Treasurer's Call for City Warrants.

There are funds in the treasury to pay all warrants issued against water fund of La Grande city up to and including No. 9,716, endorsed Sept. 21, 1910. Interest on all warrants on Water Fund from No. 9-616 to 9,716 inclusive ceases from date of this call.

La Grande, Oregon, Aug. 9, 1911.

ROY W. LOGAN,
City Treasurer.

8-9-10t

RATE STATUS EXPLAINED

TURNER OLIVER, RATE CASE ATTORNEY, ELUCIDATES.

Present Standing of the Rates As Affecting La Grande Made Clear.

(By Turner Oliver.)

I am requested to state what is the present status of the Spokane rate case, so far as it has reference to La Grande, and in reply, will say, that the recent decision, handed down by the interstate commerce commission, did not in any way nullify the former decisions which it had made in this celebrated rate case, but only applied to the former decisions a new ruling on the amended fourth section, which makes it unlawful for a carrier to charge more for a short haul than for a long haul, over the same route and in the same direction, except on special permission granted by the interstate commerce commission, based on good cause shown therefor. It will be remembered that this case first commenced about three years ago, and after the first hearing, the interstate commerc commission made a decision on May 1, 1909, establishing class rates and also established rates on about 30 commodities. The class rate established at that time, have been in force ever since, and are about 16 2-3 per cent lower than the old class rates had been. It was then that a supplemental complaint was filed by Spokane seeking to reach a large number of commodity rates and also to reform the abuses and discriminations made by the carriers on maximum car load lots, and mixed car load lots. Before that time, the carriers prescribed a minimum car load for the terminal cities on the coast, much small than a minimum car load for the interior country, and when the freight was shipped as a commodity the shipper had to pay the commodity rate on the prescribed minimum, whether there was that much freight in the car or not. In many instances, the minimum car for the coast was as much as five thousand pounds smaller than the minimum car load for the interior, and if a La Grande or a Spokane merchant was unable to get into the car of any particular commodity, the minimum weight prescribed for this interior country, he had to pay for the minimum weight, while a merchant in Portland would pay for only the weight of goods actually shipped, if he was able to get into the car more than the smaller minimum allowed.

