TEXT OF SPOKANE FREIGHT RATE DECISION

CONTINUED FROM PAGE 7.

must be accurate and complete. After earnings have once been "capitalized" and benefits have been "conferred," when the various interdependent organizations have been perfected, it is impossible to either know or to undo.

Having considered the claims of the respective parties touching the evidence introduced as to the value and earnings of these properties, we may now inquire what facts are established by this evidence and what the bearing of those facts is upon the issues before us. The complaints insist that even if the discrimination created by the imposition of higher rates at Spokane than at more distant points is not strictly within the inhibition or the third and the fourth sections, it is nevertheless a discrimination which should be removed, provided this can be done without unduly reducing the revenues of these defendants. Otherwise stated, if their return upon the present basis of rates is excessive the excess should be removed by removing the discrimination complained of in this case. First, then, is there any excess?

Many governments construct and operate their own railways; ours has elected to discharge this function of sovereignty by delegation to private corporations, who, in the language of the Supreme Court of the United States, act as agents for the Government in this respect. Few governmental functions can be higher than the providing of proper highways, and the most essential highway under National control today is the railway. It is of first importance that our railway service should be efficient, for just in proportion as it is inadequate, industry must suffer and commerce languish. If the present system of private ownership is to be continued, sufficient inducement must be extended to private investors.

Capital will seek investment in railways for the same reason that it does in other enterprises, the amount forthcoming depending upon the attractiveness of the investment. This in turn is determined by two considerations, first, certainty; second, amount of probable return. If the Government of the United States were to guarantee an income of 4 per cent on all money invested in railroads, an abundance of capital would be offered. If that Government were to impose upon our railways such rates that not exceeding 4 per cent could be realized without giving a guaranty that anything whatever should be paid, it would be exceedingly difficult to procure funds for railway development. It seems certain that in the immediate future very large sums of money must be expended in improving and extending the railroad facilities of this country, and it is therefore extremely important that railroad investments should be made sufficiently attractive so that the necessary money for these improvements can be obtained. It is not necessary today that opportunity should be given for the accumulation of enormous fortunes by speculation in and manipulation of railroad securities, but it is necessary that railroad capital should be assured of fair treatment and of a suitable return; otherwise, this Government will find itself confronted with the problem of providing such railway capital from its own resources, for it is absolutely essential that railroad development keep pace with industrial and commercial requirements.

We now turn to the earnings of these companies.

It appears that from 1898 to 1907, inclusive, the Northern Pacific earned over and above all fixed charges, taxes, and other expenses, in addition to the payment of a dividend for every year except the first, in round numbers $55,000,000. During the last six years of that period it earned in addition to the payment of its taxes and fixed charges from 10 to 15 per cent upon its capital stock of $155,000,000.

The period covered by the operations of the Great Northern is seven years longer, extending from 1891 to 1907, inclusive, but these additional seven years covered a period of the greatest depression among railways in recent years, during which more than 25 per cent of all the railroad mileage of this country was at one time in the hands of receivers.

The surplus accumulated by that company during that period, in addition to fixed charges, taxes, and a dividend, usually of 7 per cent, paid upon many millions of stock issued without any money consideration, was, in round numbers, $61,000,000. During the last six years of that period this company has also earned upon the par value of its capital stock from 10 to 15 per cent.

It is impossible to avoid the conviction that both these companies—and there is very little difference between the two in this respect—have enjoyed for the last half dozen years previous to June 30, 1907, excessive earnings.

In saying this we have in mind the fact that these years were years of unusual prosperity, but it must also be remembered that the development of the country served by these systems and the financial strength of the systems themselves put them beyond the possibility of a recurrence of the conditions of 1893. Nothing more conclusively shows this than the actual results of the year 1908.

This report was prepared before the financial returns for that year were available. According to the universal statement of railway managers it was one of unusual adversity. Almost without warning came an enormous falling off in business and revenues. Just as expenses do not ordinarily increase as rapidly as traffic upon a rising tide, so it was found impossible to reduce expenses at a moment's notice to meet the reduction in revenues. As rates of these defendants ought not to be fixed altogether with respect to the recent years of prosperity above referred to, so neither should they be established upon the basis of this year of adverse conditions. The annual reports of these companies show that in this year of adversity the Great Northern paid its taxes, its interest, a dividend of 7 per cent upon its capital stock, and had remaining $3,000,000. The Northern Pacific, after the payment of its taxes, its interest, and a dividend of 7 per cent upon its capital stock, had left $9,000,000.

