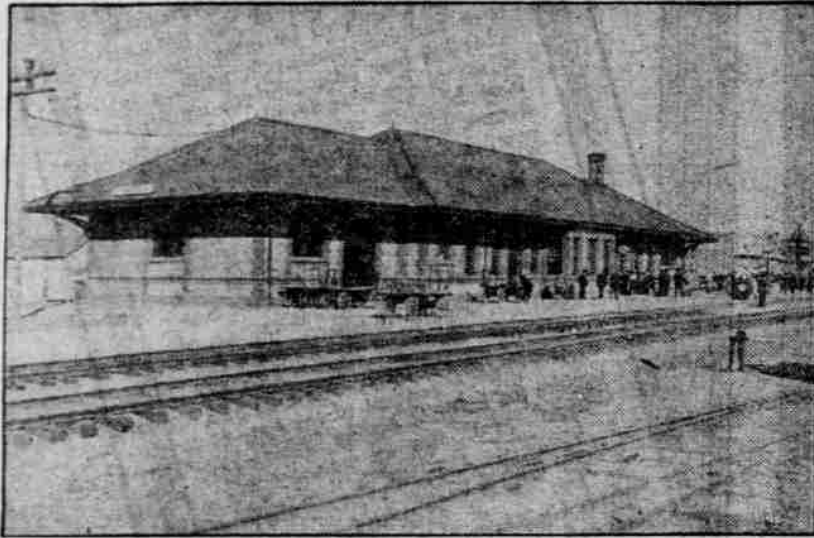


It Is an Axiom of Business That the Country Is Always Prosperous When the Railroads of the United States Are Active



Southern Pacific Modern Passenger Station, Medford, Ore.

THERE is nothing fundamentally wrong with the country; there is nothing fundamentally wrong with the State of Oregon; there is no fundamental thing wrong with the railroads.

The crops of the country and of the State of Oregon have been abundant, have sold at good prices and have speedily moved to the markets of the world.

The Oregon country served by the Southern Pacific is in good shape, and its people have money deposited in the banks.

This company has faith that any necessary readjustment of relations will be made upon an equitable basis.

MARVELOUS crops would count for nothing if forced to lay in the fields until the farmer could move them to such markets as he might reach by team. Railroads are necessary.

The value of the tremendous territory lying in Western Oregon, with its vast wealth of timber, coal, mineral and prospective soil values, will be increased by additional railroad expansion. If new trunk lines are to be built and extensions are pushed out, these betterments must be made through borrowed capital.

In order to borrow the vast sums of money required for these operations the investor must be assured of fair dividends every year, and that the



Southern Pacific Modern Passenger Station, McMinnville, Ore.



Southern Pacific Modern Passenger Station at Albany, Ore.

FIGURES THAT TALK

Southern Pacific and subsidiary lines in Oregon employees number	4,871
Persons in Oregon directly dependent upon Southern Pacific and subsidiary lines (estimating five to family)	24,355
Mileage, Southern Pacific and subsidiary lines in Oregon	1,200
Annual payroll of Southern Pacific and subsidiary lines in Oregon	\$ 4,877,417
Southern Pacific and subsidiary lines in Oregon pay in taxes annually	1,211,357
Southern Pacific expended in past three years for additions and betterments Southern Pacific main line and branches in Oregon	990,490
Southern Pacific expended:	
On account of the Portland, Eugene & Eastern for electrification, construction, reconstruction and new electrical equipment	6,789,164
On account of the Willamette Pacific Railway—New construction of line Eugene to Marshfield already expended	7,500,000
To be expended	2,500,000
On account of the Salem, Falls City & Western for new Willamette River bridge at Salem and construction and betterments	236,163
On account of the Corvallis & Eastern R. R. for reconstruction and betterments	177,585
On account of the Pacific Railway & Navigation Co. for reconstruction and betterments	541,186
On account of the Coos Bay, Roseburg & Eastern R. R. for additions and betterments	31,683
Total	\$19,977,628
In these figures are included heavy purchases of Oregon lumber, ties, poles and other forest products.	

earning power of the railroads shall not be disturbed.

Without the railroads civilized life itself would be impossible in this age of the world.

The more highly developed the transportation facilities of a people the more rapid their development industrially and socially.

AS ILLUSTRATING the present conditions of the railroads, the economies they are now required to practice, and the reason for the practical abandonment of railroad construction, save for a few extensions, the history of the United States following the panic of 1893 may be recalled. Then almost an identical situation existed.

