

Washington Digest

National Topics Interpreted
By WILLIAM BRUCKART
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Washington. — Much has been written and much more has been said concerning the complexities of modern civilization and modern business. Many times have we heard how closely agriculture is related to other industry; how general commerce and industry is interwoven with every phase of our life. There can be no doubt of this condition. No proof is required. Nor is it necessary to argue that when one section or segment of business is on its sickbed, there is a resulting bad reaction upon every other phase of commerce and industry to a greater or less extent.

With these fundamentals in mind, it becomes obvious that probably the most important development of a national character in the last few weeks is the appeal of the country's railroads for the right to increase their rates by 15 per cent. The details of their condition, as presented in hearings before the interstate commerce commission, show they are confronted with a crisis. Since they are under the rigid supervision of the federal government, the federal government is the doctor in the case. They will live or die by the command of the interstate commerce commission.

The case they have presented shows, for example, that they have had to cut thousands upon thousands of workers off of the payroll; that they have been unable to buy more than one third of the customary annual purchases from other businesses, and that more than one fourth of all the railroad mileage in the nation is now being operated as bankrupt property—that is, the property is in the hands of court receivers.

So, advertising to the observations of the first paragraph of this discussion: a gigantic industry can not run at a loss without resulting in a bad heart or partial paralysis in other industry. Higher rates are always opposed for the very human reason that none of us enjoys taking any more money out of our pocket than we must. Many lines of business oppose rate increases on the railroads because of the fear that it will reduce their volume of sales. But it occurs to me that in consideration of a question of freight rates and charges which the railroads make, we ought to think of their situation as we do of other lines of business. Our retail grocer is not going to sell at a loss; the druggist can not subsist unless he makes a profit however small it may be, nor is the farmer going to continue to produce unless he gets a reasonable return from his work. The only difference between these and the railroads is that the railroads can not raise their rates unless the interstate commerce commission, a government agency, says they can do so.

Further, there is a tendency on the part of a goodly number of persons throughout the land to question the accuracy of statements made by business. No doubt you have heard, as I have, the remark that "you can't tell whether so-and-so's business is bad off or not. Big corporations can cover up and make black look like white." Indeed, while I was listening to one of the I. C. C. hearings in this case, a man in a neighboring seat made something of the same observation as I have quoted. My answer to him was in substance that none of the railroad officials would dare lie to the commission, even if they were so inclined, because the commission has access to every item of expense and income, even all actions of the management, of the carriers.

It might be added in this connection that officials of the interstate commerce commission understand there is to be a request by the interstate truck operators for an increase in rates if and when the rail lines are allowed higher rates. The trucks are represented as slowly starving to death—but they can't and won't boost rates until their competitors, the railroads, charge more for their services.

I believe there is no better way to set forth the plight of the railroads, as presented to the commission, than to include here some excerpts of the statement made officially in the case by Dr. J. H. Parmelee. He is director of the bureau of economics of the Association of American Railroads and, as such, knows the details.

"Today," Dr. Parmelee said, "the carriers are reducing forces and are curtailing their purchases of equipment, materials and supplies. They are forced to do this because of the financial condition in which they find themselves. This retrenchment has a serious economic effect on employment, on the manufacturers of railway supplies and their employees and on all business activity. Such a policy with its unwholesome economic consequences only partially offsets the rising tide of costs.

"The railroads in 1927 to 1930 installed more than twelve times as many locomotives each year, nearly five times as many freight cars, laid nearly three times as many tons of rails and laid nearly twice as many cross ties as they averaged in the depression years from 1931 to 1936.

"Capital expenditures for 1929 and 1930 averaged \$863,164,000 a year. During the depression years from 1931 to 1936, the average of capital expenditures was only \$206,813,000.

"Similarly, the trend of railway purchases (of things they must use in operation) of fuel, material and supplies declined sharply during the depression years and never has returned to anything like normal. Railway purchases in 1929 and 1930 amounted to \$1,184,017,000 in each of the two years. In the five years from 1931 to 1935, the average per year was about \$559,000,000. In 1936, the expenditures in this direction were up to \$803,421,000. (Figures for 1937 are incomplete but there has been another decline because of necessary curtailment of buying.)"

Dr. Parmelee turned to the question of railroad receipts for their services. He told the commission that the depression years had left the railroads without any reserves. For seven years, he said, the railroads have been barely getting by, and pointed out that at no time between 1931 and 1937 had they earned more than 2.57 per cent on their investment as it is appraised by the commission. In three of those seven years, the records show, the railroads' receipts did not amount to as much as their fixed charges, a term which includes interest on their debts, taxes and required amounts for paying off parts of their debts. In other words, all they earned in those years was just enough to pay the people who work for them and buy the necessary fuel and operating supplies.