In order to understand the effect upon the revenues of these defendants of any order which might be made, we required them to furnish us a statement showing the loss of income which would be worked by applying terminal rates to the business which actually moved to Spokane for the year 1906. Since it was a work of much labor to determine these figures for an entire year, two months were selected which were said to be fairly representative, and it was assumed that the showing made in these months would indicate correctly the whole year. From these figures which have been worked out by taking actual shipments to Spokane and applying terminal rates it would appear that during the year 1906 the Great Northern would have lost in its revenues at Spokane $340,484, and that the Northern Pacific, during the same time, by the application of terminal rates, would have lost $477,120.

The rates attacked are made in pursuance of a well-defined scheme of rate-making. All other intermediate territory pays higher rates in common with Spokane. Whatever rule is applied here must be applied elsewhere, and in deciding this question we must consider the effect upon the revenues of these defendants of applying terminal rates, not only at Spokane, but at all other intermediate territory. The defendants were, therefore, required to furnish, in addition to the above-mentioned computation as to Spokane, a further computation showing reductions in revenue if terminal rates had been applied to all business both east and west of Spokane. These figures show that the entire loss to the Great Northern would have been $645,000, while the entire loss to the Northern Pacific would have been about $1,197,000.

The effect upon the earnings of these defendants would not probably be limited to the loss of these sums. The present system of rate-making has become a part of the commercial development of the Pacific Coast, and any radical disparaging of that system would inevitably lead to agitation and changes of various kinds. The interveners, representing the Coast towns, earnestly insist that rates from those cities toward the east are higher than rates from Spokane to the west and south. They demand in this proceeding a reduction of those rates, and while we did not deem this a proper case in which to pass upon that question, the demand will undoubtedly be renewed.

The complainants urge that the defendants, by charging a lower rate to Seattle from eastern destinations than is applied at Spokane, the intermediate point, discriminate against that locality, and that the Commission should order a removal of that discrimination. We have expressed the opinion that this contention is not well taken; that Seattle, by virtue of its location upon the ocean, can command a better rate from eastern territory than Spokane, situated 400 miles inland; that the carriers may meet this situation at Seattle by making a lower rate than is accorded Spokane. This is a disadvantage of location under which the City of Spokane rests and of which it can not justly complain. Spokane is entitled to ask of these defendants, not of necessity the same rate as Seattle, but a rate which is, under all the circumstances, just and reasonable, and our duty in the premises is to establish such just and reasonable rate.

It has been seen that these rates to Spokane and Seattle are of two general kinds, namely, class rates and commodity rates. These two kinds should be considered separately.

The Northern Pacific and the Great Northern established rates from St. Paul to Spokane and Seattle. These same defendants, in connection with other defendants, establish joint class rates from Chicago to Spokane and Seattle. There are no joint class rates east of Chicago. While railroad lines extending all the way to the Atlantic seaboard are parties to this proceeding, there is no petition before the Commission for the establishment of a joint through rate, and we cannot, therefore, properly deal with these class rates east of Chicago, and shall not attempt to do so.

The class rates from St. Paul and Chicago to Spokane and Seattle are given on page 579 of this report. By referring to those tables it will be seen that the first-class rate from St. Paul is the same to both Spokane and Seattle, while the first-class rate from Chicago is 60 cents higher to Spokane than to Seattle. With some trifling exceptions the same relation is maintained in the other classes. Are these class rates from St. Paul and Chicago to Spokane unreasonably high?

The first-class rate from New York to Chicago, a distance of approximately 1000 miles, is 75 cents, and this rate is the basis for the making of all first-class rates from the Atlantic seaboard into western territory east of the Mississippi River. The rate from St. Paul to Spokane is four times as great for a distance but one-third greater. It is said that this difference in rates is justified by different traffic and operating conditions, the two principal points of difference being that the cost of operation upon the transcontinental defendant line is greater than upon the Chicago-New York line and the the density of traffic is very much less.