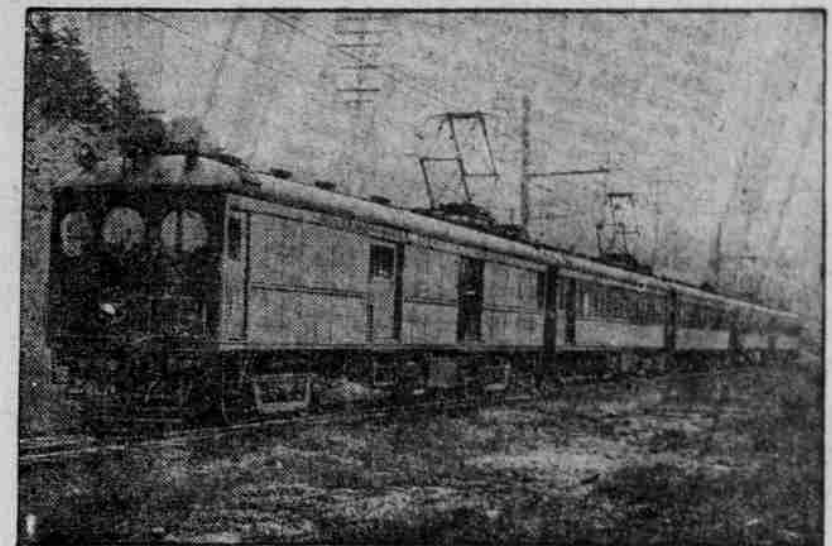
The traffic of the railroads fell off during the period following that panic, just as it has during the past three years. Then freight cars and engines were standing idle, as they are today.

Business revived in 1898 and continued to grow until three years ago. Vast sums of money were secured and put into new lines, reconstruction of roadbeds and improvements necessary to enable the railroads to keep pace with the rapid growth of the various communities. Gradually, however, owing to the reduction in the earning power of the railroads through the regulations brought about by State and Federal legislation, the steady increase in operating expenses due to advances in wages and prices of all materials, the dividends of the railroads have dwindled to the point where it is next to impossible to induce investors to look with favor upon railroad securities.

All over the country the statement is heard that investors are fearful of further drastic regulation of public utilities.

It is during a time of depression, when traffic is light, that railroads should repair, equip, extend and get ready for the heavier demands that always follow such conditions.

When the railroads cannot borrow money—the condition today—they must retrench. It is estimated that every 12th person in the United States is directly supported by railroad money. The railroads are the greatest purchasers of timber, lumber and materials of other kinds in the United States. When they stop building the effect reaches into every factory, mill and store.



All-Steel Electric Train, Southern Pacific Lines in Oregon.

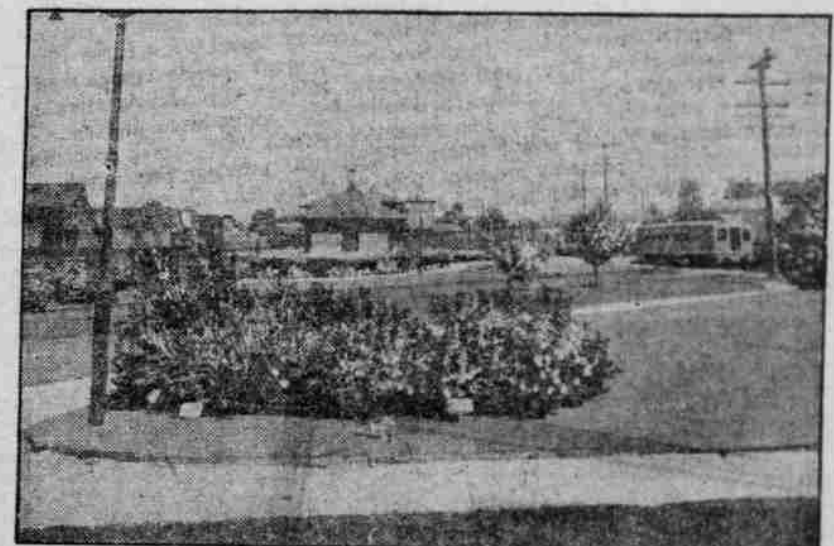
IT IS probable that the Interstate Commerce Commission would not have granted the recently allowed increase in freight rates upon the request of Eastern railroads had not they felt that it was just and in the interests of the general public. The American people are everywhere beginning to believe that there has been too much regulation against railroads and too little attention paid to their rights.

Legislatures of the United States passed more than 300 bills regulating railroads in the sessions of two years ago.

The Southern Pacific claims full partnership with the people of Western Oregon in the development of the territory, that all interests are identical, and it points to its three lines to the Coast, its three valley lines, its electric zone and the vast sums it is expending in betterments as conclusive proof that the railroads of today are working with the property owner to that end.

It may be truthfully said that no taxpayer in the State of Oregon has a greater interest in good government than the Southern Pacific, it being one of the largest taxpayers in the state.

Think it over.



Southern Pacific Modern Passenger Station and Well-Kept Park at Eugene, Oregon.



Southern Pacific Modern Passenger Station at Corvallis, Ore.