BOARDMAN

By RACHEL JOHNSON.

Mr. and Mrs. Guy Barlow, Mr. and Mrs. O. H. Warner, and J. F. Barlow were Pendleton visitors on Saturday. Mr. Warner, who is ill, went to consult his physician.

Howard Packard spent the week end in Portland.

The Home Economics club met last Wednesday at the home of Mrs. Shannon. About twenty ladies were present and enjoyed the afternoon.

Lena and Dave Rose of Irrigon were Boardman visitors Friday evening and attended the basketball games.

Mr. and Mrs. A. A. Allen and family of La Grande spent Sunday at the Jess Allen home. Clayton, who has been visiting here with his grandparents for the past two weeks, returned home with his parents.

A number of Boardman folks attended the dance in Irrigon Saturday evening.

The World Day of Prayer will be observed February 12th at 2 p. m., in the community church, by the ladies aid. All ladies are invited to attend. This will take the place of the missionary meeting which was scheduled for Wednesday, February 17.

Mrs. Bessie Smith of Heppner, formerly a resident in Boardman, visited here last week.

Mr. and Mrs. L. G. Smith of Portland came Friday for a visit at the J. R. Johnson home. On Monday they motored to Umatilla to spend a few days with Rev. and Mrs. W. O. Miller. Mr. Smith is selling baby chicks for the Santa Clara hatchery in San Jose, Calif., and is taking orders for them while in this locality.

The Boardman Athletic club team defeated the Heppner town team in a basketball game played Friday evening in the Boardman gymnasium by a score of 18-27. Local players in the game were Barlow, Steelhammer, Klitz, Rands, Packard, Wilson and Berger. Heppner players were Gentry, Ferguson, Howell, Crawford, Stewart, Green, Shuirman and Robertson. The high school game with Lexington preceded the town taem game, in which the Boardman team was badly defeated. After the games chili beans and crackers were served to the teams and guests by the high school and athletic club.

Mr. and Mrs. L. E. Marschat were hosts at a lovely dinner Tuesday evening, having as guests Miss Miriam Campbell, Miss Katherine Brown, Mrs. Henry Shrader and Mr. and Mrs. Carroll Kennedy.

The high school students under the direction of Miss Campbell gave an amusing and interesting program in the auditorium Wednesday afternoon for the rest of the school. The program represented the scenes of an old time school room. Willard Baker was the schoolmaster and the high school students were the children who were rehearsing a program they were to give.

All signs of spring vanished Saturday when a steady snow started and did not let up until late Sunday. There was about 5 or 6 inces of snow on the level Sunday and the strong east wind caused deep and almost impassable drifts. There was no school Monday or Tuesday as the school busses could not drive over their routes. The snow plow is at work on the county roads and the highway crew has been kept busy clearing the highway.

Some Boardman folks attended the show "Sooky" in Hermiston Friday and Saturday evening.

IRRIGON

MRS. W. C. ISOM.

As Mrs. Jess Oliver and little daughter Ethel were on their way home from Hermiston Tuesday Mrs. Oliver in some way lost control of her car as she was making the turn into Umatilla. The car left the highway, ran into a railroad sign and turned over twice, tearing off two wheels, a fender, and broke the windshield and three windows. Mrs. Oliver was badly bruised but received no serious injuries. The little girl was unhurt.

Mr. and Mrs. Rho Bleakman and daughter Betty Jean of Long Creek and Mr. and Mrs. Dave Musgrave of Monument were over Sunday visitors of Mr. and Mrs. W. C. Isom.

The Irrigon high school boys played a game of basketball with the Echo school team on the home floor Friday night. The score was 13 to 16 in favor of the Irrigon team.

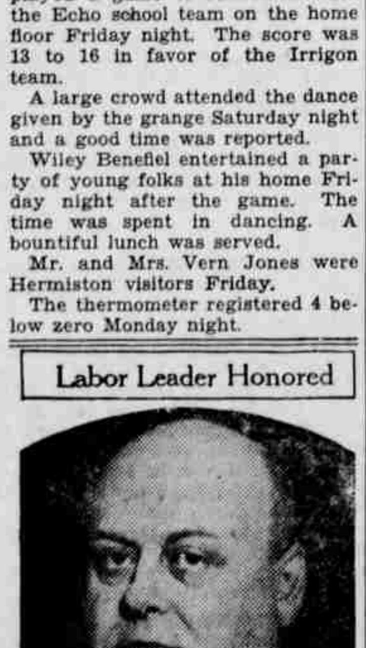
A large crowd attended the dance given by the grange Saturday night and a good time was reported.

