

# THE FRONTIER

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Entered at the Postoffice at O'Neill, Nebraska as Second Class Matter.

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### NATIONAL AFFAIRS

By Frank P. Litschert

Officials high in administration circles at Washington, as well as so-called economic experts, are said to be seriously concerned by the failure of wholesale commodity prices to rise as was expected of them. Wheat, corn, grain, cotton, copper and other basic products have not risen in price as it was hoped they would rise under the government's reconstruction program, and the price of livestock, of course, is a big disappointment to the farmers as well as the agricultural experts. In other words, prices of raw materials have not developed the strength and the elevation that has come to finished goods. A great deal of the present dissatisfaction in farm communities is due to the fact that the farmer finds that the thing he buys, under the NRA have gone up much more rapidly in price than the things he has to sell. This dissatisfaction was in large measure responsible for the wave of inflation demand which swept the country a few weeks ago, and it will doubtless raise another wave of inflation talk when Congress convenes, if the prices disparity does not right itself in the meantime.

Most of the business indices have shown a steady if slow decline during the past few weeks, and a great part of this, many economic students believe, has been due to the failure of the price of raw materials to rise to the occasion, as well as the fact that general buying power has not increased as rapidly as the price of finished products. With respect to this latter reason, Senator Wagner, of New York, said, in an address recently before the American Federation of Labor convention:

"Pay rolls are still 48 per cent below the 1926 level. They have lagged so far behind industrial activity that production, which rose 65 per cent from April to August, lost one-third of this gain in the single month following. There has been a gain of 17 per cent in the purchasing power of wages but retail prices have mounted rapidly. The increased volume of total wages is due almost entirely to gains in employment and to rises in the minimum scales. Due to the higher cost of living there have been some actual reductions in real wages."

Just what will be done or can be done to remedy the disparity of price between raw materials and finished goods remains to be seen. Some friendly critics of the government's reconstruction program, while admitting its many good points, declare that the improvement would have been steadier if the program had not attempted to do too many things at once. They seem to feel that more attention should have been paid to the foundation of the structure, by which they mean the stability of basic commodities, and less to price fixing. They maintain that improvement must begin at the bottom, and that once the basic commodities show a healthier condition, price and wage improvement would come as a natural result, with the increase in the price of finished products coming last. Thus they maintain retail prices would be the last to go up and there would or should be no perceptible rise in them until the wage volume had improved enough to justify the higher prices.

While on the subject of price fixing the comment of Ernest O. Thompson, member of the Texas Railroad Commission, on Secretary of the Interior Ickes' action in fixing the price of crude oil at \$1.11 a barrel is interesting. In talking of controlling production and prices, he mentioned the celebrated Conroe oil field, where in one instance the earth opened up under a well and swallowed it, leaving a veritable crater in the ground. Then he added: "The crater alone is producing 6,000 to 10,000 barrels daily. We can't go down there and read Ickes' telegram to the crater and expect it to stop flowing." Then he expressed the opinion that a veritable army will be needed to control oil production in Texas with its 47,000 wells, but like a good American, promised that Texas would do what it could to cooperate with the federal

government. That is one satisfying thing about the whole reconstruction scheme. Nearly everyone regardless of his political or economic views is cooperating, and if the plan does not succeed in its entirety it will be no fault of the American people themselves. Regulation of production, control of prices and wages, is a big undertaking, however, and the old economic laws of supply and demand cannot be left entirely out of the picture.

### ECONOMIC HIGHLIGHTS

Industrial activity, in spite of the appearance of some downward tendencies, is continuing at a comparatively high rate. In August, production was more than 50 per cent greater than in August, 1932. In July, production reached its peak, when it was equal to the 1923-1925 average.

Prices advances, which started with the first manifestations of recovery, continued thru September. The cost of living has accordingly risen. An exception to the general trend is farm prices, which have declined. One of the best of recent signs is that the wide discrepancy between production and consumption, which confused the outlook a short time ago, is narrowing.

Latest information concerning basic industries shows:

**Domestic Trade**—Both wholesale and retail increased in August, in both volume and value. Department store sales were well above the August, 1932, level.

