# THE MORNING OREGONIAN, THURSDAY, JULY 2, 1914.

# he replied to a question by Senator Fulton.

W. J. Burns, manager for Balfour, Guthrie & Co., under direct examina-tion by C. J. Donnelly, counsel for the **COLOMBIAN TREATY** Northern Pacific, said that charters on vessels are the same at both Portland and Puget Sound. Portland has a lower rate to California. He did not think a terminal rate at Astoria would pre-vent vessels from coming to Portland.

Portland Holds Share of Trade.

He said that all ships that can go to Astoria also can reach Portland. The depth of water on the Columbia River

Portland and Astoria ship as much lumber as does Astoria. This line of testimony was intro-duced by the railroads to show that the Columbia River ports are not suf-fering by reason of the differential against Astoria, that Portland is hold-ing its share of whest and humber

ing its share of wheat and lumber

Rate-Making History Told.

Cenn.

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Portland Gains Outlined. Ex-Minister Dubois Says Chiv-Portland Gains Outlined. E. W. Wright, manager of the Mor-cantile Exchange, presented tables showing that Portland, as a shipping port, has made gradual gains over Puget Sound for wheat and flour ex-ports. Five years ago Portland ex-ports 22.1 per cent of flour from the Northwest. Last year the percentage was 29.5. The wheat exports at Port-land five years ago were 65 per cent; alrous Expression of Regret Is Not Apology. Was 25.5. The wheat exports at Port-land five years ago were 65 per cent; Inst year they were 68.5 per cent. Mr. Wright explained how the for-mer differential that shipowners charged against Portland in favor of Puget Sound was overcome several years ago when Mr. Wright went to Furgone and interviewed the shipping

"EXACT JUSTICE" URGED

DIPLOMAT DEFENDS

Previous Negotiations Said to Have Failed Because of Excessive Effort to Avoid Impugning Work of Roosevelt.

years ago when Mr. Wright went to Europe and interviewed the shipping interests. The Port of Portland agreed to absorb the pilotage and towage of vessels coming up the Columbia, and to take care of their ballast, he said. "The business of the world seems to be conducted on the theory," said Mr. Wright, "that all ships go as far in-land as possible. However, I am not positive on this point." HALLSTEAD, Pa., July 1 .-- In a state-ment issued here tonight dealing with the proposed Colombia treaty, James T. Dubois, who was United States Minister to Colombia under the Taft Admindepth of water on the Columbia River bar alone governs the movement of vessels to either port and the bar now is being made to accommodate ves-sels of even the deepest draft. Mr. Wright presented further statistics to show that points intermediate between Portland and Astoria ship as much lumber as does Astoria. tstration, takes issue with the views recently expressed by Colonel Roosevelt and explains his own reasons for sup-

and explains his own reasons for sup-porting the treaty. Regarding his difference with Colonel Roosevelt on this subject, Mr. Dubois expresses regret at opposing a "great leader whose fortunes I devotedly fol-lowed for 10 years," and says that "no man will tolerate the thought that any of Colonel Roosevelt's accounts were inspired by tainted motives, but no man is always right." is always right."

"Excessive Care" Cause of Defeat. Negotiations for a treaty during the exports Taft Administration failed, he says, because his instructions, out of excessive care not to impugn the motives of Pres-Ident Roosevelt "in taking Panama," failed to give Colombia sufficient jus-tice. The pending treaty, he believes, should be heartily approved by the

should be heartily approved by the American people. Taking issue with Colonel Roosevelt regarding the character of the public men in Colombia, Mr. Dubois declared that they compared well with the pub-lic men of other countries in intelli-gence and respectability, instead of be-ing "blackmailers and bandits." Quoting Colonel Roosevelt's declara-tion that the people of Panama were a unit in demanding the revolution, he says "a handful of men, who were to be the direct beneficiaries of the revo-lution, conceived it and not the 100th

be the direct benchiciaries of the fevo-lution, conceived it and not the 100th part of the inhabitants of the isthmus know of the revolt until an American officer in the uniform of the United States Army raised the flag of the new

