

## Heppner Working Circle Timber Situation Analyzed

By Boyd L. Rasussen, Forester and Carl Ewing, Supervisor Umatilla National Forest

So much for the privately owned timber. Now what about that in public ownership? Unfortunately there is not sufficient national forest timber to supply all of these mills without depleting the national forest resources to a point where all of the ponderosa pine would be cut long before the second growth is ready to harvest. Even though national forest timber were to be used in such a manner, widespread shutdowns eventually would result long before the second crop becomes large enough to cut. Obviously most of the mills, by reason of this limited supply of timber, must be expected to go out of business within the next decade and some soon as a result of the war having ended.

Instead of throwing the national forest timber on the market with no thought of the future, the Forest Service plans that it shall be cut on a sustained yield basis providing a continuous flow of products to assist in maintaining a permanent forest industry even though the volume will have to be at a average annual cut of old growth level far below that of today's production from all ownerships. The timber will be no greater than can be maintained until the new growth trees are reasonably mature and large enough to produce sawlogs. Such a plan provides for the harvesting of 9.5 million board feet of ponderosa pine and 1.9 million feet of minor species each year from notional forest land in the Heppner Working Circle.

To summarize the timber situation in the Heppner Working Circle it is evident, unless production of lumber is sharply curtailed immediately, that during the next ten year period a number of sawmills will close down entirely or be forced to proportion their cut to the limited private timber available. Within a very few years thereafter total lumber production from the Heppner Working Circle 11.4 million board foot sustained will of necessity be limited to the capacity of the national forest lands plus such remnants of private timber as remains or can be brought from outside.

In this working circle, as in many others, the greatest single obstacle to the establishment of a permanently sustained forest industry is the widely diversified ownership of the timber. Such situations encourage over-production and too rapid liquidation. Unless forewarned by previous experience elsewhere, businessmen are apt to welcome the effect of boom conditions upon their communities and to underestimate or ignore the seriousness of the "bust" which so surely follows when the timber is gone. Under such conditions when rapid liquidation of private timber is in effect, large or long-term sales of national forest timber are not made. Instead and more especially where the owner or owners of significant volumes of private stumpage are willing and financially able, an effort is made to negotiate cooperative agreements, whereby the rate of private cutting is retarded rather than increased and the long-time stability of the industry insured to the dependent commodity by reserving thrifty young timber on the private land from the first cutting operations so that it will grow larger for the next harvest. Here, where a fairly large volume of timber remains uncut, such a cooperative sustained yield unit is still feasible. It should be remembered however that even now the allowable annual cut of ponderosa pine timber in all ownerships is only 20.8 million feet, less than a third of the amount cut in 1944 and that every year over-cutting continues, the volume of cut that can be sustained is correspondingly reduced.

The 1944 study indicates that if the present rate of cutting continues the private timber supply will

be approaching exhaustion in 13 years and it is expected that more and more pressure will be exerted to force additional national forest timber on the market in order to keep the sawmills of Wheeler and Morrow counties cutting to capacity. Since the present mills require a great deal more timber each year than will be replaced by growth, that pressure must be withstood if the complete collapse of the local lumber industry is to be averted. It is confidently believed that forward looking leaders will insist that the national forest timber be used for the longtime benefit of the people and that the plans of the Forest Service to handle the public timber on a sustained yield basis can be carried out.

LOST—Bill fold containing Leave papers, identification card and railroad ticket. Finder please notify Albert Edwards ARM 3c, Lexington. 50p

### VOLUNTARY REMITTANCES ASKED IN RED CROSS DRIVE

Mrs. Vernon Munkers, chairman of the Lexington district, is urging the people of her community to send in their remittances for the Red Cross membership campaign, either to herself or to her assistant, Mrs. Kenneth Munkers.

Mrs. Munkers points out that it will save much time and much running around for the volunteer solicitors if contributors will mail the funds to the chairman or assistant. Of course, if this is not done, the solicitors will call but she believes if the people understand the situation they will cooperate. Several have sent in their contributions, not even waiting for the drive to start.

### Swanson . . .

Continued from First Page of spun glass for insulation. The lockers are four tiers high, of wood

construction with one-half inch metal cloth for partitions which also allows ample circulation.

"The entire design of lockers and grocery furniture are Swanson's own work—not patterned after anything seen elsewhere. His design in the locker room has been to have a compartment that he could close and not lose over six degrees of temperature in a week's time. In other words in event the machinery should fail for any unforeseen reason the temperature could not change more than six degrees in a week's time. While it is almost impossible for the machinery to fail for that length of time, it is well to have insulation enough to hold the temperature at a safe point.

"The compressor is a 4x4 ammonia type, while the meat cooling room will be of the cluster coil type. The locker room temperature is controlled by a McQuay cooling unit with fan-forced circulation.

"The grocery department furniture is unique in design. "Cot" planned this furniture so that one will be able to see over the entire room from any location in the room thus enabling the customer to locate purchases at a glance. The island type storage was designed by "Cot" and certainly makes the grocery room one to marvel at.

"The vegetable storage space is of the very latest, being equipped with a cooling coil which is immediately under the vegetables, thus insuring fresh and crisp vegetables at all times."

Monday was moving day for users of the Swanson lockers, transporting their supplies from the old plant to the new. Mr. Swanson stated that 130 users made the transfer on that day and others were busy Tuesday utilizing the new plant. Transfer of grocery stocks will begin as soon as a few unfinished items of furniture are disposed of.