**Employment**—Though production declined somewhat in August as compared with July, payrolls and employment continued to improve—the advances being carried into September. It is estimated that 750,000 persons found work in August, and the September experience, when detailed, may be still more favorable.

**Commodity Prices**—The advance in prices, with the exception of retail, slackened in August and September. Retail prices rose 8 per cent between August 1 and September 1—the greatest monthly advance in a decade.

**Credit**—The most significant recent change in the credit situation is that open-market purchase of U. S. Government securities by the Federal Reserve has increased. Purchases rose to a weekly rate of \$35,000,000 as compared with \$10,000,000 previously. The Federal credit expansion drive, which includes liberating of assets in closed banks, is apt to work sudden and unexpected changes.

**Securities**—Market action has been confusing and unpredictable, generally speaking, stock prices have fluctuated with exchange quotations on the dollar. Among bonds, high grade domestic issues have stood up well, and issues of foreign gold standard countries have advanced.

**Foreign Trade**—Exports have declined and imports increased. The outlook for increased exporting is not bright at the moment.

**Construction**—Contracts jumped 28 per cent in August, due principally to public works and utility undertakings. Building activity, however, is lower than it was last year or the year before.

**Transportation**—There was a contra-seasonal decline of 6 per cent in freight traffic in August, and the decline continued thru September. However, comparison with the month preceding July, and with 1932, are still favorable.

**Automobiles**—Production schedules dropped in September, but less than was anticipated. The decline in retail sales has been less than seasonal trends would have indicated. Demand at end of September was holding up well. Tire output in August, while smallest in five months, was at the highest August level since 1929.

**Power**—Steady and continued advances in electric consumption have been registered in practically all parts of the country.

**Chemicals**—Activity has been affected by declining production in the major productive lines which constitute the market for chemicals. Demand was dull so far as paints and varnishes were concerned, with a seasonal increase in alcohol orders, have been firm.

**Farm**—The August wheat movement, because of the short crop, was comparatively slight. The months receipts were down 27 per cent as compared with July, and wholesale wheat prices declined. Corn prospects were slightly better. Hog receipts were much higher than before, and sheep and lamb receipts likewise showed improvement. But receipts showed the usual seasonal decline.

**Food**—Production in the food processing industry declined 8 per cent in August, with allowance made for the customary seasonal change. However, activity was 8 per cent above a year ago, and employment and payroll levels are encouraging.

**Lumber**—Curtailment in receipts of new orders has caused an increase in stocks on hand and a lessening of production. Prices continue to advance, as do payrolls and employment.

**Iron and Steel**—Steel production declined during August, and a still sharper drop followed first half of September. Orders have come in slowly. Unfilled orders of U. S. Steel at end of August were lowest since April.

**Textiles**—Though production has slackened, August production was the best for that month since 1929. The Textile code has produced substantial gains in pay rolls and employment.

### THE RETAIL CODE

State Journal: The provisions of the new retail code have been made public. The effective date is Oct. 30. Between the present and the effective date merchants will be given some time to study the provisions laid down, to learn what it will do to their business, and how best to apply it.

Whether the merchants like it or not they have the code. They now see an organization being perfected to enforce its provisions. Much of the power of enforcement is locally placed. Those violating the code will have their first troubles, if any, with their home people. The right of appeal is theirs and complaints may be carried higher.

A major change announced is in line with a suggestion made by Keith Neville of Nebraska, altho somewhat modified. Mr. Neville suggested that the code be not made to apply to employers with less than ten employees. The administration cuts that number to five in cities of 2,500 or less. It makes the code applicable to chain stores everywhere, even cities of 2,500 and less. These modifications of a code that was expected to include all merchandising in all cities, regardless of the number of employees, will affect a great part of the business of Nebraska. While Mr. Neville made no announcement as to his future course in the matter, when changes were called to his attention, he is quoted as saying that they will help but that they do not go far enough. Provisions banning prison made goods are held suspended for ninety days, pending a study of the situation.