For the purpose of putting in its true light this argument derived from greater density of traffic we have caused to be compiled from the annual reports of these carriers certain information which is given below, comparing the year 1897 with the year 1907:

	Gross earnings from operation, per mile		Net earnings from operation, per mile		Ratio of operating expenses to earnings		Tons carried one mile	
	1897	1907	1897	1907	1897	1907	1897	1907
Northern Pacific Ry. Co.	$4,074	$12,574	$1,338	$5,066	*67.15	*54.94	261,029	1,011,164
Great Northern Ry. Co.	3,950	9,606	1,805	3,972	*54.31	*58.65	303,377	941,512
Union Pacific R. R. Co., including Oregon Short Line R. R. Co., and Oregon R. R. & Navigation Co.	5,754	13,403	2,300	6,288	*60.04	*53.08	389,841	1,010,543

*Per cent.

Of all lines between New York and Chicago the Lake Shore & Michigan Southern is perhaps the most profitable. The gross earnings per mile of that road in 1897 were only slightly in excess of the gross earnings of the Union Pacific and the Northern Pacific today, and its percentage of operating expenses was higher than either of those lines at the present time. There was in 1897 no through line from Chicago to New York whose gross earnings per mile were materially greater than those shown by the two defendants last named and none which showed as low a ratio of operating expenses. The thing which is not properly understood nor allowed for is the wonderful change in conditions upon these transcontinental roads due to the increase in traffic in the last decade. During that time every condition which should make for a lower rate has come into existence, while the rates themselves, on the whole, instead of being reduced have been advanced.

It was said in the original Spokane case, 5 I. C. C. Rep., 478, that these class rates were not competitive. Whatever may have been the case then, this is not strictly true now. At that time the class rate graded up from the Missouri River to the Atlantic seaboard, being, first class, $3.50 from St. Paul to Seattle, as compared with $4.20 from New York. Today, under the influence of competitive conditions, class rates are in the main the same from all territory east of the Missouri River to Pacific Coast terminals. But while these class rates to the Coast cities are influenced to some extent by competitive conditions, this is not true to the same extent as with commodity rates, and whatever may be said of such rates from points east of St. Paul, we are clear that the present scale of class rates from St. Paul to Seattle affords ample compensation to the defendants.

In the original case the Commission established from St. Paul to Spokane class rates which were 82 per cent of those to Seattle. The first class rate from St. Paul to Seattle was then $3.50; it is now $3. In our opinion reasonable class rates from St. Paul to Spokane would be obtained by reducing the present Seattle rate about 16 2-3 per cent.

Class rates from Chicago to Spokane may properly be higher than those from St. Paul by the following arbitraries:

Class	1	2	3	4	5	A	B	C	D	E
Rate	50	42	33	21	17	21	17	14	12	11

The resulting rates will be substantially those which have been applied in the past from St. Paul to Seattle, and which we have found to be sufficiently high without reference to competitive conditions. The distance from Chicago to Spokane is but slightly greater than that from St. Paul to Seattle. And there is no condition of transportation which would justify the maintenance of higher class rates.

In our opinion, therefore, upon a consideration of all the facts and circumstances, the rates named below would be reasonable class rates to be charged for the future from St. Paul and Chicago to Spokane:

To Spokane.

From—	1	2	3	4	5	A	B	C	D	E
St. Paul	250	217	183	158	133	133	104	83	79	71
Chicago	300	259	216	179	150	154	121	97	91	82

While it is not the duty of this Commission to declare the divisions of this rate, it is proper to say that in our opinion in the making of rates from points east of the Missouri River to Spokane the line leading to the Missouri River ought not ordinarily to be allowed its full local rate. Joint through rates should be established and all lines participating in the rate should, in consideration of the long distance covered, abate something from the ordinary local charge.

We next come to the commodity rates, and here the problem presented is much more difficult. As already said, there are some 1600 commodity items from eastern destinations to Seattle, and in most cases the rates so established are lower to Seattle than to Spokane. The complaints insist that this is unlawful, first, because a discrimination is created against Spokane, and, second, because the rates to Seattle are in and of themselves reasonable rates to apply at Spokane.