The argument to the commission is predicated, therefore, upon rising costs, general expenses, and the dozen or so railway presidents who testified before the commission stressed the fact that these expenses are out of control by the railroad authorities. Dr. Parmelee figured that these higher costs of fuel, supplies, wages and taxes had laid a burden on the railroads that is greater this year by \$664,789,000 than it was in 1933. The companies hope to get \$567,287,000 of this sum from the 15 per cent increase in freight rates, and the railroads of the East are asking that passenger fares be increased from 2 cents to 2½ cents a mile, which they think will bring in an additional \$47,500,000. From this it is seen that the carriers still will fall short of the full amount needed, but their argument, as I understand it, proceeds on the theory that they should not seek more of an increase than is sufficient to keep them from going broke. If the new depression conditions subside, there will be a larger volume of freight next year. That will enable them to make a profit. That is, a greater volume of business with the new rates will provide a profit unless there are new government taxes and other burdens laid upon them. In this connection, I looked up the effect of the social security and carriers' taxing act. Commission records show the rail lines are paying \$111,000,000 in taxes annually under these two levies alone, a burden the companies did not have two or three years ago.

So it is evident that the rail lines are in a bad fix. They are confronted on the one hand with mounting costs of operation and on the other by declining receipts from the smaller volume of business. At the same time, it seems to me, the country has more than a passing interest in their plight. This is so because during the last two months, for example, close to 60,000 railroad employees have been laid off—out of work, in the rail industry alone. With the decline of purchasing of supplies by the rail lines, other industry has suffered, has laid off men.

Looking at the thing another way, one might call attention to federal appropriations for relief which have been in excess of three billions a year during the last several years. The figures given above show that the railway purchases—just one industry—have fallen off more than 500 millions, or about one-sixth of the relief appropriations. If the appropriations to aid all unemployed are only six times as large as the drop in railway expenditures, it is easy to see what an influence is wielded and why I have taken the position that it is necessary to consider the railroads' petition from the standpoint of the country as a whole. We, as citizens, have a burden to carry whether it is done through the railroads or through some other avenue. None of those rail workers wants to be without a job, I am sure.

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ARCADIA NEWS

Mrs. Otis Bullard and her mother Mrs. Ira Dall shopped in Weiser on Wednesday.

Mrs. Al. Bohy is on the sick list this week.

Mr. and Mrs. V. V. Zink from Council, Idaho, were callers at the Doll Lackey home in Sunday. Mrs. Zink is a sister of Mrs. Lackey.

Mr. and Mrs. Otis Bullard were callers at the Al. Bohy home on Sunday.

Mr. Kenneth Vanderpool has purchased a new Ford V-8.

Mrs. John Zittercob called on Mrs. Chas. Bullard and her sister, Mrs. Dale Lackey on Wednesday evening.

Willard Bullard is out of school this week with the measles.

Mrs. Will Holiday and her daughter June were shopping in Ontario on Monday.

The Sew and So Club will meet with Mrs. Darril William on December twenty second.

Mr. and Mrs. Clifford Fox have moved to Nyssa.

Mrs. Jake Grout and her infant son have returned home from the hospital.

SUNSET VALLEY

MRS. L. E. NEWGEN

The W. W. Flying Club met Thursday at the home of Mrs. Maize with five members present. There were two new members added to the roll and six visitors. The ladies spent the afternoon hemming curtains for the hostess who in turn served refreshments of delicious jello, cookies and coffee. Names were exchanged for Xmas gifts to be presented at the next meeting at the Newgen home December 23.

Mrs. Chas. Wilson left Friday for Tulsa, Oklahoma, where she will spend several weeks visiting with her mother and other relatives in that state.

Melva Gibson of Nyssa was a week end guest at the home of Mrs. John Case.

Art Atkinson was a business visitor in Boise last Wednesday.

Mrs. Schneider called on Mrs. J. A. Black Sunday afternoon.

Mr. and Mrs. L. E. Newgen attended the Kirtpatrick race near Parma Monday.

Among those who attended the Carnival at the Owyhee school Saturday night were the Pete Wilson family, Mr. and Mrs. Chas. Schweizer, Mrs. Newgen and children, the Robb family, and Charles Landreth.

Miss Bernice Wolf was a Sunday luncheon guest at the home of Miss Mildred Terra.

Leslie and Robert Ditty attended business in Parma and Nampa Saturday.

Mr. and Mrs. John Case and Malva Gibson called Sunday afternoon at the J. A. Black home.

Art Atkeson and Leon Dickerson left Friday for their home in Dillon Montana.