Wiley Benefiel entertained a party of young folks at his home Friday night after the game. The time was spent in dancing. A bountiful lunch was served.

Mr. and Mrs. Vern Jones were Hermiston visitors Friday.

The thermometer registered 4 below zero Monday night.

Labor Leader Honored



Ira M Ornburn of New Haven, Conn., head of the International Cigarmakers Union of America, has been nominated by the President as a member of the Federal Tariff Commission.

Keep the Railroads Moving

By CALEB JOHNSON

Everybody in America is concerned in one way or another with the situation of the railroads. Daniel Willard, president of the Baltimore and Ohio Railroad, as chairman of the presidents' committee of nine on railroad reorganization, has proposed to the railway unions that they accept a reduction of ten percent in wages.

The proposal for a wage reduction, which would cut the railroads' operating expenses by about $210,000,000 a year, is the last effort of the railroads to keep out of bankruptcy and to reduce their costs to a point commensurate with the falling off in business and income. Railroad earnings in 1931 were a third less than they were in 1929, and in the case of 72 of the railroads the revenue, after paying operating costs, was not sufficient to pay the interest on their bonds.

These fixed charges, consisting of interest on money borrowed from the public with which to build, equip and extend railroad lines, must be paid, or the roatis have no chance but to go into the hands of receivers. And the first point at which the financial position of the railroads touches everybody is this matter of interest on railroad bonds.

Comparatively few individuals own railroad bonds or are dependent upon them for direct income; but more than three thousand million dollars of railroad bonds are owned by the insurance companies, who are in turn responsible to more than fifty million policy holders, whose money they have invested. Insurance companies are allowed by law to invest the money they receive as premiums only in certain types of sound securities. Railroad bonds, in normal times, are regarded as next to the U. S. Government bonds and first mortgages on real estate in the matter of security. But if a situation should develop, as it has been rapidly developing in the past year, in which the railroads could not continue to pay the interest on these bonds, and the market value of the bonds should decline to a point where htey could not be realized upon except at a terrific loss to the insurance companies, there undoubtedly would arise a situation in which the companies could not promptly pay claims under insurance policies.

It is easy to see, therefore, that unless the railroads are enabled by one means or another, or a combination of methods, to continue to pay interest on their bonded debts, very widespread financial distress and disaster, affecting probably more than half of all the people in the United States, would follow.

The mutual savings banks are in much the same position that the insurance companies are. They own among them one billion seven hundred million dollars of railroad bonds, in which thew have invested a considerable part of the savings of twelve and one-half million depositors. Because so many of the railroads whose bonds are held by savings banks in New York State failed to earn their interest in 1931, the New York Legislature recently passed a special act for the relief of savings banks, permitting them to hold bonds on which the interest was not earned last year. Otherwise, they would have been compelled to sell these bonds at their present low market price, at a heavy loss to their depositors.

And what I have just set down is only one of the angles of the importance to the whole people of putting the railroads in a position where they can continue to function and to earn at least the interest on their debts. It is of secondary importance for them to earn dividends on their shares. It is of the highest importance, however, that the railroads should be able to maintain their rights of way, rolling stock and motive power in first rate condition. For, regardless of whether one approves of some of the methods and policies that have prevailed in railroad management, it is the railroads, and the railroads almost alone, that tie the United States together into a nation, that make the free and rapid exchange of commodities possible over the largst area in the world within which trade is absolutely free, without taxes or duties between the states. The history of the development of American industry and business is the history of the development of rail communication. Once let the railroads get into a position where they cannot promptly and completely supply the demand for transportation, as that demand increases, then all business is slowed down. The motor truck, competing over good roads with the railroad on short hauls and providing door to door delivery has unquestinably cut into railroad earnings in many classes of freight, and those the classes on which the rate is highest. But the motor truck has not replaced, and can never replace, the railroad on long distance haulage for the transportation of such basic raw materials as coal, steel, lumber, grain and the hundreds of other kinds of low grade bulk freight.