We have already seen that the Seattle rate is induced by water competition and that the carriers do not, therefore, of necessity violate either the third or fourth sections in maintaining from a given point of origin a higher rate at Spokane. It remains to inquire whether these rates would be reasonable to apply at Spokane irrespective of Seattle.

While the complaint attacks generally all commodity rates to Seattle which are less than those upon the same article to Spokane, only 24 of these rates are specifically referred to. No testimony was taken as to any articles except these, and in the view which the Commission has taken of its authority under the statute, we can only fix specific rates upon these articles which have been made the subject of specific complaint, although we must consider what our probable action would be if required to pass upon the remainder of these commodity rates, and its probable effect.

These terminal rates to Seattle apply generally from all points upon the Missouri River and east. It is evident that in establishing rates to Spokane which are just and reasonable we must have regard to some extent to distance; that is, we cannot establish the same rate from New York, Chicago and St. Paul, but must increase the rate as the distance increases. We will first inquire, therefore, whether these Seattle rates are just and reasonable to apply as local rates from St. Paul to Spokane. While terminal rates are usually the same from all Eastern points of origin, the Chicago-Seattle rate will be selected as representative.

The complaints insist that upon this point the past conduct of the defendants is conclusive upon the reasonableness of the rates. It is 400 miles from Chicago to St. Paul, and another 400 miles from Spokane to Seattle. For many years past the defendants have maintained the Chicago-Seattle rate through St. Paul and Spokane. Further, the rate from New York to Seattle is usually the same as from Chicago, and under this rate business has for many years moved habitually through St. Paul and Spokane to Seattle. The distance from New York to Seattle by this route is 2200 miles. While this competitive rate cannot be selected as the measure of a reasonable rate from St. Paul to Spokane, it must be assumed that the business has been handled from New York and Chicago at some profit. It is urged with great force that a rate which pays the cost of the movement from New York to Seattle, a distance of 2200 miles, through St. Paul and Spokane, must yield a reasonable profit when applied as a local rate for the 1500 miles of that haul between St. Paul and Spokane.

We have compared these rates with those upon similar commodities for corresponding distances in various parts of the United States, and when due allowance is made for difference in condition, it is believed that such rates are fairly in line with those elsewhere, excepting always transcontinental rates themselves, which are really under attack in this proceeding. The distance, for example, from Cleveland to San Antonio, from Boston to Omaha, and from Chicago to El Paso are about the same as from St. Paul to Spokane. Below is given a table showing rates in force January 1, 1909, upon these commodities between the points named:

	Boston to Omaha	Cleveland to San Antonio	Chicago to El Paso	Chicago to Seattle	St. Paul to Spokane
Tinware, n. o. s., in boxes, barrels or crates	68	107	118	85	100
Plow points, in bundles	57½	92	95	110	164
Shovels, spades and scoops	62	103	106	135	164
Fruit jars and glasses	57	91	93	85	100
Canned corn, peas and beans	57	67	69	90	125
Belting, canvas, or rubber	84	139	142	120	205
Bicycles, crated	136	187	179	250	335
Blank books with flexible paper covers	63	144	132	125	170
Blank books, n. o. s.	119	144	132	125	170
Paper tablets	53	96	98	125	154
Books, n. o. s.	119	144	126	140	225
Bottles, wine or beer	57	91	93	75	90
Drugs and medicines, n. o. s.	103	.....	179	150	200
Cotton ducks and denims	100	.....	164	100	175
Glass, common window	57	81	83	90	150
Glassware, n. o. s.	68	121	132	120	190
Dry paint in bags, kegs, barrels or casks	50	51	51	90	115
Paints in oil, buckets or kits	57	71	73	90	115
Paint in oil, iron drums, kegs, etc.	57	71	73	90	115
Paper bags	53	96	98	100	120
Rubber boots and shoes	136	181	179	150	235
Circular saws without frames, in boxes	112	154	158	150	225
Stoves, alcohol, gas, etc., with frames	63	96	98	150	150
Stoves, n. o. s.	57	96	98	150	155
Twine, in bales, boxes or barrels	62	121	132	95	167
Cordage, in packages	62	121	132	95	167
Wheelbarrows, k. d.	59½	103	104	90	141
Windmills, k. d.	60	92	95	135	155
Copper wire	68	121	132	110	188
Wire fencing, in rolls	53	74	74	80	107
Woodenware	68	107	118	125	174

(Rates in cents per 100 pounds.)

