conference is open alike to organization leaders and individual homemakers.

This conference has become increasingly popular from year to year as an annual clearing house for plans and programs connected with home life and betterment through the state. Last year 301 persons attended, representing 52 types of organizations. The total cumulative session attendance was 2521.

An interesting feature will be the state finals in the community drama contests. Five counties will be entered in this year compared with two last year. Winning groups from Clackamas, Columbia, Lane, Jackson, and Josephine counties will produce one-act plays the afternoon and

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evening of March 2 for the championship of the state.

Leading topics for this year's conference include better housing, food and drug control, money making ideas for the homemaker, books for the home, and a panel discussion led by prominent state leaders on "How the American Home Contributes to Changing American Ideals."

A.A.A. Borrows College Man

CORVALLIS, FEB. 8.—Roger Morse, extension dairyman at Oregon State college, has been called to Washington, D. C., for three months to serve as regional consultant in launching the plans for a dairy production control program. Morse has been given a leave of absence for that period from the extension service and will return there following his special work for the federal government.

Selection of an Oregon man to represent the Pacific northwest in the important developments under the AAA is considered a tribute to Morse's ability and standing in the dairy industry, while his experience and contacts gained in this special service will add to his usefulness to Oregon upon his return, say officials of the college.

Oregon Newspapers Planning Survey

EUGENE, Ore.—A survey of reader interest in both news and advertisements will be made by 11 newspapers in Oregon, in cooperation with the University of Oregon school of journalism. It was announced here. Preliminary plans were made last week during the session of the

ROXY 15¢

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