Apology Always Refused. The contention of Colonel Roosevelt that the Colombian treaty is a black-mailing agreement is dealt with by Mr. Dubois in his interpretation of the document.

ment. "While negotiating for a treaty I made the Colombian authorities under-stand that under no circumstances would the United States apologize to any nation for a political act—that was our unwritten law that never had been or never would be broken. In purely or never would be broken. In purely informal conversations and in my un-official memorandum, I suggested that a chivalrous expression of regret that our friendship had in any way been marred, such as any real gentleman would freely grant to another, might later be embodied in the treaty as a balm for the wounded feelings of a once friendly nation which had been humiliated before the world, whose credit had been destroyed in foreign countries, whose borrowing ability had been annihilated and whose persistent appeals for arbitration had been ig-nored.

Latins Demand Just Treatment. "The opposition to this feature, on the ground that it is an apology, is not just and is not in the true interests of

Ocean. O. O. Calderhead, statistician for the Washington Public Service Commis-sion, presented a history of ratemaking in the Northwest and declared that it is economically impossible to grant a lower rate to Portland than to Puget Sound Mr. Donnelly at this point again brought in Portland's possible appli-cation for reduced rates and Mr. Calderhead declared that if Sound rates are given Astoria on the theory that it costs less to haul to that port than to Puget Sound, the carriers could not defend Portland's applica-tion for a reduction.

## Experts' Testimony Denied.

Mr. Calderhead repudiated the testi-mony of experts that it costs less to mony of experts that it costs less to operate over the water grade between the Inland Empire and Astoria than between the Inland Empire and Puget Sound, declaring that the greater vol-ume of traffic enjoyed by the North-ern Pacific to the Sound tends to re-duce the cost. J. W. Morrow, tax agent for the O.-W. R. & N. Company, testified under direction of A. C. Spencer, attorney, on the reproduction cost of the O.-W. R. & N. properties, which he placed at \$102,000,000 in the three Northwestern states.

A. C. Squires, engineer, presented figures on the original cost of these same properties, which, exclusive of the Deschutes line, approximated \$92,-000,000

## Net Earnings Reported

Ralph Blaisdell, auditor of the O.-W. R. & N. Company, told that the net earnings in the fiscal year which end-ed June 30, 1912, were only \$184,586.32. In 1913 the net was \$334,009.79. The fiscal year just ended, he said, prob-Mr. Bourne Criticises Departably will show no net earnings at all. Senator Fulton insisted that one reason for the low net earnings is the heavy

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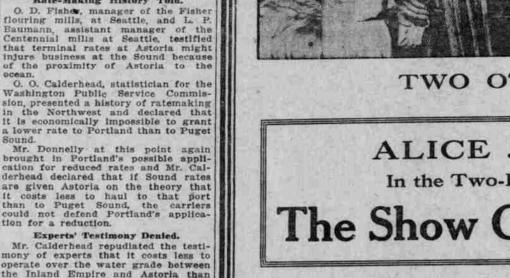
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the United States. If the Anglo-Saxons are to live in harmony with the Latins on this continent they must treat them with absolute justice, just as we shall exact justice from ther." Dealing directly with article 3 of the

treaty, providing a payment to Colom-bia, which Colonel Roosevelt attacked as blackmail, Mr. Dubols describes the claims of Colombia for the unpaid an-nuities of the cessation of the Trans-Isthmian Railroad Company, the revis-ionary rights in the Panama Railroad and Panama's portion in the Colombian national debt, all of which, in his opinion, should be met by the United States.

# RATE HEARING CONTINUES

(Continued From First Page.) the Grays Harbor rates at Astoria because that only would be "extending a bad situation.

Senator Fulion referred sarcastically to the interest of the Great Northern d Northern Pacific in the North Bank that the farmers at one time threat-ad and ridiculed the idea that the end to go out of the wheat-raising business and that James J. Hill, who and Northern Pacific in the North Bank North Bank is a competitor of its parent lines.

to see the North Bank prosper," he met with the farmers and agreed to asked, "why doesn't it allow an equali- cut the rate where it stands today. nation of the Grays Harbor and the Astoria rates?"