To El Paso are about the same as from St. Paul to Spokane. Below is given a table

We have carefully considered the probable effect of the application of such rates upon the revenues of these defendants in the light of the figures already given in this report. In so doing it has been assumed that other commodities must receive substantially the same treatment as is accorded to these and that reductions at Spokane must be followed by corresponding reductions at other points.

It should also be noted that the percentage of shrinkage upon all commodities, if the Seattle-Chicago rate were to be established as the local rate from St. Paul to Spokane, would be nothing like as great upon the average as that in case of the above. Naturally, the complainants have selected those articles where the showing is most favorable to the contention of Spokane. In many instances commodity rates at the present time are the same or nearly the same from Eastern points of origin to both Spokane and Seattle. Below is given a table enumerating a few of these commodities, the rates being those now in effect from Chicago to Seattle and Spokane:

COMMODITY.	Rate to— Seattle.	Spokane.
	Cents.	Cents.
Beer, beer tonic, malt, ale and porter	110	100
Flour (wheat, rye or buckwheat) and corn meal	75	80
Boilers, steam, under 30 feet in length, and fire brick for use in same	150	140
Machines and machinery	150	150
Oil cake and oil-cake meal	75	75
Pipe, sewer (clay), and drain tile	65	75
Butter, butterine, oleomargarine, dressed poultry, eggs and cheese	200	200
Fertilizer, n. o. s., including dried blood	60	60
Desks and desks and bookcases combined	160	160
Kitchen safes and wardrobes, k. d., flat and compact, net cost not to exceed $9 each	105	105
Sideboards, buffets, combination sideboards and buffets, and sideboards and chiffoniers, net cost of each piece not to exceed $16	160	160
Mineral water bottles, in original packages, empty, second-hand, returned	75	75
Potatoes	75	75
Terra cotta, building	75	75

Examining in detail the rates upon the 32 articles in question, in the light of all the facts and circumstances, we are of the opinion that the Chicago-Seattle rate on the first item, "tin boxes," would be too low, and that a just and reasonable rate from St. Paul to Spokane would be $1. Our conclusion as to "fruit jars and glasses" is the same. The present rate on "bottles, wine, and beer" of 90 cents is, in our opinion, sufficiently low already. The Seattle rate on "cotton ducks and denims" is a carload rate, especially induced by water competition. This commodity moves generally upon an any-quantity rate. We see no reason why this rule should be departed from in case of Spokane, and think that a rate of $1.50 per 100 pounds in any quantity is sufficiently low. We are also of the opinion that the rate of $1.50 upon boots and shoes ought to be $1.75, and that upon rope and cordage $1.25. Otherwise these rates seem to be just and reasonable.

We are further of the opinion that just and reasonable rates upon these commodities from Chicago to Spokane would be obtained by adding 16 2-3 per cent to the rates thus found to be reasonable from St. Paul to Spokane.

We are, therefore, of the opinion that the following rates in cents per 100 pounds are just and reasonable charges to be applied for the future to the shipment, in carloads, of the various commodities named from Chicago and St. Paul to Spokane, the minimum to be in all cases the same as that applied upon similar business to Seattle.