Mr. and Mrs. Chas. Schweizer visited Sunday with Mr. and Mrs. Guy Glenn at Owyhee Dam.

The Glee club met Sunday at the Kendall home with an exceptional attendance of sixteen members present. Two new members, Howard Schneider and Jack Reffett were enrolled. There were also several visitors. Arrangements were made for a Caroling party. A special practice meeting was conducted at the Newgen home Tuesday evening.

An International Mining Congress will be held in San Francisco in 1939 in conjunction with the 1939 World's Fair of the west.



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BIG BEND NEWS

By MRS. E. H. BRUMBACH

The HEC of Big Bend grange will meet on Thursday at the home of Mrs. Joe King to quilt. A covered dish lunch will be served.

A Christmas party will be given by the grange at its regular meeting next Tuesday night, December 21. A special program and treat will furnish entertainment for the members and their family.

Miss Betty Weir and Miss Helen Hatch returned home Tuesday night from a visit with relatives in Spokane.

The Jolly Janes were entertained at the Harvey Bennett home last Thursday. Mrs. Wesley Robert was hostess.

Case Muntjewerff won a ribbon and second prize on his ten ears of corn that he sent to the Corn Show at Portland. Mrs. Muntjewerff won third prize.

Mr. and Mrs. Lester French and Jackie spent Thursday in Boise visiting at the C. E. Peck home and shopping.

Exra Brumbach was a Caldwell visitor Wednesday.

Mrs. E. Eskew and Mrs. Claude Eachus spent Monday in Nampa.

Mr. and Mrs. E. H. Brumbach were shopping in Ontario Thursday.

Mrs. Case Muntjewerff spent Wednesday visiting in the Z. Davidson home in Parma.

The Christmas program prepared by the teachers of Wade school will be given Thursday evening December 23.

Mr. and Mrs. R. L. Haworth and daughters and Mrs. M. E. Rogers were Caldwell visitors Saturday.

Mrs. Wesley Roberts and daughter left Friday for Baker to visit her mother during the holiday season.

Mr. and Mrs. George Schiemer and son and Mr. Case Muntjewerff spent Thursday in Nampa shopping.

Mr. and Mrs. E. E. Parker and Mr. and Mrs. Arch Parker spent Friday in Ontario.

Mr. and Mrs. Elwood Proseor of Emmett and Mr. and Mrs. Jim Evans of Boise were Sunday guests of the Elmer Prossers.

Kenneth Parker of Klamath spent a few days visiting his parents the forepart of the week.

Mr. and Mrs. Case Muntjewerff were dinner guests in the Gerrit Muntjewerff home in Adrian Sunday.

ADRIAN NEWS

ELLEN McCONNELL

Mr. and Mrs. Charley Price gave a housewarming in their new home one evening last week. Due to rain not a very large crowd attended but those that did said they had an enjoyable evening.

Mr. and Mrs. C. E. McConnell were Christmas shopping in Boise last Friday.

Kenneth Parker of Tule Lake, California was here Monday visiting friends and relatives. He is living just a short distant from



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PHONE 31

these terrible floods we have been reading about.

Mr. and Mrs. Cace Muntjewerff were dinner guests of Mr. and Mrs. Gerrit Muntjewerff, Sunday.

John Enos is constructing a garage by his home.

Paul Hatch is now working at Horseshoe Bend, Idaho. Mrs. Hatch is staying with her folks in Ontario. Mrs. Henry Hatch was Christmas shopping in Caldwell Friday.

Friday Roy Perry attended the District Council meeting of the American Legion held in Ontario.

Roy Perry has a new team of black geldings and Mrs. Perry is trying to make pets of them already.

Many people from here attended the play "Here Comes Hatzie," at the Kolony school house Friday evening. Mrs. R. Roh'and and Walter Mc Portland of Adrian were among the cast.

OREGON TRAIL

MRS. FRANK BYERS

Miss Ward and Miss Willis held revival meetings at the school house last week.

Mr. and Mrs. Hopkins, Miss Miller, Mrs. Joe Stam, Robert Holmes and John Stam, some of the new officers of Oregon Trail grange were installed at Vale last Thursday evening.

Mr. and Mrs. Max Schweizer were Boise visitors last Monday.

Mr. and Mrs. F. S. Byers were shopping in Weiser last Monday.

Mr. and Mrs. Horace Thurman and daughters of Kuna, Ida, were Saturday night visitors at the Torvald Olson home last week.

The school children are practicing on their Christmas program. Mrs. Joe Stam is assisting the teachers.

Mr. and Mr. R. W. Holmes and family and Roy Holmes were Sunday dinner guests of Mr. and Mrs. Austin Goodson of Parma a week ago Sunday.