Skinner said that the Northern Pacific tried once to raise the Grays Harbor rates, but was discouraged by the Washington State Commission.

"If the Northern Pacific allows that discrimination to stand." insisted Senator Fulton, "do you consider your road a competitor of the Northern Pacific"

"That's what it was built for." "Yes, and they starve it to death,"

suggested the Senator. Senator Fulton charged that the Great Northern and Northern Pacific really built the North Bank to "guard the situation" at the mouth of the Columbia and prevent real competition with their main lines serving Puget Sound.

## "Competition Governs Bates."

Mr. Skinner argued that if Astoria were granted terminal rates, the Commission might just as well continue its application of these rates to Tillamook. which is not a great distance farther. "Where is Tillamook?" interrupted

the examiner

After Mr. Skinner had explained that competition frequently governs rates, placing points far apart on a parity, savator Fulton wanted to know why Senator Fulton wanted to know why Wenatchee and Blaine, "dead local"

MARGIN HELD TOO SMALL Mr. Blaisdell admitted that this is true

to a certain extent. Marcus Talbot, manager for the Port of Portland, told of the work being done to improve the channel between Perticut and the mouth of the stores. Portland and the mouth of the river He said the channel is intended at all times to be as deep as the river bar.

Portland Exports Greatest. Henry Blakely, general freight agent

for the Northern Pacific, presented fig-ures that the wheat and other grain exports through Portland for the fiscal year which ended on Tuesday are comparatively greater, when considered with the exports of Puget Sound, than

they were the previous fiscal year. He testified that after the North Bank road was built the Northern Pacific took out its merchandise rates to Portland from interior points allowing this busi-

Mr. Blakely threw an interesting sidelight onto the rate situation in explaining how the former rate of 19 cents was cut to 17% cents. He said way mail pay. orth Bank is a competitor of its arent lines. Grays Harbor Rate Presented. "If the Northern Pacific really wants

Various Tables Presented.

Senator Fulton concluded his case yesterday morning. He introduced H. . Mitchell, of Wauna, a lumberman, who said that the rate arbitrarily made the Department. it impossible for him to compete with Willapa Harbor in the Inland Empire

ade. G. B. McLeod, manage: Hammond Lumber Company at Aston-presented a photograph of harbor con-ditions at Astoria and improvements planned. Clyde Evans presented a ta-ble of imports and exports, and L. B. Seeley presented maps of the river. H. A. Brandon, an expert on engineer-ing problems, showed how it coats more Mr. Moon, chairman of the House com-mittee on postoffice and post roads, r mittee on postoffice Department by of-uticals of the Postoffice Department to the quest of the Postmaster-General. Under that bill the average revenue to the due to the Sound by explaining and introduced by Mr. Moon at the re-quest of the Postmaster-General. Under that bill the average revenue to the due to the Sound 20 and 10 an atent to 52 complete circles, that of the Northern Pacific to 58 circles and that of the North Bank to 24 circles. C. H. George, statisticies

C. H. George, statistician for the North Bank, explained the annual re-ports of that road and showed that the property is not paying interest on its debts. It borrows the money from its parent roads.

## Class Rates Lower Than Ordered.

H. E. Lounsbury, general freight agent for the O.-W. R. & N. Company, between interior points and Portland are substantially lower than those or-Wenatchee and Blaine, dend local points on the Great Northern, \$5 miles spart, take the same rates. Mr. Skinner suggested that a Great Northern man answer. Pertland-Sound Parity Urged. A storia deced by the commissions. He pre-sented figures on the wheat movement from the grain belt into Portland and said that it is cheaper for the O.-W. R. & N. Company to handle this traffic at Portland than at Astoria.

