

Big Western Railroads Waging Corporate War To Gain Control of WP



ON HONOR ROLL—Paulette Carre, 12, of Methuen, Mass., who has never been to school and yet is constantly on the honor roll, uses this intercom system to contact her rooms in the Central School about three blocks away from her home. Paulette, who suffers from rheumatic fever, is in the seventh grade. She plans to be a school teacher when she grows up. (UPI Telephoto)

Southern Pacific, Santa Fe Seeking Purchase Rights

San Francisco—UPI—Bitter corporate war has burst out in the West between two mammoth railroads. And the battles will be waged for at least a couple of years before city councils, women's groups, rod and gun clubs and fraternal organizations as well as in the staid hearing rooms of the Interstate Commerce Commission. The opponents are the Santa Fe and the Southern Pacific. At stake is the Western Pacific and its 1,189 miles of mainline.

Both Santa Fe and Southern Pacific want to buy WP and already have acquired chunks of stock, causing WP shares to jump 30 per cent just last month.

But neither railroad is free under law to proceed any farther with an acquisition until the ICC approves. The speakers who will appear before civic groups will be seeking to drum up public support so as to influence the ICC.

Old Wars; New Tactics This kind of fighting contrasts with the gun fights, Indian wars, bombings and wild stock speculations that marked the railroads' development.

One day in 1886, for example, Southern Pacific and Santa Fe thought nothing of competing with each other by dropping transcontinental fares from \$100 down to \$1 between breakfast and lunch.

Southern Pacific now wants to control Western Pacific because WP runs from the San Francisco area to Salt Lake City, where it joins with other railroads, in competition with SP's main line.

In addition, WP's "Inside Gateway" from the Bay area to Bieber, Calif., links the Santa Fe with the Great Northern Railway and thus competes with SP's Shasta route to Portland for the north-south coastal freight business.

According to Southern Pacific, control of WP would permit consolidation of parallel lines at certain points and a more efficient utilization of equipment. This would make operations more economic and the public gains, SP says.

Santa Fe, however, says that SP's real goal is to obtain a monopoly grip on freight business from numerous western communities. It was just such a monopoly that caused George Gould to complete the WP from Salt Lake City to the coast in 1909.

Ernest S. Marsh, Santa Fe president, claims that if SP wins, his railroad will be virtually eliminated from the north-south coastal business.

What he fears is that if Santa Fe must route cars originating in Southern California, for example, over SP's track, SP would schedule them much to Santa Fe's disadvantage.

To this Donald J. Russell, the SP president, replies that it is not a question of monopoly at all. It is impossible, he says, for any railroad to develop and abuse a monopoly while it is competing with trucks, planes and water transportation.

Western Pacific sides with Santa Fe and its officials have cooperated with Santa Fe as it developed its acquisition plans.

Historic Allies Historically, WP has been a close ally of Santa Fe's against SP. Each often has thrown business to the other in preference to SP.

The WP president, Frederic B. Whitman, says Santa Fe simply has offered a better deal for WP stockholders.

Santa Fe has proposed an exchange of one and one-quarter of its shares for one of WP's. Southern Pacific is offering a one-for-one exchange.

Whitman also thinks the Santa Fe proposition "holds better prospects for dividends."

This battle will be joined by the railroad brotherhoods fearing employee reductions, other railroads concerned about possible loss of referral business, and communities along the routes of the warring railroads.



SECRETARIES MEET—Presidential Press Secretary James Hagerly, right, shakes hands with Pierre Salinger, Sen. Kennedy's press secretary, after they lunched at the White House Monday. It was their first meeting. Later, Hagerly announced that President-elect Kennedy will meet with President Eisenhower at the White House on Dec. 6. (UPI Telephoto)

Quality of Union Craftsmanship Said Deteriorating

By DOUGLAS GRIPP

Salem—UPI—The quality of labor union craftsmanship in Oregon has gone to pot, according to State Labor Commissioner Norman O. Nilsen.

The supply of highly skilled workers is shorter than it has ever been, he says, and something must be done about it immediately for the sake of labor, management and the general public.

He describes 1920-26 as the "peak of quality craftsmanship" in Oregon and the nation and said it has been on the decline ever since.

This, Nilsen says, is how it happened. "We were dependent on skilled craftsmen from Europe in those days, and there was no formal apprenticeship program."

But in that era the U.S. invoked immigration quota laws cutting off the supply of craftsmen and now in the 1960's most of these men are either dead or retired, and with them went their skills.

Craftsmanship Suffers Thus the apprenticeship program was launched, growing from only six trades to today's 92. "But it was impeded along the way by such things as the depression in the 1930s, World War II, and the Korean War, and craftsmanship has suffered," Nilsen said.