The difficulties of the railroads are, to be sure, in large part, of their own making. But the high-handed and overbearing policies which led many years ago to the regulation of the railraods through the creation of the Interstate Commerce Commission, are dead and gone history. Every fair-minded person familiar with railroading agrees that there is a much bettetr spirit in railroad managing today than existed at the time when their control by the government was a major item of political agitation. There is still an active sentiment, to be sure, in favor of government ownership, if not government operation, of railroads. We had an experience with government control and operation of railroads during the war, and for a short time thereafter which is not looked back upon with any great satisfaction by anybody.

And a good deal of the railroads' present financial difficulties can undoubtedly be laid at the door of government regulation. In good times, when the railroads are earning large profits, they are not permitted under the Interstate Commerce law to retain those profits and build up a reserve fund to use in paying for repairs, maintenance and interest in hard times. Railroad rates are regulated by law—the amount that may be charged for the transportation of freight and passengers. If the earnings run above five and three-quarters percent a year on the stock, they are required either to reduce rates or to get rid of the surplus earnings by redeeming their bonds, or otherwise taking the money out of the railroad treasury. The government has the right under the Interstate Commerce law to step in and take from the railroads all their earnings above that limited rate of dividends. All other industries are permitted to build up reserves which they can draw on freely when necessary. No railroad can borrow a dollar without first getting the consent of the Interstate Commerce Commission. These governmental regulations frequently put railroad owners in a position where they have to choose between low rates and good service. Since they cannot raise the rates they have to reduce the quality of the service or go into bankruptcy.

The proposal to reduce railroad wages is only one of many measures which the railroads are trying to put into force in the effort to continue to give service and keep out of bankruptcy. Some of the roads, of course, are a great deal worse off than others, but all of them are in serious difficulties and, as I pointed out, their troubles react directly upon almost everybody in the country. Railroad receiverships would mean, beyond doubt, the dismissal of many more men from railroad service and would add to the burden of unemployment. Economic conditions generally are such today that practically everybody has to choose between getting less money for his work of getting no money at all—losing his job.

The brightest ray of hope in the whole situation of the railroads is the authority given to the Reconstruction Finance Corporation to come to the assistance of railroads which are in difficulties by taking over their maturing obligations which they would otherwise be unable to meet and so giving them a chance to keep everything rolling on schedule.

RHEA CREEK GRANGE ITEMS.

By MARGARET BECKETT.

A pleasant surprise party was given Frank Parker at his home on Heppner Flats last Friday in honor of his birthday. Cards and dancing were the entertainment features of the evening. High honors in "500" were won by Mary Allstott and Tindall Robison, who managed to keep their card interests at table one all evening.

Those present wer Mr. and Mrs. Clive Huston, Mr. and Mrs. Walter Beckett, Mr. and Mrs. Tindall Robison, Mr. and Mrs. Ralph Benge, Mr. and Mrs. Loyal Parker, Mr. and Chas. Wilcox and daughter, Mr. and Mrs. Ed Rugg, Mr. and Mrs. John Bergstrom, Mr. and Mrs. Chas. Beckett, and Mr. and Mrs. B. O. Anderson. The Misses Velma Huston, Margaret Beckett, Doris, June and Mary Allstott and Terrell Benge, Otis and Don Allstott, besides Mr. and Mrs. Parker and Onez and Marjorie.

Those who attended the dance at Rhea creek last Saturday report a good time. Because of the snowy weather only a few besides grange members were present, but nevertheless a good time was had by all.

Because of the cold and snowy weather the schools of this community have been closed until the weather is better. Those closed are the Rhea creek, Liberty, Hail Ridge and Eight Mile schools.

Fred Kruger of Sherwood is the week-end guest of A. E. Wright.

Don't forget that the lecturer's hour at the Rhea Creek Grange hall next Sunday will be opened to the public. Mr. Shumway is to be the principal speaker.

The grange will hold its next business meeting at the grange hall on February 7th.

NOTICE OF SALE OF ANIMAL.

Notice is hereby given that by virtue of the laws of the State of Oregon I have taken up and now hold at my place in Blackhorse canyon, in Morrow county, State of Oregon, an animal hereinafter described, and that I will, on Saturday, January 30, 1932, at 10 o'clock a. m., sel the said animal to the highest bidder for cash in hand subject to redemption by the owner thereof. Said animal is described as follows:

1 mare mule, dark brown, no visible brand, about two years old.

ORAL SCOTT,
44-46 Heppner, Oregon.