If enforcement does not result in a local spy system that becomes intolerable, if it is handled in all communities with fair-mindedness and a proper understanding of conditions and requirements, enforcement may reach a reasonable degree of success. The arguments made so loudly and at such length against efforts to enforce prohibition may be heard in relation to this. In fact they may become more general unless the government guards every step made.

### "BULL DOG" WEAVER

Nebraska City News-Press: Give Art Weaver credit for being the most persistent champion of the middle west. Not satisfied to count the gain made when \$14,000,000 was allotted for Missouri river work, Weaver goes right back to the war department for enough money to complete the Fort Peck, Mont., reservoir. He is rebuffed by Secretary Ickes who, like our governor, says the west is "greedy" in that money has already been given to it, and then he marches over to the white house and lays the plans on the president's desk. The president looks them over and tells Weaver that he is favorable to the proposition. Within a day or so Ickes begins to talk about the Fort Peck enterprise. Weaver realizes he has a lot of competition in Washington; that a thousand other projects are being discussed and planned. If he is to keep his river projects alive he must work hard for them, argue continually and keep right on fighting the middle west's battle.

### CORN AND HOG PRODUCERS COULD BENEFIT \$34,712,000

State Journal: A. E. Anderson, state and federal crop statistician, estimated that if all Nebraska corn and hog producers agree to come under the national hog-corn production control program, they will benefit approximately \$34,712,000.

Of this amount, approximately \$13,582,000 would be received as benefits under the corn program announced by Secretary Wallace and \$21,130,000 would be derived under the hog program.

Figuring the estimated annual average corn production for the last three years at 226,369,000 bushels, Anderson assumed each farmer would agree to reduce his acreage 20 per cent and thereby get a benefit of 30 cents a bushel on corn land taken from production to reach the estimate of \$13,582,000.

On the hog program he took as the average annual estimate the average for the last two hog crop years which end Sept. 30 and asserted that altho the figure for the last year which closed several days ago, were not complete, estimates were made to produce a figure. The average annual production was estimated at 5,635,000 head of hogs marketed. Anderson explained also that approximately half a million hogs are butchered on farms each year.

Assuming that all Nebraska hog raisers will sign agreements, he estimated adjustment payments would be made on the basis of 4,226,000 hogs

which at \$5 per head would total \$21,130,000.

Nebraska administrators of the agricultural adjustment act are awaiting orders from Washington as to exact details of the program. Word from C. W. Warburton, head of the extension service in Washington, to W. H. Brokaw, director of the Nebraska agricultural college extension service, indicated organization work for the new program would follow the same general lines as the wheat campaign which recently closed in this state. Brokaw assumed control associations would be set up in each county under the new program.

"Since the welfare of the state depends to a great extent upon the returns which farmers get for their hogs and corn, there is much interest manifested throughout the state by producers," Brokaw said.

### CHURCH NOTES

#### M. E. CHURCH NOTES

Next Sunday we are to have our Conference Director of Religious Education with us at all services. The Rev. F. I. Finch will preach at both services and hold special sessions with the Sunday school. We bespeak a large attendance at Sunday school and church.

F. C. Aucock, Pastor.

#### FIRST PRESBYTERIAN CHURCH

Sunday School 10:00—R. M. Saures, Superintendent.

Morning Woship 11:00—"Inward Certainty" will be the subject of the sermon.

Young People's C. E. 6:45.  
Evening Service 7:30.

We expect to have special music for the above services. We invite you to attend.

H. D. Johnson, Pastor.

Maybe it would be a good idea for the administration to get Carl Hubbell to pitch a few innings against the depression.

The reason they call it hard liquor is that it takes a hard man to be able to drink it successfully.

An Italian the other day flew at the rate of 393 miles an hour in his airplane. The only person who can beat that is Dame Rumor.

Speaking of a minimum hour week under the new recovery act, wouldn't it be terrible if mother went on a six-hour day, with Saturdays and Sundays off?

Remember the good old days when the fellow who owned a horse and a cow was considered well off?

