COUNCIL CAN NOT DECIDE QUESTION

Chairman of Streets Committee Discusses Steam-Heat Franchise.

UP TO EXECUTIVE BOARD

Railway, Light & Power Company, However, Will Appeal to Lawmaking Body—Manager Sykes Explains Its Attitude.

It remains for the City Council to determine whether additional time shall be granted the Portland Railway Light & Power Company to complete the installation of its steam heating plant, work on which was begun in May. Strictly interpreting the ordinance granting the franchise, the company was required to have its service in operation not later than June 21, last. The company insists, however, that it has acted in good faith, having partly installed the system before the time named in the ordinance had expired. Having evidenced its intention of operating under the terms of the franchise, the company demands that its rights shall be protected, inasmuch as its failure to complete the installation is directly traceable to failure of the necessary materials to arrive from the East.

Mayor Lane is firm in his position, from which he will not recede, and proposes to carry his fight against the franchise into the Council, which has the right to prolong the life of the grant. The officers of the Portland Railway Light & Power Company say they cannot understand the Mayor's attitude toward the franchise, which they consider exceedingly fair to the city and making for the public good.

The principal objection of Mayor Lane is understood to be that the franchise seems to grant the electric company exclusive use of certain streets, underground in the business district of the city. Officers of the company deny that such is the case. They insist that the franchise entitles them to the use of the streets only for the pipes that must be laid. They say there is nothing in the ordinance granting the franchise that takes out of the hands of the city authorities the use of these streets, either on the surface or under ground, for other purposes.

Up to Executive Board.

"The question of whether or not the franchise should be declared forfeited is not a question for the street committee of the Council to decide," said Councilman Vaughn, chairman of that committee yesterday. "The franchise was granted with a specific limitation made therein. If the provisions of the ordinance granting the franchise have not been complied with, then it is up to the Executive Board to decide whether the franchise is still valid.

"But the Executive Board has passed the matter up to the consideration of the Council with the recommendation that the franchise be annulled," was suggested.

"That makes no difference," retorted the chairman of the street committee. "Neither the street committee nor the Council has anything to do with the franchise in its present form. The only way in which the Portland Railway Light & Power Company can gain recognition and consideration from the Council on this subject is for it to appear with a request that the time of the franchise be extended. I am not prepared to say what the probable action of the Council will be, if such a request is made."

The disposition of the Mayor appears to be to demand that the franchise, which he says has lapsed, should be forfeited and another franchise granted more specifically reserving to the city the use and control of the streets which the company proposes to use. Opposed to this argument the officers of the company take the position that the city's interests are properly protected under the ordinance already passed, and for that reason there can exist no valid reason that a reasonable extension of time should not be granted.

The company's application for the use of streets included the following thoroughfares: Alder street from Park street to Fourth for supplying the Oregonian and the Marquam buildings; Fourth street from Alder to Washington to serve the Rothchild building; Park street from Alder to a point between Stark and Oak streets for the Bushong building and on Washington street from Park street to West Park street in order to supply the Columbia building.

The real opposition to the franchise from the Executive Board originated when F. G. Sykes, general manager of the power department of the Portland Railway Light & Power Company frankly informed the members of that body that in order to install the proposed system it would be necessary to disturb the hard surface pavement of the streets, which the company was required to restore to the same condition in which they were found under the terms of the franchise. It was not until then that any question was raised as to the rights of the company to complete the installation of its system under its franchise.

"There are several reasons why it would be impossible for the company to install its system by tunnelling, although that plan will be adopted as far as practicable," said Mr. Sykes yesterday. "The pipes that will be used in connection with our heating system are of wrought iron, very heavy, in 20-foot lengths, 10 inches in diameter. These pipes are to be enclosed in tin-lined boxes. Each section is to be securely screwed to the adjoining section and this proceeding involves the operation of a lever from the surface of the street, necessarily at intervals of 20 feet, the length of the sections of pipe.

Many Openings Necessary.

"Besides the laying of these pipes requires that an anchor special be installed at distances of 100 feet. At every other 100 feet the system also requires a variator by which the expansion and contraction of the pipes is regulated. Then there must be a manhole at each street intersection. It is to be seen, therefore, that in any event openings must be maintained in the streets every 50 feet.