COMMODITY.	Rates from— St. Paul.	Chicago.
	Cents.	Cents.
Tin boxes and lard pails, n. o. s.	100	117
Boxed, crated or jacketed	100	117
Nested in boxes, barrels or crates	100	117
Carpets, n. o. s.	185	216
Plow points	110	128
Shovels, spades, scoops, in packages	135	157
Fruit jars and glasses	100	117
Canned corn	90	105
Canned beans	90	105
Canned peas	90	105
Belting, cotton or rubber	120	140
Bicycles, boxed	250	292
Bicycles, crated	250	292
Blank books and tablets	125	146
Books, n. o. s., boxed	140	163
Drugs and medicines	150	175
Cotton duck and denims, any quantity	150	175
Glass, common, window, under 68 inches	90	105
Glass, common, window, all sizes, n. o. s.	90	105
Paint, dry, in cans (packed in boxes or barrels), or in barrels, casks, kegs, kits, boxes, or in iron drums	90	105
Paint, in oil, in cans (packed in boxes or barrels), or in barrels, cases, kegs, kits, boxes, or in iron drums	90	105
White or red lead, dry or in oil, in cans (packed in boxes or barrels), or in barrels, casks, kegs, kits, boxes, or iron drums	90	105
Paper bags, plain	100	117
Paper bags, printed	100	117
Rubber boots and shoes	175	204
Saws, circular, etc., on b'ds	150	175
Saws, circular, etc., in boxes	150	175
Water heaters, gas or gasoline, instantaneous	170	198
Stoves and ranges (cast iron), cooking, etc.	130	148
Stoves, air-tight heaters (sheet iron)	150	175
Glassware, n. o. s.	120	140
Rope and cordage; cotton, hemp, jute, etc., in bales, boxes or barrels	125	146
Wheelbarrows, k. d., flat	90	105
Windmills, k. d.	135	157
Wire, copper	110	128
Wire, fencing, in rolls	80	93
Woodenware, in packages	125	146

The above commodity rates are in carloads, upon the same minimum as is applied to the transportation of the same commodities from said St. Paul and Chicago to Seattle, Wash.

No attempt has been made to deal with less-than-carload commodity rates. The carload rates which have been established will necessitate a revision in some cases of the less-than-carload rate, but the considerations upon which the relation of these rates depends were not discussed before the Commission, and the carriers themselves are better qualified to deal intelligently with that subject. If they decline to do so, or if in the opinion of the complainants proper less-than-carload rates are not established, the matter can be called to our attention. We shall not attempt in this proceeding to establish either class or commodity rates east of Chicago.

We realize that this case should be disposed of in some more comprehensive manner, but after much consideration have been able to determine upon no other order which would not be open to legal objection. The carriers may, if they desire, present to the Commission, before the effective date of the order, some scheme for the readjustment of these intermediate rates. If approved, the Commission will strike off the present order in favor of that plan.

We wish to emphasize the fact that the conclusion reached is of necessity in a measure experimental. If in an honest attempt to work out this idea any unexpected difficulty is encountered or any unforeseen result produced or if the reduction in revenue is upon an actual trial, more than has been anticipated, the Commission will, upon application of either party, make such modification of its order as may seem just.

If the defendants simply establish the rates ordered in this proceeding and stop there, or if in fixing other rates they do not, in the opinion of the complaints, establish those which are just and reasonable to Spokane, the complainants may file supplemental petition.

The order in this case will be made effective on May 1. If the Commission is satisfied that the carriers will require additional time to check in rates upon other commodities and to other points, the effective date will, upon application, be extended.

ORDER.

At a general session of the Interstate Commerce Commission, held at its office in Washington, D. C., on the 9th day of February, A. D. 1909.

Present: Martin A. Knapp, Judson C. Clements, Charles A. Prouty, Francis M. Cockrell, Franklin K. Lane, Edgar E. Clark, James S. Harlan, Commissioners.

Number 873. City of Spokane, Wash.; Chamber of Commerce of Spokane, Wash.; County of Spokane, Wash., and Spokane Jobbers' Association of Spokane, Wash., vs. Northern Pacific Railway Company; Great Northern Railway Company; Union Pacific Railroad Company; Oregon Railroad & Navigation Company; Oregon Short Line Railroad Company; Canadian Pacific Railway Company; Chicago, Burlington & Quincy Railway Company; Chicago & Northwestern Railway Company; Lake Shore & Michigan Southern Railway Company; New York Central & Hudson River Railroad Company; Pittsburg, Fort Wayne & Chicago Railway Company; Pennsylvania Railroad Company; New York, New Haven & Hartford Railroad Company; Boston & Maine Railroad, and Spokane Falls & Northern Railway Company.