Mr. and Mrs. Ray Kender of Bonneville were visiting old friends last Tuesday afternoon calling at the F. G. Holmes and P. S. Byers homes.

Mrs. Clyde Mitchell, Mrs. Andrew Shoop, Mrs. Wyatt Smith, Melvin and Walter and Mrs. Archie Smith, Neta and Doris spent Thursday with Mrs. Roy Warren near Mitchell Butte in an all day meeting of the Willing Workers club.

Mr. and Mrs. Elmer Dutton and daughters of Kingman Kolony visited at the Wyatt Smith home

Sunday afternoon.

The Oregon Trail Home Economics club met at the home of Mrs. Van Malsberger with Mrs. Wyatt Smith as co-hostess. Plans for the coming year for a bazaar to be held in the near future were discussed, visiting and sewing occupied the rest of the afternoon. Lunch was served by the hostess. Six members and one visitor were present. The next meeting will be with Mrs. Garret Stam on December 14.

Mrs. Ewen Chard and Jack spent Wednesday and Thursday with her parents, Mr. and Mrs. Wm. Mettlien near Mitchell Butte.

Mrs. Andrew Shoop and Helen spent Sunday afternoon with Mrs. Archie Smith.

The Merry Matrons club met last Wednesday afternoon at the home of Mrs. Vivian Ashby with Mrs. Besie Ashby as co-hostess. Thirteen members and one guest, Mrs. Naomi White were present. The afternoon was spent visiting. The hostess served lunch at the close of the afternoon. The next meeting will be December 22 at Mrs. June Smith's with Mrs. Jessie Chard assisting. At this time a Christmas program will be presented. All members are urged to come. Polyantha gifts will be exchanged. The meeting will start promptly at 1:00 o'clock.

Mr. and Mrs. F. G. Holmes and Mr. and Mrs. F. S. Byers and family called on Mr. and Mrs. Austin Goodson of Parma Sunday afternoon.

Oregon Trail grange met Wednesday night with a good attendance. New officers who were not installed at Vale were installed by past worthy master, Klass Stam. Plans for a dance and bazaar to be held soon were discussed. Lunch was served at the close of the meeting.

Mrs. Maud Sykes and son Oliver and Arthur of Ontario visited Sunday with Mr. and Mrs. J. H. Ulrey

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and family. Mrs. Sykes expects to return to her former home near Eskridge, Kansas soon.

Misses Loretta Mitchell and Betty Chard entertained with a birthday party at the Chard home Sunday afternoon. Games were played after which dainty refreshments were served to about thirty guests. Many pretty and useful gifts were presented to the hostesses.

Sawmill Closes for Winter—

The Fish saw mill at Ironside has been closed for the winter and the employees have left until the next season begins.

Two inches of snow fell there recently but did not lay long due to a two day's steady down pour of rain.

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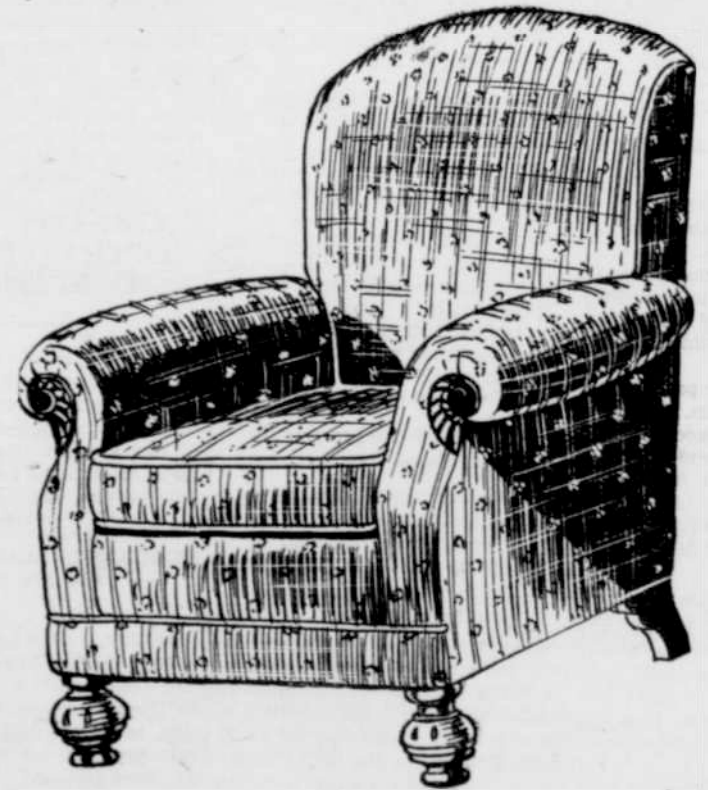
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