"The expert who has been sent to this city by the factory manufacturing the pipes say it is impossible to lay the pipes by tunnelling, as has been suggested. It has been his experience that the street must be opened to perform the work. But in any event the company has given a bond of $50,000 to insure compliance with the terms of the franchise, one of the conditions of which is that all streets on which it operates shall be restored to the same condition in which they were found. This in itself should be a sufficient guarantee to the city that its streets will not be permanently disfigured.

"We are disappointed in the attitude of the Executive Board on this subject and have resolved to take the matter into the City Council. We have been acting in the best of faith and all we ask is sufficient time to complete installing the system, in which work we have been delayed by conditions over which we had no control. Our plant was been partly installed and we are in a position with the material now on hand speedily to place it in operation, and to supply business houses with the service for which they have already contracted with us."

TRAIN GOES OVER BRIDGE

Forty Passengers and Engineer Drown Like Rats in Trap.

ANGERS, France, Aug. 4.—Forty passengers in a third-class railroad car and the engineer of the train were drowned this afternoon in a railroad accident three miles east of this town. The locomotive of a crowded local train jumped the track when entering the bridge over the River Loire at Les Ponts. The stone railing gave way and the engine plunged into the river 50 feet below, dragging down with it its tender and the baggage and third-class cars. Fortunately no other cars went into the water as the coupling between the second and third cars broke.

The conductor and firemen were the only persons whose lives were saved. They escaped by swimming.

The third-class car was well filled with passengers, but, although part of the roof was blown off by the confined air as it sank, not a single persons extricated himself and all were drowned like rats in a trap.

NEGROES ADOPT MOB PLAN

Surround Grocery Where Young Girl Was Assaulted.

MUSKOGEE, I. T., Aug. 4.—Declaring that one of the white employes of a grocery had assaulted Annie Allen, a negro girl, an angry mob of 200 negroes blocked one of the streets here today and hung about the United States Marshal's office threatening vengeance.

A. L. Pemberton, Carl Pemberton, Joe Lasley, W. B. Newby, T. J. Bradley and Walker Martin, members of the firm and employes, are held in the United States jail while an investigation is being made.

One of the employes of the company tonight said that negroes were hanging about his home and asked that he be locked in jail for safety. There is no evidence to indicate that the crime was committed in the grocery store. The girl, who is 14 years old, is in a serious condition.

PLANTS BRITISH COLORS

Isle Royale in Lake Superior Seized in Name of King.

PORT ARTHUR, Ont., Aug. 4.—Captain S. C. Young returned tonight from Isle Royale in Lake Superior, where he was successful in planting the British flag, meeting with no opposition from any quarter. When asked tonight why he had made his expedition, he said it was for the purpose of opening correspondence between Ottawa and Washington, which would show that great injustice had been done Canada by the agreement which gave Isle Royale to the United States.

Captain Young claims that Isle Royale rightfully belongs to Canada. The action of Young was not known to the Canadian government until today when it was officially notified that the island had been seized in the name of Great Britain.

THINKS IT NOT SERIOUS

State Department Not Alarmed Over Reported Loss of an Island.

WASHINGTON, Aug. 4—No advices have been received at the State Department concerning the reported expedition of several Canadians, led by Captain S. C. Young of the Ninety-Sixth regiment, for the Isle Royale in Lake Superior with the intention of hoisting the British flag on that island and formally declaring the territory a part of Canada. According to officials of the State Department there has never been any question between Canada and the United States as to the United States' ownership of the island. This ownership was settled by the treaty of Ghent. At the State Department here there is no disposition to regard the action of Captain Young as anything but a fillibustering move.

CHEERS GREET HAYWOOD

Receives Huge Ovation Passing Through Mining District.

LEADVILLE, Colo., Aug. 4.—W. D. Haywood, secretary-treasurer of the Western Federation of Miners, who was recently acquitted at Boise, Idaho, of murdering ex-Governor Steunenberg, of that state, passed through Malta Junction en route from Salt Lake to Denver at 2 o'clock this afternoon. A large representation of the local lodge of the Federation were present to congratulate their leader. He was showered with roses and columbines as he stpped to the platform during the short interval the train remained at the junction and was cheered to the echo as the train glided away from the station on its way to Denver.