For illustration—if the minimum car load of furniture was 20,000 pounds at La Grande, and 15,000 pounds at Portland, there was a discrimination of 5,000 pounds made in favor of Portland, and if the La Grande merchant was able to get only 15,000 pounds in the car, he would have to pay for 20,000 pounds, because that was the minimum car to La Grande, while the Portland merchant would have to pay only for 15,000 pounds, being the minimum car to Portland. There was a discrimination also, in car load mixtures, in that the coast cities would be allowed to ship at the commodity rate, a car load of mixed furniture or mixed hardware, while if the interior merchant put different kinds of furniture or different articles articles of hardware in the car, he had to pay the class rates instead of the car load commodity rates. One great result of this litigation is that the carriers are no longer allowed to discriminate in favor of the coast cities, but must allow the same car load mixtures and minimums to the interior country that they allow to the coast. La Grande intervened in this case, in the summer of 1909, and I went to Spokane in October, and tried the case there. Our interests were largely in harmony with those of Spokane. There were a large number of intervenors, especially railroad companies, acting as defendants. As the case first started, it was a fight on rates from St. Paul to Spokane, and the Union Pacific company asked to have the case dismissed because the distance over its lines from St. Paul to Spokane would be 700 or 800 miles longer than the distance over the Great Northern or Northern Pacific; and its request was granted on the theory that if reasonable rates were made from St. Paul to Spokane, the Union Pacific system would not be required to haul goods between these two points, but if they chose to compete for the traffic, they would necessarily have to make the same rates which the commission would prescribe over the shorter routes, but when La Grande intervened in this case, it brought the Union Pacific, Oregon Short Line, and O. R. & N. back into the case, and enabled the people in this territory to ask for and receive the same consideration as was given to Spokane. This case was finally argued and submitted on December 28, 1909 in Washington, D. C., and the interstate commerce commission handed down its decision on June 7, 1910, in which it prescribed rates on about 550 separate commodities which covered the bulk of the traffic from the east to this coast, but it must be borne in mind that the railroad companies have made commodity rates to the coast on about 1,350 separate commodities, so that the coast would still have an advantage over the interior on about 800 commodities. In rendering this decision, the commission recognized water competition as not only possible, but actual, on shipments to the coast cities, and therefore allowed the terminal rates to be regulated by the railroad companies, on the basis of water competition, but charged it was unreasonable for these companies to charge the high price for the local back haul which was never made. The general reduction in rates, prescribed by the commission in that decision would average about 33 1-3 per cent on the 550 commodities which it passed upon. These prescribed rates were to have gone into effect in October, last year, but in the meantime congress amended the fourth section of the interstate commerce law, making it unlawful for the carrier to charge more for a short haul than for a long haul, over the same route and in the same direction, unless the instate commerce commission would permit them to do so for good and sufficient cause shown, and immediately there after about 13 transcontinental railroads made application to the interstate commerce commission to suspend the amended fourth clause, on all coast shipments and asked that the rates prescribed by the commission on June 7, should not be ordered in until their application should be disposed of. This case was tried out before the commission at Washington, D. C., and submitted on the 22nd day of March last, and Commissioner Prouty handed down the decision of the commission on June 22nd, although it was not until the 26th day of July that the decision was made public and certified copies sent out. This last decision recognized the general principle of water competition as regulating the rates to the coast cities, but also introduced a new principle which was hinted at in the former decision but not decided in so sweeping a manner, and that is, that while water competition must naturally affect the rates which railroad companies can charge from coast to coast, yet when the commodity originates in a point where there can be no shipment by water, that this commodity would not be affected by water competition and the commission divided the country into five zones, the first comprising all that portion of the United States lying west of a line extending southerly from a point immediately east of Grand Portage, Minn., thence south and southwesterly to the intersection of the Arkansas and Oklahoma state line, and thence to the Gulf of Mexico, and covers all the territory which formerly was designated as the Missouri river territory. This line runs practically through the center of the continent and the commission says that it is not possible for water competition to have any effect on freight rates on commodities originating in this territory, because to reach sea board the traffic would have to move east as far as it would have to move west and the commission declares that on all commodities in this zone the carriers should not be permitted to charge more to the coast than to the interior. Zone No. 2 covers the territory formerly called Mississippi river territory and includes Chicago and St. Louis and intermediate points. The commission holds that commodities originating in this zone might possibly be carried by water but that the expense in getting it to water, would be so great that seven per cent added to the coast terminal rate would cover all that was reasonable to be charge for interior shipments. The third zone covers the territory east of the second zone, including Buffalo, Pittsburg and Wheeling and intermediate points. The commission says that there is greater possibility for actual transportation by water to Pacific coast points from this zone and fixes 15 per cent as the price which can be charged to interior shippers over and above the coast terminal rates. The fourth zone embraces New York and the Atlantict coast south, which, of course, can ship its commodities directly by sea if it chooses, and the commission fixes 25 per cent as a reasonable addition that may be made to the coast terminal rates for shipments into the interior. The fifth zone includes New England, and no rates is fixed on that, because practically no shipments come from there. This last order does away entirely with the local back haul rate, which all carriers on this coast have been charging heretofore, and which was the great discrimination which was fought hardest by the inter-mountain cities. The decision, as a whole is a great victory for the interior shippers, and when taken in connection with the rates already declared to be reasonable, will have th ceffect of reducing rates on shipments from eastern points about one-third and will enable local wholesalers to get commodities from Chicago or St. Louis and west as cheaply as the coast wholesalers get it now, because it will be readily understood that Chicago and St. Louis merchants will be out for the business as against Omaha and Kansas City and will equalize the seven per cent increase in freight by absorbing it themselves, and the great body of traffic into this country comes for these points. It must be borne in mind, also, that the railroad companies themselves have "blanketed" all the territory east of Chicago for coast shipments, and that heretofore they have not been charging more for a car load shipment from New York than from Chicago. If this "blanket" arrangement is still continued by the railroad companies, the New York merchant will very readily absorb the seven per cent increment, in order to get the trade away from Chicago, and the net result of the decision will be very far reaching and very much to the advantage of our people. The carriers are required by this decision to prepare schedules in harmony with the June 7, 1910, decision, and with this decision of June 22, 1911, and to place the same in effect on November 15, 1911. Under these decisions, I can see no valid reason why Lr Grande should not become a jobbing center for Union county and Wallowa county at least.

Notice of Impounded Stock.

Notice is hereby given that on the 7th day of August, 1911, I took up while running at large in the city of La Grande, Oregon, the following described animals, towit:

One white mare about 14 hands high and age unknown, right eye knocked out, no brands or marks visible.

One bald-faced gray colt, about a month old;

that I impounded said animals in the city pound of La Grande, Oregon, under and by virtue of the ordinance thereof and will, unless the owner claims and pays the costs and expenses of such impounding and keeping of said animals, at the expiration of ten days from the date of this notice I will advertise and sell said animal as provided by the ordinance of said city.

Done and dated at La Grande, Oregon, this 9th day of August, 1911.

J. W. WALDEN,
Chief of Police.

8-10-5t