## The Pacific Telephone and Telegraph Company

and Subsidiaries

Southern California Telephone Co. — Bell Telephone Co. of Nevada

# \$400,000,000 Five-Year Expansion Program

## Excerpts from the 1945 Annual Report

**ALTHOUGH** it experienced an exceptional growth throughout the war years, our company did not profit from the war. The tabulation . . . comparing the year 1945—the end of the route to Tokyo Bay—with 1939—the year in which ominous war clouds cast their impending gloom—vividly portrays, not only what our company's expansion has been throughout the years of its war effort, but also the impact of this expansion on its major operations.

"The phenomenal development of the Pacific Coast with its tremendous strides in commerce, industry, military and naval activities has placed, and will continue to place, exacting demands upon our company. With the nationwide interest in this far-flung section with its rapidly expanding markets and its outstanding growth potentialities, our company will experience in the immediate years ahead, as they are now visualized, an unprecedented expansion.

"Our immediate task ahead is to render service to all who want it and to restore and to take our service to new heights. As it announced December last, in the immediate five-year period our company will be required to make expenditures for new construction aggregating \$400,000,000 and, as a consequence, extraordinary amounts of new capital will be required. The execution and speed of this entire program are dependent upon the flow of available manpower, materials, money and the level of business conditions. The consummation of the program for 1946, now well under way, will require, it is estimated, an all-time high expenditure of upwards of \$90,000,000 for new construction. This compares with the \$35,800,000 expended in 1945. Inclusive of materials re-used, the gross plant additions for 1946 are estimated at well over \$100,000,000. This expenditure will be more than double the 1945 gross plant additions of \$48,791,000.

"To do all the things we have in mind

### FROM PEACE TO WAR AND FROM WAR TO PEACE

	1939	1945	Increase	Per Cent Increase
Telephones Owned and Operated† . . .	1,948,062	2,702,686	754,624	39
Toll and Long Distance:				
Total Calls . . . . .	129,190,340	346,892,535	217,702,195	169
Longer haul calls (originating in and destined beyond our territory) . . . . .	650,570	11,766,999	11,116,429	1709
Plant Investment† . . . . .	\$493,360,850	\$678,550,991	\$185,190,141	38
Operating Revenues	\$122,168,305	\$248,870,088	\$126,701,783	104
Local Service Revenues . . . . .	85,703,890	131,179,676	45,475,786	53
Toll Service Revenues . . . . .	33,156,914	109,735,931	76,579,017	231
Operating Expenses (before taxes) . . . . .	\$82,163,244	\$167,291,874	\$85,128,630	104
Operating Taxes . . . . .	\$17,579,987	\$53,364,072	\$35,784,085	204
Total Payroll‡ . . . . .	\$56,023,205	\$124,689,994	\$68,666,789	123
Employees† . . . . .	29,998	51,282	21,284	71
Men . . . . .	12,091	15,745	3,654	30
Women . . . . .	17,907	35,537	17,630	98
Income Available for Interest and Return . . . . .	\$22,560,834	\$24,215,173	\$1,654,339	7
Average Invested Capital . . . . .	\$355,293,069	\$412,344,160	\$57,051,091	16
Return on Invested Capital . . . . .	6.33%	5.87%	.46%*	7*
Per Common Share:				
Earnings . . . . .	\$7.87	\$6.78	\$1.09*	14*
Dividends . . . . .	\$7.25	\$6.50	\$.75*	10*
Taxes . . . . .	\$9.74	\$21.68	\$11.94	123

†At December 31. ‡Includes construction payroll. \*Decrease.

will take men, materials and money. Our program will offer employment opportunities to many men and women not only in the manufacture, construction and installation of the added plant, but also in the maintenance and operation of a continuously improving and expanding service. Our vast undertaking will require for its accomplishment earnings that are sufficient to attract the huge sums of new capital needed. Expressing as it does a fundamental significance to every city, town, village and hamlet throughout the Pacific Coast, the consummation of our unprecedented program will result in increasing the plant investment of our company by almost 50 per cent, bringing its total plant investment to an amount aggregating upwards of a billion dollars.

"The era of tremendous expansion that our company has now entered places responsibilities of the first magnitude upon our management. We go forward with firm faith that a telephone service rendered well will continue to be well received. In our company's following out its established

policy—to furnish the best possible service; to render the service as economically, as possible; to charge for the service only an amount to keep our company financially vigorous—it is of vital importance that its earnings be such that they will continue to attract the necessary amounts of new capital needed to accomplish these objectives. Earnings that are adequate are in the public interest, because earnings that are less than adequate necessarily jeopardize the efficiency and the scope of the service. Thus, our company and the public it serves have a common interest. In full recognition of that interest, the charges for the service rendered should reflect a fair treatment policy expressed in rates which, at all times, will be such that sound economic considerations will prevail in the interest of all parties—the patrons, the employees and the investors.

"A successful nation is a prosperous nation. In order to increase and to sustain the production which is vital to that prosperity, business and industry must, of necessity, prosper as must their personnel who, through the dedication of individual effort, contribute to the forward march of America. This fundamental concept, the recognition of the dignity and worth of the individual and the value of free enterprise, with equal opportunity for all—the American way of life—has produced the highest standard of living among all peoples. Progress has been the measure of the welfare of our great Nation—it will be the earnest endeavor of our company, as it has been in the past, to render a communication service, which through its scope, efficiency and dependability, will continue to make its full contribution to that progress."

*R. B. Swanson*  
President.