SHOT DOWN IN STREET

Preacher Meets Death in Indiana Town at Night.

MOUNT VERNON, Ill., Aug. 4.—James L. Williams, an itinerant preacher formerly of Dalghren, Ind., was shot and killed on a dark side of the street here late last night by an unidentified person. The motive for the crime is a mystery. Williams is reported to have arrived here at about 8 o'clock, having in his possesion between $200 and $300. He was searching for the home of Rev. Atchison, a brother of his first wife, when he met his death. The body was found near the Atchison home. The pockets of his clothing had not been rifled.

LAND-FRAUD CASES CALLED

Arizona Millionaires Come Before Federal Court in San Francisco.

SAN FRANCISCO, Aug. 4.—The trial of the land-fraud cases of the Government against John A. Benson and Dr. Edward Perrine, reputed millionaire, of Arizona, will begin tomorrow before Judge DeHaven in the United States District Court. The suits are similar to those against Benson, Hyde and Dimond, now pending in Washington, and the Government will endeavor to prove the same fraudulent methods of acquiring land.

Arrested for Misdeeds in Islands.

HONOLULU, Aug. 4.—C. G. Smith, formerly of Aurora, Ill., was arrested here today on the arrival of the United States transport Thomas, on instructions from Attorney-General Bonaparte. He is accused of obtaining money under false pretenses in the Philippines.

SECRETARY WILSON VISITS PORTLAND

Comes West to Obtain Information Concerning Forest Reserves.

HE FAVORS TREE PLANTING

Alarming Decrease in Standing Timber Supply Noted by Government. Nation's Biggest Farmer Talks on Farming.

James Wilson, Secretary of the Department of Agriculture, the Nation's greatest farmer, and the only member of the McKinley Cabinet still in the President's official family, arrived in Portland yesterday for the purpose of studying Oregon conditions as they have to do with the work of his office. He is accompanied by his son and private secretary, Jasper Wilson.

JAMES WILSON, SECRETARY OF AGRICULTURE, WHO IS NOW IN PORTLAND.

Secretary Wilson came in unexpectedly yesterday morning from Puget Sound. He was given no formal reception upon his arrival, for the reason that the local commercial bodies had been unable to reach him by wire and had no knowledge of his whereabouts. About a week ago President Hodson, of the Commercial Club, attempted to get into communication with him, and it was planned to tender him a public reception. As the matter now stands, the Secretary probably will be informally entertained by a committee from the Commercial Club during his stay in the city. He is a guest at the Hotel Portland and spent yesterday in his room resting.

"My particular mission to the Pacific Coast," said he yesterday afternoon, "is to visit the forest reserves and examine them with a view of discovering the possibility of reforesting where the trees have been destroyed by fires. There are large burned-over areas and we have been planning for some time to inaugurate a system of tree-planting that will recover them. I have visited some of the State of Washington's reserves and hope to go to a number in this state. As yet I am not prepared to discuss the result of my observations and will probably not do so until my annual report is issued.

"How much of the increased cost of living is attributable to the farmers of this country, Mr. Secretary?" asked the interviewer.

"The high prices of food products are to a considerable degree directly due to the increased cost of production by the farmer. Manufacturing and business enterprises are drawing people, particularly the young men, away from the farms, and it is difficult to secure labor to plant and handle the crops. While the population of the country has increased wonderfully during the past ten years, the percentage of increase in the agricultural districts is comparatively small.

"Very little of the vast tide of immigration that rolls into this country every year goes to the farms. The cities and the mines get most of it. Consequently the price of farm labor is much higher than formerly. Naturally the farmer must have more money for his products to offset this. It is perfectly legitimate that in such prosperous times as we have had these last few years the farmer should sell his goods on a prosperity market. Even as things are, the men who raise our food do not get such prices as they should, although just at present the prices are generally good.