As for the solution, Nilsen says legislation is not necessary because the laws are already there.

It requires a "voluntary effort" on the part of labor and management and this is the action needed, he says:

1. Review ages of the entire work force and through surveys determine the number who will retire or leave the trade for other reasons in the near future.

2. Re-evaluate present training programs and honestly determine what future manpower needs will be.

3. Undertake a program whereby high school counselors are informed as to the requirements of industry.

Should Consider Career Nilsen says prep counselors are not acquainted well enough with the advantages and disadvantages, pleasantries and unpleasanties of various trades.

Students who do not plan on college should be "encouraged to seriously consider a career as a craftsman," he said.

Nilsen said these young people should be briefed at the high school level about the physical and educational requirements of a chosen trade.

Local Man Pleads Innocent to Charge

Marion David Castel, 44, 1221 Thomas rd., entered a plea of innocent to a charge of larceny by embezzlement in district court Monday and a trial date was set for Jan. 13.

Castel is charged with embezzling \$52.70 from his former employer, the Rogue Valley Heating and Air Conditioning company, 26 Western ave. Castel was arrested by Medford police Friday. He was released from jail on posting \$1,000 bond.

Castel is accused of accepting a \$52 check from a Medford resident after he cleaned the resident's fireplace, chimney and furnace, and then failing to turn the check over to his employer. He was allegedly working for the Rogue Valley Heating and Air Conditioning company at the time.

City police said Castel told them he was not working for the company at the time he collected the check. Castel had since gone into business for himself.

McADOO'S SON DIES New York—UPI—William Gibbs McAdoo Jr., 64, son of the late multi-millionaire secretary of the treasury in Woodrow Wilson's cabinet, died Monday when he plunged from the roof of a nursing home.

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Wake Island Boys Hold Reunion in Ashland, Medford

Ashland—Few American Thanksgiving reunions were celebrated with greater enthusiasm and few carried more poignant memories than the gathering of Wake Island boys last Thursday in the Mark Antony hotel, Ashland.

From all parts of the nation came men who shared a common nightmare of 45 months of suffering as prisoners of the Japanese. Around the banquet tables laden with food they spoke little of those tragic starvation years but talked rather of homes, of families and of business, meeting each other's wives and children and renewing ties made almost a score of years ago.

It was Dec. 23, 1941, that 1,200 American engineers and construction workers on seven Navy contracts were taken prisoners. Pay checks ceased. And in the states, dependents faced a bleak future without information and without income.

Drop Into Silence More than 1,000 American men had dropped into an abyss of silence. Among them was Leonard Ward, whose wife, Mary, in Los Angeles lost no time in beginning a battle on behalf of the prisoners and their families.

She carried her plea to Washington, where state department red tape clogged the wheels for many months. Persistence finally paid off, and in 1943 Mary had the satisfaction of seeing a bill passed providing payments of salaries to families and dependents. It was the first of four aid measures that Mary Ward was responsible for having had introduced and passed.

Although a Protestant, Mrs. Ward carried her cause to Cardinal Francis Spellman and it was due to his efforts that the Japanese allowed a representative of the Vatican to enter the prison camp in September, 1943, to check the long list of names. Until that time each man had been known only by number. It was January, 1945, before Mrs. Ward learned that her husband was alive, one of a fortunate few in a dam-building project to escape the firing squad. Starvation, illness and lack of warm clothing had accounted for almost 100 deaths.

Meet Each Year Each year, the Wake Island boys meet at Thanksgiving in one of the Pacific coast states and each year the same president calls the meeting to order. The president, Mrs. Mary Ward.

Public Welfare Commission Issues Emergency Grants

The Dalles—UPI—Emergency grants of \$46,500 were approved by the State Public Welfare Commission here Monday to 14 counties for general assistance welfare help for November.

The grants reflected a sharp upsurge in out of work families. The demand is 79.2 per cent higher than a year ago.

Welfare officials called the situation grave. The Rev. Morton Park, director of Catholic Charities, called the Multnomah county situation "truly emergency."

He drove from Portland to appear before the meeting. Funds Exhausted Father Park said hungry families have exhausted the agency funds of Catholic Charities. He said a heavy influx of general assistance families has forced as much as a five day waiting period on the staff of the Multnomah County Welfare office.

He said other agencies are reporting a similar situation and overflow. Multnomah county was given \$15,000 in the general assistance allotments allowed Monday.

