

HILL'S HARD FACTS

He Tells Why Rates Stay High When Reason Is Gone.

LOW RATE GOES ON RECORD

Railroad President Argues That Rates Should Vary and That Discrimination Is Necessary for Traffic.

OREGONIAN NEWS BUREAU, Washington, May 14.—Perhaps the most important witness who has so far testified before the Senate committee on interstate commerce is James J. Hill. The president of the Great Northern is looked upon by the committee as one of the best-versed and most practical men in the transportation business, and a vast fund of information was obtained from him.

One thing he dwelt upon and reverted to many times was his contention that railroad freight rates vary, and necessarily so, to meet the changing conditions. To illustrate, Mr. Hill said:

"The conditions under which rates are made vary almost daily. If a railway company had a lot of empty cars moving in one direction, it could afford to make a lower rate to fill those cars than if it had to send the cars out with that load and bring them back empty. But what do you find? Hard and fast, the railway is up against the proposition that, if you ever make a rate, that rate must stand for all time against you, and that alone goes further to hold up rates than anything else. You must make a rate always assuming that you have to bring the car back empty, because you are called upon when you have empty cars going out. You are called to send this car out with this load and there is nothing to bring back. That in itself, in my opinion, and I have watched it closely—goes further to hold rates up than almost anything else.

Value of Service Is Basis.

"There is but one true basis for determining the reasonableness of a rate; there can never be but one," added Mr. Hill, "and that is the value of the service, and that is determined by the density of the traffic. If I have 100,000 profit to raise and 100,000 tons of freight, it is very easy; I must make a profit of 1 cent a ton. Now if you will give me 200,000 tons of freight, 20 cents a ton will be sufficient, and if you give me 400,000 tons I must make a profit of 1 cent a ton. Now if you will give me 800,000 tons of freight, 40 cents a ton will be sufficient, and if you give me 1,600,000 tons I must make a profit of 2 cents a ton. The cost varies on different grades of the railway. Among 18 divisions on the Great Northern we find some places where the cost is over three times as much as it is in other places. If the average rate on the average part of the Great Northern for a year were applied to some divisions, the rate would be prohibitory, and in others it would result in a loss to the company.

Cannot Choose Traffic.

"Rates vary with conditions. They vary from day to day almost. You can not apply the conditions that exist today to tomorrow or next week or next month. In making these rates you must take into consideration what the country produces. You can not choose what you are going to carry. You must carry whatever the natural resources of that country produce or develop, and you must carry the goods to a market. You must enable the man who lives on the mountain or in the forest or in the mine to carry on his work with a profit or he will cease to work and your investment becomes worthless—it is gone. You must make up your mind in building a road into a country, that all you can carry is what that country produces, and you are charged with the prosperity of every man on the line of road if he works.

Discrimination Often Necessary.

"You might say there shall be no discrimination. That condition will never exist. If there was no discrimination, the people would come down here in great throngs and ask you to authorize discriminations. We have to discriminate against ourselves. For instance, we built a line to the Pacific Coast, and when I went out there before the line was built and looked it over there was nothing there to carry. East except lumber—the most magnificent forests on the continent or anywhere that I know anything about. They did not think of shipping lumber East. There were 40,000,000 or 50,000,000 people north of the Ohio River and east of the Rocky Mountains using more lumber and with more money to pay for lumber than the same number of people anywhere else on the face of the earth, but they were getting lumber from our own more Eastern states, rapidly cutting it off, and buying it up in Canada, going finally to the South, and bringing up Southern lumber.

"Now, I called the people together—the millmen. All the trade they had was what went out by sea. I asked them what rate they could pay. I said: 'You are paying 90 cents a hundred to Lake Superior and the Twin Cities.' They said if we could make it 45 cents, a reduction of 50 cents a hundred, that would be perfectly satisfactory. I knew they could not ship anything at that rate, and we made them a rate of 45 cents a hundred on fire. That is the lowest lumber rate that has ever been made in the world. It is a rate of 4 mills a ton a mile. We discriminated against the lumber on the Eastern end of our own road. But today the trees on the Eastern end are all counted and in 15 years—theoretically in ten years—they will all be cut.

"The road was finished in 1893. In 1897 we were carrying about four trains a week eastward over the Cascade Mountains. We are now carrying four trains a day, and the people in the East have not suffered. We had to discriminate against them, because if you cannot carry to market what the country produces, whether it is coal or iron or lumber or corn or cotton, if you cannot carry it to market and find a place where the man who produces it can sell it, you will have nothing else to carry. That is all that road is built for."

Traffic Nearly Balanced.