"We need more farmers. I am continually impressed with the idea that more effort should be made to divert a large percentage of our foreign immigrants into the newer agricultural states. You feel this lack of help most keenly here in the Pacific Northwest, where it is almost impossible to get help to harvest your fruit and grain crops.

"The cost of running a farm is much greater in other respects than it once was. The advance in land values and the greater cost of farm machinery is a big item to be considered. The farmer has much more money invested than formerly, even though his acreage be no greater, and he must get reasonable interest on this investment. The farmers have come to rely largely on farm machinery to do their work, and this makes the farmer more independent.

"The farmer today rides on a spring seat with a canopy, when he works, and in an automobile or surrey when he takes his recreation. He can afford to hold his wheat or corn for a good market and naturally does so. So, when we are inclined to complain at the high price of food products, we must remember that the revenue largely goes back to the soil, where it naturally belongs. The fellows who sell goods to the farmer get more for their wares than they did ten years ago. Why shouldn't the farmer get more from them? We are feeding the Philippines, Cuba and Porto Rico, where we were not a few years ago. That has vastly increased the demand for farm products, and the farmer hasn't caught up.

"We are up against a lumber famine in this country, and about the only place to get it is out here in Oregon and Washington, so it is imperative that we conserve this supply. I shall spend two or three weeks in this vicinity, looking over the forest to determine what may be done in the way of reforestation."

Secretary Wilson is the Nestor of the Cabinet, both in point of age and length of service. He came in with the first McKinley Administration, having served more than ten years. He is 70, but carries his years well and gives the impression of being a man of great mental and physical force. He hails from Iowa, where they breed good farmers and shrewd politicians. They say he is both. In appearance he suggests another famous Iowa man, the late Edwin H. Conger, ex-Minister to Japan.

Mr. Wilson does not look much like his pictures. The photographers have made him look older, and one who has but a newspaper-cut acquaintance with him will have to be introduced before he can pick the Secretary out in a crowd. He has been out here before, and says the country looks good to him, speaking agriculturally and politically. But he declines to discuss politics.

CARRIERS IN CONVENTION

Men Who Deliver Mail Matter in Oregon Confer at Albany.

ALBANY, Or., Aug. 4.—(Special.)—Cecil C. Henderson, of Eugene, was chosen president of the Oregon State Letter Carriers' Association, which met in fourth annual convention in this city last night. Astoria was chosen as the meeting place of next year's convention. The meeting last night was a successful one from every standpoint.

Other officers of the association were chosen as follows for the ensuing year: Vice-president, C. B. Baker, of Salem; secretary-treasurer, E. J. Burrows, of Portland; executive board, C. B. Baker, of Salem; Joseph E. Torbet, of Albany; F. E. Taylor, of Eugene; delegate at large to the convention of the National Letter Carriers' Association, at Canton, Ohio, T. V. Davis, of Portland; alternate delegate, Fred V. Holm, of Portland.

When the convention was called to order by President Leslie L. Viereck, of Albany, H. H. Hewitt, on behalf of the Mayor of Albany, welcomed the visiting delegates, and committees were named as follows:

Credentials—Fred P. Holm, of Portland; J. E. Torbet, of Albany; George E. Hatch, of Salem.

Auditing—F. E. Taylor, of Eugene; Irva Cady, of Albany; M. Massenger, of Portland.

Laws—C. B. Baker, of Salem; John Jensma, of Portland; C. C. Henderson, of Eugene.

All of the nine Oregon cities which have city delivery systems were represented except The Dalles, though three others were present by proxy only. The carriers who attended the convention were.

Portland—E. J. Burrows, Fred P. Holm, M. Massenger, J. T. Todd, A. J. Krauss, John Jensma, H. E. Coleman, W. F. Daugherty, M. K. Watkins, R. L. Collis, W. H. Churchill and F. G. Driver.

Salem—G. E. Hatch, S. E. Howard and C. B. Baker.

Eugene—C. C. Henderson and F. E. Taylor.

Astoria—Patrick Shea.

Albany—Leslie L. Viereck, Joseph E. Torbet, Hiram Torbet and Irva Cady.