"This incident shows the danger of accepting and acting upon the recom-mendations of the departments. It also Ex-Senator Says Moon Bill's Provi-

illustrates the necessity for checking the present trend toward the initiation the present trend toward the initiation and control of legislation by officers of the administrative branch of Gov-ernment." SENATE TO FINISH WORK

### (Continued From First Page.) OREGONIAN NEWS BUREAU, Washported as soon it becomes apparent that

ington, July 1 .- The constant attempt the commission bill is on the verge of of the executive departments of the passage. Government to dictate to Congress the Rive River and Harbor Bill Uncertain.

form in which legislation shall be Only the sundry civil, the general deenacted is scathingly denounced in a ficiency and the river and harbor apstatement issued by ex-Senator Bourne, propriations bill remain of the supply of Oregon, who is chairman of a joint committee representing the two branches of Congress and appointed to formulate a plan of readjusting rail-iect of Republican attack, and its pas-

sage may take several weeks, but in Mr. Bourne, in so many words, the end Democratic leaders are confi-charges that the Postoffice Depart- dent it will be put through. The two ment, in undertaking to advise Con-gress how to readjust the pay of the railroads for the handling of the mails, not source prolonged debate

railroads for the handling of the mails, displays gross ignorance, and if al-lowed to have its way will work an unjustifiable wrong against the car-riers. For more than a year Mr. Bourne has been devoting himself resolution refers to adjournment was closely to the study of this intricate adopted, 17 to 16, its friends declaring problem and has arrived at conclusions far different from those reached by tion to act on trust legislation and

without binding anyone to a particular form. There was a general discussion The statement which he has issued as to whether the resolution should include language declaring the bills to railway mail pay the Postoffice De-be party measures, but it was finally partment has attempted to dictate to decided to leave this question for fur-

Congress rates which, if adopted, would be confiscatory. "House bill No. 17042, introduced by Mr. Moon, chairman of the House com-Originally it w "Passage" Changed to "Disposal."

Originally it was intended that the resolution declare that Congress stay until the "passage" of the bills, but this was changed to read until the "disposal" of them.

The argument for this change was that passage might be taken to mean that the three House bills must be the ones to receive Senate approval, and "disposal" would leave Senators free to

(Continued From First Page.)

"The department spent several years in an attempted elaborate investigation of railroad expenses and car space. It propounded over 140 interrogatories to

Proposed Rates Confiscatory.

there was absolutely nothing on the the 796 railroads carrying mail. The records of any of these officers to show railroads spent more than \$250,000 in securing the information asked for, and it cost the Government \$13,500 to that they were not fitted for any naval service in the matter of habit, temperament and professional ability.

OFFICERS

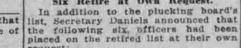
and it cost the Government \$19,500 to compile, tabulate and present such in-formation in what is known as House document No. 105, Sixty-second Con-gress, first session. Rate Would Mean Bankruptey. "According to table 7 of that docu-mant the operating expenses and taxes alone amounted to 3.98 mills per mail car-foot mile, or 18.48 cents for hauling a 60-foot mail car one mile. This ex-cludes the advertising and other trafance Soothes the tender skin,

New Personnel Bill Desired.

The Secretary added that he hoped that with the ald of the board, headed by Assistant Secretary Roosevelt, a bill could be prepared before the meet-ing of the next Congress for the re-adjustment of the personnel of the Navy which would eliminate objec-tionable features of the present law. The officers retired today by the cents.—Adv.

Commander William S. Walten, Inspector Crang shipyard, Philadelphia, Reidaville, N.C. Lieutenant-Commander Walter M. Fal-coner, commander Leonidas, Springfield, O. Lieutenant-Commander Ulyases S. Macy, In charge of Navy recruiting station, Phila-delphia, Adrian, Mich.

Six Retire at Own Request.



guest: Captain Harrison A. Bispham, Navy yard, Philadelphia. Commander Emmett R. Pollock, bat-

Commander Inimetri A. Fonoci, bar Iteship Vermont, Bloomington, Ills Commander Irvin V. G. Gillis, bat-tleship Michigan, Washington, D. C. Commander Raymond Stone, battle-ship New Jersey, Mobile, Ala,





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