Other Grants Other emergency grants included Clatsop county \$750; Columbia \$2,500; Curry \$200; Deschutes \$950; Douglas \$3,800; Josephine \$1,200; Klamath \$4,700; Lane \$8,000; Linn \$4,500; Malheur \$1,000; Morrow \$100; Tillamook \$1,150; and Umatilla \$2,400.

The commission, ordered recently by the Department of Finance and Administration not to put into effect a slight increase in minimum food allowances decided by the commission earlier, has asked the attorney general's office if such an order can be defied.

TRIALS COST TAXPAYERS Los Angeles—UPI—It cost Los Angeles county taxpayers \$199,787 for the two murder trials of Dr. R. Bernard Finch and Carol Tregoff. Neither trial resulted in a verdict and a third trial already has been set for Jan. 3. That hearing might cost as much as an additional \$100,000.

Vice president of the World War II prisoners' association, Edwin D. Nye, flew in from Washington, D.C., in time to share turkey and experiences and later to take part in the two-day convention in Medford.

The reunion dinner was served in Caesar hall of Ashland's Mark Antony hotel. In January, Mr. and Mrs. Ward will leave their Talent, Ore., home for another pilgrimage to the nation's capital. This time they will see one of their staunchest champions, whose personal efforts resulted in four separate federal aid bills, take the oath of office as President of the United States.

Eight Local People To Attend Meeting

Eight members of the Jackson County Oregon Unit Education association executive committee plan to attend the representative council of the OEA at Lincoln High school in Portland, Dec. 2 and 3.

The purpose of the meeting, according to Zelma Foote, local president, is to instruct the board of trustees and the professional staff of the OEA as to the programs to be sponsored by the OEA.

This is an annual meeting held by the association. Attending from Ashland will be John Cady and Frank Koch; from Central Point, Zelma Foote and Ogden Kelloeg; from Phoenix, Nadine Ramirez; from Eagle Point, Ralph Humphrey; from Rogue River, Don Moody; and from Medford, Jack Bailey.

Ferry, Tanker Collide in Harbor New York—UPI—A Staten Island ferry with 2,000 Manhattan-bound passengers abroad collided with a tanker in fog-bound New York Harbor today.

Only one minor injury was reported and the ferry, the Dongan Hills, was able to return to its Staten Island slip and transfer its passengers to another ferry for the ride to Manhattan.

The tanker was the Norwegian-registered Torna which dropped anchor at the scene of the accident one mile off the Staten Island slip. The vessel reported damage to its superstructure.

FORMER PREMIER DIES Soest, The Netherlands—UPI—Dr. Dirk Jan de Geer, 89, former premier of the Netherlands who was convicted of collaborating with the Nazis in World War II died today.

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Southern Pacific already has mentioned some trackages which might be eliminated if it wins. It points to California's Niles Canyon where its line is side-by-side with WP, the Flanagan-Ferney, Nev., route which might be unnecessary, and numerous points between Sacramento and Oakland. It also would be possible to eliminate WP's barge service on the San Francisco Bay.

These are questions which will be considered at ICC hearings expected to open up next spring. The main issue,

Court Asked To Bar Post Office Move to Seattle

Washington—UPI—Oregon Attorney General Robert Y. Thornton asked the Federal Court Monday to bar Postmaster General Arthur E. Summerfield from going through with transfer of the northwest regional post office from Portland to Seattle.

Announcement of the suit was made through the office of Sen. Wayne Morse, (D-Ore.). Summerfield announced on Nov. 10 that the Portland regional office would be transferred from Portland to Seattle starting Dec. 1.

Delay Requested In a related development, Chairman Olin Johnston, (D-S.C.), of the Senate Post Office Committee, sent a telegram to Summerfield requesting that the postmaster general delay the transfer until Johnston's committee can hold hearings on the matter soon after Congress meets in January.

A post office spokesman said the Johnston request would have no effect on the planned transfer. The department also announced the appointment of Leo L. Lambert of Denver as acting regional operations director in the new Seattle office.

Said Not in Good Faith Thornton said in a statement that the transfer was a "sudden and uncalled for action that is not in good faith."

He said the complaint filed with the court charged, among other things, that the move "will cause irreparable damage in that the postal service for the citizens of Oregon will be impaired and delayed; the almost 200 employees involved will have to seek other employment or be uprooted from their homes, with the damage and difficulties of moving, relocation and readjustment."

TEND YOUR KNITTING London—UPI—Dr. G. C. Heller, a psychiatrist, said Monday night that knitting is a better tranquilizer for women than tranquilizer pills.

however, probably won't be settled by the ICC until the end of 1962.

And then, of course, the loser can always take the matter into the courts.

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