Baker City was represented by Fred P. Holm, of Portland as a proxy. Pendleton and Oregon City were also represented by proxy, the former by E. J. Burrows, of Portland, and the latter by S. E. Howard, of Salem.

The retiring officers of the association, who were in charge of last evening's convention, were: President, Leslie L. Viereck, of Albany; vice-president, Cecil C. Henderson, of Eugene; secretary, E. J. Burrows, of Portland; treasurer, George E. Hatch, of Salem; executive board, Patrick Shea, of Astoria; A. E. Klink, of Portland, and C. B. Baker, of Salem.

PERSONAL MENTION.

Miles C. Moore, ex-Governor of Washington, arrived from Walla Walla yesterday and is registered at the Portland.

Mrs. Amanda Fendall, a pioneer of 1846, whose home is in Seattle, is visiting her nephew, E. F. Devaul, at his home, 338 East Lincoln street.

Frank Blake, of Jefferson City, Mo., is in the city on a combined business and pleasure trip. Mr. Blake is Assistant Attorney-General of Missouri and is active in the politics of his state.

CHICAGO, Aug. 4.—(Special.)—Portland people at Chicago hotels:

Great Northern—Robert H. Rust. Palmer House—Edward Schmidt.

NEW YORK, Aug. 4.—Northwestern people registered at New York hotels:

From Portland—A. C. Ruby, W. Nash, at the Astor.

From Seattle—Miss Strime, at the Wolcott; A. A. Cragin, Miss E. Cox, at the Prince George; C. F. Lack, at the Grand Union; S. W. Frisbie, at the Albert; C. H. Plummer, at the Union Square.

From Tacoma—Mrs. K. Macke, Mrs. C. Murphy, Mrs. F. Murphy, at the Prince George.

LOSE MONEY ON LUMBER TRAFFIC

Transcontinental Railroads Issue Statement Defending Their Action.

RATES MUST GO HIGHER

Forty-Cent Schedule Made in 1893 When Cars Were Going East Empty Is Not Profitable Now.

ST. PAUL, Minn., Aug. 4.—(Special.)—Traffic officials of the transcontinental lines have issued a statement defending their action in ordering an advance in freight rates on lumber from the Coast to Eastern terminals. The defense is that lumber prices, prior to 1893, showed little change and the tonnage handled by the railroads was of little importance. In 1893 the railroads, having an excess of eastbound empty cars on account of the steady increase in westbound merchandise shipments and construction material, created by the wonderful growth of the Pacific Coast country, lowered the freight rate to a 40-cent basis in an effort to encourage the lumber industry and to obtain loads for their returning cars.

From that time until 1900, although the tonnage increased, the lumbermen secured only a moderate advance in prices for their product, but in recent years, it must be admitted, conditions have changed. Lumber prices have almost doubled and apparently the only real difficulty the lumbermen have had is to get their product handled in the Eastern markets. The demand for cars exceeded the supply and the railroads were compelled to send empty cars across the continent to supply the demand. It has been stated by eminent railroad men that an actual loss is sustained on every car taken West empty and loaded back at the 40-cent rate.

In the face of these conditions, it is claimed by the railroads that the continuance of a rate which does not bear its proper share of the transportation cost is in itself indefensible, as it means that other traffic is being saddled with a burden not co-ordinate with the basis factors which should determine proper rates.

The old rates inaugurated to fit the conditions in 1894, the statement goes on to say, are not co-ordinate with conditions as they exist today. It will be noted that the proposed advance is to a figure less than the rate that was made to start the movement which prevailed from 1887 to 1893.

If the advanced rates enable the railroads to care for the traffic without the burden they have complained of in the past, the increased freight rates might be a factor in solving the permanent development of the great Pacific Coast lumber industry, because the lumber dealers of the Pacific Coast can no more build up a permanent business on the assumption that the railways will haul their lumber for less than cost than the railways would expect the lumber dealers to furnish lumber for transportation at less than it cost to produce the lumber.

UNITE FOR FINISH FIGHT

Lumbermen Will Carry Grievance to Highest Tribunal.