This case being at issue upon complaint and answers on file, and having been duly heard and submitted by the parties and full investigation of the matters and things involved having been had, and the Commission being of the opinion that the class rates now maintained by the defendants from St. Paul, in the State of Minnesota, and Chicago, in the State of Illinois, to Spokane, in the State of Washington, are unjust and unreasonable, and that the rates now applied by said defendants to the transportation of the commodities hereinafter named, in carloads, from St. Paul, Minn., and Chicago, Ill., to Spokane, Wash., are unjust and unreasonable, and being further of the opinion that the class rates named in the third paragraph of this order would be just and reasonable class rates to apply between said points for the future, and that the commodity rates stated in the fourth paragraph of this order would be just and reasonable rates to apply to the transportation of said commodities, in carloads, between said points, and having on the date hereof made and filed a report containing its conclusions thereon:

It is ordered, That the said defendants be, and they are hereby, severally notified and required to cease and desist on or before the 1st day of May, 1909, and for the period of two years thereafter to abstain from charging, demanding, collecting or receiving for the transportation of property from St. Paul, aforesaid, and Chicago, aforesaid, to Spokane, Wash., their class rates now in effect, and their rates now imposed for the transportation, in carloads, of the commodities hereinafter named.

It is further ordered, That the Northern Pacific Railway Company, the Great Northern Railway Company, the Chicago, Burlington & Quincy Railway Company, the Chicago & Northwestern Railway Company, the Union Pacific Railroad Company, the Oregon Railroad & Navigation Company and the Oregon Short Line Railroad Company be, and they are hereby notified and required to establish and put in force on or before the 1st day of May, 1909, and maintain for a period of not less than two years thereafter, the following class rates in cents per 100 pounds, to-wit:

To Spokane.

(Rates in cents per 100 pounds.)

From—	Class 1	2	3	4	5	A	B	C	D	E
St. Paul	250	217	183	158	133	133	104	83	79	71
Chicago	300	259	216	179	150	154	121	97	91	82

It is further ordered, That said defendants last above named be, and they are hereby, notified and required to establish and put in force on or before the 1st day of May, 1909, and maintain for a period of not less than two years thereafter, for the transportation of the articles following, from St. Paul, aforesaid, and from Chicago, aforesaid, to Spokane, Wash., the rates, in cents per 100 pounds, following, to-wit:

Commodity—	Rates From St. Paul.	Chicago.
	Cents.	Cents.
Tin boxes and lard pails, n. o. s.	100	117
Boxed, crated or jacketed	100	117
Nested in boxes, barrels or crates	100	117
Carpets, n. o. s.	185	216
Plow points	110	128
Shovels, spades, scoops, in packages	135	157
Fruit jars and glasses	100	117
Canned corn	90	105
Canned beans	90	105
Canned peas	90	105
Belting cotton or rubber	120	140
Bicycles, boxed	250	292
Bicycles, crated	250	292
Blank books and tablets	125	146
Books, n. o. s., boxed	140	163
Drugs and medicines	150	175
Cotton ducks and denims, any quantity	150	175
Glass, common, window, under 68 inches	90	105
Glass, common, window, all sizes, n. o. s.	90	105
Paint, dry, in cans (packed in boxes or barrels), or in barrels, casks, kegs, kits, boxes, or in iron drums	90	105
Paint, in oil, in cans (packed in boxes or barrels), or in barrels, cases, kegs, kits, boxes, or in iron drums	90	105
White or red lead, dry or in oil, in cans (packed in boxes or barrels), or in barrels, casks, kegs, kits, boxes, or iron drums	90	105
Paper bags, plain	100	117
Paper bags, printed	100	117
Rubber boots and shoes	175	204
Saws, circular, etc., on b'ds	150	175
Saws, circular, etc., in boxes	150	175
Water heaters, gas or gasoline, instantaneous	170	198
Stoves and ranges (cast iron), cooking, etc.	130	148
Stoves, air-tight heaters (sheet iron)	150	175
Glassware, n. o. s.	120	140
Rope and cordage; cotton, hemp, jute, etc., in bales, boxes or barrels	125	146
Wheelbarrows, k. d., flat	90	105
Windmills, k. d.	135	157
Wire, copper	110	128
Wire, fencing, in rolls	80	93
Woodenware, in packages	125	146

The above commodity rates are in carloads, upon the same minimum as is applied to the transportation of the same commodities from said St. Paul and Chicago to Seattle, Wash.

MINNIE KELTON ON DOCK

WRECKED STEAM SCHOONER TO BE MADE INTO BARGE.