Mr. Hill was asked if his lumber rate was profitable. He replied that it was. Asked if it was profitable by itself, he answered:

"No, not if we had to haul empty cars out. It was to load back the cars that went out there with merchandise. There had therefore been nothing with which to load them back. We took back lumber rather than take the cars back empty. And it was so successful that in a short time the lumber increased so that they were calling for empty cars, and if the people of the State of Washington did nothing but devote their entire energies to destroying different classes of goods and all their capital they could not furnish the empties to carry the lumber East. And that proves us onto the

“STAR BRAND SHOES ARE BETTER”

8th YEAR ESTIMATED \$8,000,000

GOING UP HIGHER

SEVEN YEARS OLD

SALES \$6,346,629

SEVEN YEARS OLD

SALES \$6,008,750

SIX YEARS OLD

SALES \$4,006,560

FIVE YEARS OLD

SALES \$3,001,419

FOUR YEARS OLD

SALES \$2,854,155

THREE YEARS OLD

SALES \$2,225,439

TWO YEARS OLD

SALES \$1,532,401

ONE YEAR OLD

TRADE MARK

ACTUAL SHIPMENTS FOR YEAR ENDING MAY 10th \$6,346,629

GAIN OVER LAST YEAR \$337,879

ROBERTS, JOHNSON & RAND SHOE CO. ST. LOUIS, U.S.A.

CHANCE FOR BRIGHT MEN

Revenue Cutter Service Offers Better Pay Than Army or Navy.

OREGONIAN NEWS BUREAU, Washington, May 14.—Uncle Sam is looking for bright young men between 18 and 25 to enter the Revenue Cutter Service. It is a strange thing that notwithstanding the salaries paid in this service are better than for corresponding positions in the

Army and Navy, it is most difficult to fill vacancies, whereas there is an eternal scramble to get commissions in the Army and Navy.

On May 17, 18 and 19 examinations will be held by the Civil Service Commission to secure eligibles to fill existing vacancies as cadets in the Revenue Cutter Service. A rather rigid examination must be passed, comprising most of the studies of the high school course, including arithmetic, algebra, geometry, trigonometry, grammar, English literature, spelling, physics, and one modern language, French, German or Spanish. Three days will be required for the examination.

While it is not a prerequisite to eligibility, all applicants who have seen service at sea on American vessels will aid themselves by submitting signed statement of

such service. As with cadets at West Point and Annapolis, applicants for these positions must be physically sound and without defect, not less than 5 feet 2 inches in height, of good moral character and unmarried. The marriage of a cadet in the Revenue Cutter Service is accepted as his resignation.

Cadets who pass the examination will be commissioned by the President as Lieutenants, after completing a three-year course at the school of instruction near Baltimore. Promotions are made as vacancies occur in the higher grades. The service is now made up of 37 Captains, at \$2500 per annum, 51 First Lieutenants at \$1800, 57 Second Lieutenants at \$1500 and the same number of Third Lieutenants at \$1400. Captains in this service, under the law, rank with Majors in the Army, and

so on down. Officers reaching the age of 64 years are retired on three-quarter pay. For every five years' service officers receive an increase of 10 per cent in pay up to 40 per cent, which is allowed for 20 years' service or more.

Examinations for these revenue cutter positions will be held at all cities where civil service examinations are regularly conducted, among them the following: Oregon: Portland, Astoria, Baker City and Eugene. Washington: Tacoma, Seattle, Spokane, Walla Walla, Port Townsend and Bellingham. Idaho: Boise and Moscow.

It is estimated that American dentists put \$2,000,000 in gold into people's mouths every year. Yes, but think what they take out of their pockets at the same time.—Chicagoan Commercial-Tribune.

BETTER CHANGE IN AMERICA

Italian Ambassador Advises Country-men to Buy Land.

HOT SPRINGS, Ark., May 14.—Baron Mayer des Planches, Italian Ambassador to the United States, spent the day here. A large delegation of his countrymen resident here waited upon him in a body at his hotel. He made a short address to them, encouraging them to buy land in America and obey the laws, urging that the chances to become wealthy and influential in the United States were much greater than in Italy.

He will visit other Southern cities, the

object of his trip being the establishment of colonies in the South and the location of reputable Italians from the crowded districts of Italy.

Meeting of Clergy Forbidden.

ST. PETERSBURG, May 14.—(AP. P. M.)—The police prevented a meeting yesterday of resident clergy who desired to pass resolutions of sympathy with Metropolitan Antonios, who has been transferred to the Caucasus on account of his agitation in favor of a revival of the patriarchate. When representatives of the clergy asked an officer if they might hold a meeting in a church he replied in the negative, saying that his orders were not to permit a meeting anywhere.