Lumbermen of Portland and the Pacific Northwest will carry their fight against the proposed increase of transcontinental rail rates to the Interstate Commerce Commission, if the transportation companies insist on advancing rates. Leading lumbermen of this city are unanimous in their declaration that they will fight the matter to the court of last resort, realizing that upon their success depends the future of the lumber industry on the Pacific Coast.

Yesterday's action looking to the levying of an assessment on members of the lumbermen's associations is but a preliminary step in the fight. In this manner a fund will be raised large enough to employ the best talent available to wage the fight, and they start out in the struggle confident of winning. All unite in declaring that the proposed increase in rates is an outrage and that it deserves to fail and will fail if brought to a review on its merits before the Interstate Commerce Commission.

Plans are immature as yet, but a meeting will be held tomorrow at which further action will be taken and a plan of campaign outlined. Another meeting of the lumbermen of Oregon, Puget Sound and Southwestern Washington will be held at Centralia, Wash., shortly, when it is intended to agree upon a course whereby the manufacturers of these three great lumber centers can co-operate in the fight.

Probably an effort will first be made to induce the railroads to recede from their announced purpose of increasing the lumber tariffs, but if this fails, the fight will be carried to the Interstate Commerce Commission on the ground that to advance the cost of transportation would be fatal to the lumber industry of the Pacific Coast and that the present rates realize adequate profits to the transcontinental lines.

"It is an outrage to put the rate up higher than the Northern rate," said Philip Buehner, president of the Oregon & Washington Lumber Manufacturers' Association, last night. "There is no reason why we should not get the same rate to Omaha that the Northern line gives to St. Paul and Duluth. We will fight to the last ditch and we must win. The proposed advance is nothing more than a rank measure of retaliation and the fight can have but one result. It will be taken up with the Interstate Commerce Commission and into the courts if necessary."

"We shall co-operate with the Puget Sound and Southwestern lumbermen and a meeting to that end will be held at Centralia shortly," said S. B. Cobb, a member of the special committee appointed yesterday. "The life of the lumber industry on this Coast depends upon our winning. If the railroads can increase the rate on lumber to $3 a thousand feet at this time, there is nothing to keep them from raising it again and again and to any figure. If the roads can carry lumber now and pay dividends on watered stock, they can afford to continue to carry it at the present rate.

"We shall submit the whole matter to the Interstate Commerce Commission, if the railroads insist on the advance, and let the Commission determine the justice of the case."

W. C. Francis, of St. Johns, declared that an appeal would be taken to the Interstate Commerce Commission in any event, because he did not apprehend that the railroads would "take water." It would probably be another Portland gateway case, he said.

"Concentrate our forces, procure funds to defend ourselves with and employ the best legal talent and expert freight rate talent to be had—that is the object of the movement that was set on foot yesterday," said W. B. Mackay, president of the North Pacific Lumber Company. "We shall undertake to ascertain what the railroads' profits are at the present rate and submit the facts to the Interstate Commerce Commission. The lumber industry is jeopardized by this threatened advance and we are determined to fight against it to the end."

"I am in favor of submitting the whole matter to the Interstate Commerce Commission and fighting the case to the court of last resort," said Lloyd J. Wentworth, vice-president and general manager of the Portland Lumber Company.

Kaiser as Preacher.

SWINEMUNDE, Prussia, Aug. 4.—Emperor William conducted divine service on board the royal yacht Hohenzollern this morning. Emperor Nicholas was present. At noon Emperor William and Prince von Buelow, the Imperial Chancellor, and his suite, attended a special service and had luncheon aboard the Russian royal yacht Standart, and during the afternoon witnessed races between launches and cutters from the warships. The two Emperors presented the prizes to the victorious crews.