## Red Cross Appeals for Members



THE 1933 poster of the American Red Cross, distributed nationwide, is an appeal for an enlarged membership. Resources were never more vitally needed than in this fourth year of economic distress.

Memberships, which cost one dollar or more, are used to support the unemployment relief work of chapters and national organization; nationwide disaster relief work; health work in hundreds of communities, with special reference to preserving the health of mothers and children; safety work through teaching first aid and life saving; welfare work through six million school children who are members of the Junior Red Cross; and one of the most important tasks ever to face the Red Cross—keeping up the morale of veterans of our wars, and handling their problems of compensation payments, arising from changes in governmental regulations.

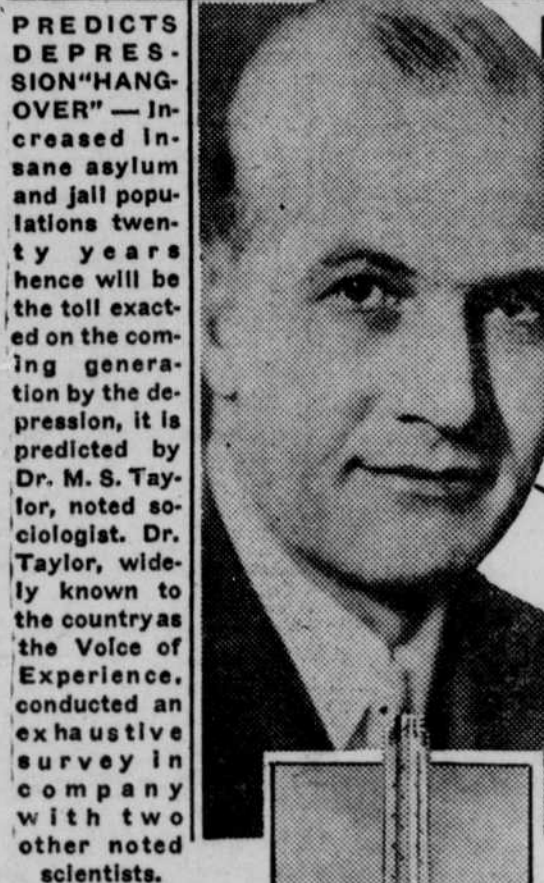
One hundred twenty disasters engaged the financial and personnel forces of the Red Cross during the past year. More than a million dollars was spent in relief of families who lost their all in hurricanes, storms, fires, earthquake and other frightful calamities.

President Roosevelt has said: "I can be counted on to foster and aid in every way in my power the great work your organization (The Red Cross) must carry on."

Can any citizen of the nation fail to do likewise?  
Join as a member of your local chapter during the roll call.

## In The WEEK'S NEWS

**PREDICTS DEPRESSION "HANG-OVER"**—Increased insane asylum and jail populations twenty years hence will be the toll exacted on the coming generation by the depression, it is predicted by Dr. M. S. Taylor, noted sociologist. Dr. Taylor, widely known to the country as the voice of Experience, conducted an exhaustive survey in company with two other noted scientists.



**STRIKERS, DEPUTIES CLASH**—Labor troubles in coal, steel and auto industries were being adjusted as NRA program entered new stage of development. Photo shows deputies firing on embattled pickets at Ambridge, Pa.



**A HINT FOR FALL** is this wool ensemble comprising gray and white plaid coat and dark gray frock worn by Lona Andre, screen star.



**FOOTBALL STAR**—Hueston Harper, who gained fame as a shot put star last spring, shows that he is as agile as he is muscular, as he dives for the ball as tackle for the University of Southern California.



**CLIMBING STAR**—"Will a torch song raise the temperature?" This is what petite Vera Marsh, star of "Take A Chance," tried to find out at the Havoline Thermometer when she played hockey to visit A Century of Progress. Photo shows her on her lofty perch at the bulb of the world's greatest thermometer.



**SETS NEW RECORD**—Major Alexander P. deSeversky, veteran of the Russian Imperial Air Force, who lost leg in the late war, sets a world's record in an amphibian plane of his own design at average speed of 180.3 miles an hour.