Hulk, Worth $20,000, Was Purchased by Daniel Kern From Underwriters for $1400.

The hulk of the wrecked steam schooner Minnie E. Kelton, recently purchased from the underwriters by Daniel Kern, will be put on the Port of Portland drydock at noon today. It is the intention of Mr. Kern to convert the hull into an ocean-going barge. Her cabins will be removed and only a poop and forecastle-head left above the main deck. A donkey boiler and winches will be installed.

The Minnie E. Kelton was built in 1894 and has a solid oak hull. She was abandoned at sea May 6, 1908, and two days later was picked up by the steam schooner Washington and towed to Astoria. The craft later turned turtle. The insurance people finally sold her for $1400 to Daniel Kern. The cargo and machinery were disposed of by the present owner for $2500 and it is estimated that the hull is worth at least $20,000.

San Pedro Shipping.

SAN PEDRO, Cal., March 7.—The steamer Norwood arrived today from Grays Harbor with lumber and passengers.

The steamer Olsen & Mahoney arrived from Astoria with lumber. The steamer Shasta cleared for Bellingham to reload. The schooner Alpena arrived, 21 days from Tacoma with lumber.

The barkentine Chehalis arrived from Coos Bay with 1,000,000 feet of lumber.

Logs Scarce; Mill Reduces Cut.

MARSHFIELD, Or., March 7.—(Special.)—The C. A. Smith Lumber & Manufacturing Company's mill has shut down the night run for a short time, owing to the great difficulty and expense in securing logs at this time of year. Improvements will be made during the shutdown.

Breakwater Arrives From Coos.

With 85 passengers and a large quantity of freight, the steamship Breakwater reached the Ainsworth dock at 5 o'clock last night. Captain Macgenn reports fair weather during the voyage. There was little wind, but a heavy westerly swell. The Breakwater sailed from Coos Bay at noon Saturday.

Marine Notes.

From San Francisco direct with freight and passengers, the steamship Rose City is due to arrive tonight.

With a full cargo of wheat for the United Kingdom, the French bark Desaix sailed at noon yesterday.

The oil tank steamship Atlas arrived up last night and is discharging at the Standard tanks.

Arrivals and Departures.

PORTLAND, March 7.—Arrived—Steamship Breakwater, from Coos Bay; steamship Atlas, from San Francisco; French bark Desaix, from the United Kingdom.

Astoria, Or., March 7.—Condition of the bar at 5 P. M., rough; wind, southwest; weather, cloudy, raining. Arrived at 8 A. M. and left up, steamer Breakwater, from Coos Bay. Arrived at 10 A. M. and left up at 12, noon, steamer Atlas, from San Francisco. Sailed at 6 A. M., steamer Coquitan, for San Pedro; steamer Johan Poulsen, for San Francisco; steamer Elmore for Tillamook; steamer Washtenaw, for San Francisco.

San Francisco, March 7.—Arrived at 1 A. M., steamer South Bay, from Portland. Sailed at 12, noon, schooner Virginia, for Portland; steamer South Bay, from Astoria; steamer Yellowstone, from Astoria; steamer Virginian, from Salinas Cruz; steamer Comble Park, from Rotterdam; barkentine Coronado, from Honolulu.

Sailed—Steamer Curacao, for Guaymas; schooner Virginia, for Portland; schooner Commerce, for Port Townsend.

Tides at Astoria Monday.

High.	Low.
1:55 A. M.....8.1 feet	8:08 A. M.....1.8 feet
1:50 P. M.....7.9 feet	8:10 P. M.....1.0 feet

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From Lombard St., San Francisco, 11 A. M.
S.S. Senator, Mar. 15, 27, etc.
S.S. Rose City, Mar. 20, April 3, etc.
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Main 268—Ainsworth Dock.
M. J. ROCHE, City Ticket Agent, 142 3d st.
Phone Main 402, A 1402.

COOS BAY LINE
The steamer BREAKWATER leaves Portland every Wednesday, 8 P. M., from Ainsworth dock, for North Bend, Marshfield and Coos Bay points. Freight received till 4 P. M. on day of sailing. Passenger fare, first-class, $10; second-class, $7, including berth and meals. Inquire city ticket office, Third and Washington streets, or Ainsworth dock. Phone Main 268