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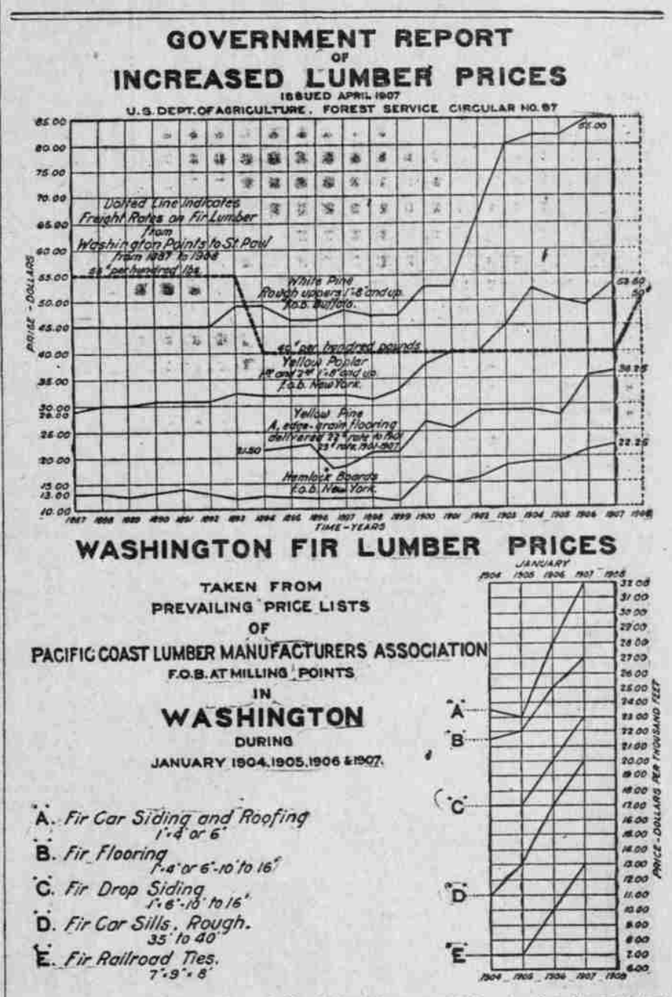
UNION GUARANTEE ASSOCIATION

MARQUAM BUILDING, PORTLAND, OREGON



The above diagram will probably interest many people who for the past two years have heard of little else than exorbitant railroad freight rates. It is interesting in view of the present agitation regarding lumber rates from the Pacific Coast as denoting the relation the transportation charges bear to prices obtained or paid for the lumber.

The conditions making high wages and high prices possible are the fundamental causes for the general prosperity throughout the country, and taking these factors into consideration, there seems to be no theory yet put forth why transportation which is sold by the railroads should alone maintain the old levels.

Lumber prices prior to 1893 show little change and the tonnage handled by the railroads was of little importance. In 1893 the railroads, having an excess of eastbound empty cars on account of the steady increase in westbound merchandise shipments and construction material created by the wonderful growth of the Pacific Coast country, lowered the freight rate to a 40-cent basis in an effort to encourage the lumber industry and to obtain loading for their returning cars.

From that time until 1900, although the tonnage increased, the lumbermen secured only a moderate advance in prices, but in recent years, it must be admitted, the conditions have materially changed. The prices of lumber have almost doubled and apparently the only real difficulty the lumbermen have had was to get their product handled to Eastern markets. The demand for cars exceeded the supply and the railroads were compelled to send empty cars across the continent for this purpose. It has been stated by eminent railroad men that an actual loss is suffered on every car taken West empty and loaded back at the 40-cent rate.

In the face of these conditions it is claimed by the railroads that the continuance of a rate which does not bear its proper share of the transportation cost is in itself indefensible, which means that other traffic is being saddled with a burden not co-ordinate with the basic factors which should determine proper rates.

It must be admitted by all that the problem to care for and continue the development of the lumber industry on the Pacific Coast in the face of the past conditions is a very serious one.

The above diagram would indicate that the old rates inaugurated to fit the conditions in 1894 are not co-ordinate with the conditions as they exist today. It will be noted that the proposed advance is to a figure less than the rate that was made to start the movement which prevailed from 1887 to 1893.

If the advanced rates enable the railroads to care for the traffic without the burden they have complained of in the past, the increased freight rates might be a factor in solving the permanent development of the great Pacific Coast lumber industry, because the lumber dealers of the Pacific Coast can no more build up a permanent business on the assumption that the railways will haul their lumber for less than cost than the railways would expect the lumber dealers to furnish lumber for transportation at less than it cost to produce the lumber.

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