

HARD FIGHT LOOMS IN RATE HEARING

Quotation From James J. Hill Excluded Upon Objection.

PORTLAND PRESENTS CASE

Charts Introduced to Show Why City's Advantages Should Be Expressed by Lower Rate.

(Continued From First Page.)

allied Portland commercial bodies and supported by the associated attorneys representing the communities and organizations combined in behalf of the Columbia river basin territory, port and dock commissions and the city of Vancouver.

Two storms developed yesterday forenoon at about the same time, during the progress of the hearing. While nature staged a thunder storm, there was in progress a vigorous protest against the proposed rate increase.

The protest was a striking demonstration of the Seattle spirit.

The article published in a technical magazine of national standing, written by General H. M. Chittenden, proposing as a solution for the mountain barrier between eastern and western Washington a tunnel 30 miles in length, was offered in evidence. Attorney McCulloch, in support of the competency of the testimony, told the commissioners that General Chittenden had been chairman of the Seattle port commission and was an authority of eminence by reason of his long service in the United States army and one of the best-known officers of the corps of engineers. The article was characterized by the railroad administration counsel as being impractical, declared to have been the hobby of the author, and that its feasibility could be successfully assailed by competent railroad engineers.

On the fact that the author could not be brought to the stand and cross-examined, it was the decision of the commission that it should not be admitted.

Kennewick Case Presented.

John H. Lothrop, upon whom devolved the task of presenting the greater part of the Portland case, was on the stand throughout the day, except for the brief intermissions and a period of ten minutes of rest. His appearance of Major Jeffrey, counsel for the business interests of Kennewick, Wash., Major Jeffrey read into the record the desire of that community to receive the benefits of natural location by the establishment of freight rates to and from Portland based upon the lower cost of operation over railroads of water grades.

Mr. Lothrop prepared comprehensive testimony dealing with the engineering features, traffic and transportation conditions, and a presentation of rates on grain, lumber, salt, commodities, between all of the principal points involved in the controversy, both at tidewater and in the interior.

Mr. Lothrop Well Versed.

Engineering features will be confirmed by an engineer to take the stand later. Added to the store of ammunition that is being utilized in waging the warfare on high freight rates, Mr. Lothrop is qualified by long experience in traffic and rate work and familiarity with conditions in the Pacific northwest and relationship with like situations in other sections of the United States. He was prompt in response to interrogations, and in all instances was able to answer directly and with explanations of any clouded point of controversy having bearing on the matters at issue.

Hearing to Resume at Seattle.

Commissioner Hall has already made it clear that it is the hope to conclude the Portland hearing tomorrow, but it is understood that whatever testimony may not have been completed here will be heard in Seattle next week, the hearing to resume there Monday morning. It is the desire to conserve time as much as possible and no general disposition is shown by counsel on either side to the action to quibble, but a vast amount of evidence is yet to be submitted.

It is not known what the evidence of the defendants will amount to, but presumably will bring before the commission a number of witnesses and doubtless a considerable number of exhibits in support of the contention of Puget sound ports for maintenance of present rates and the present rate structure.

Map Filed as Exhibit.

John H. Lothrop, secretary of the Portland Transportation and Commerce association, appearing as chief witness on behalf of allied Portland commercial and business interests, continued presentation of direct testimony yesterday in the interstate commerce commission hearing in the Portland rate case.

A map filed as exhibit No. 69, offered by the complainants, defined the territory included in what is referred to as the Columbia river basin, and divided into the portion south of the Snake river, the portion between the Snake river and Spokane and that part north of Spokane. In explanation of the map the witness introduced as exhibit No. 70 a table showing mileage of long and short lines from all agency stations in territory between Pendleton and Snake river to Portland, Seattle and Astoria.

Short Line Differences Shown.

For 19 stations shown the average short-line distance to Portland is 280 miles, to Seattle 308 miles, to Astoria 260 miles. The difference between the average distance of Portland and Seattle is 48 miles, between Portland and Astoria 100 miles and between Seattle and Astoria 52 miles. The average Seattle distance is 113.4 per cent of average Portland distance, and average Astoria distance is 129.4 per cent of average Portland distance.

A table was introduced giving similar comparisons between Snake river and Spokane. Average distances from 80 agency stations in the district via short line were shown as 322 miles to Seattle, 367.7 miles to Portland and 467.7 miles to Astoria. The difference between average distance of Portland and Seattle is 24.50 miles, between Portland and Astoria 100 miles and between Seattle and Astoria 75.7 miles. The average Seattle distance is 106.6 per cent of average Portland distance and the average Astoria distance is 127.1 per cent.

Pamphlet Is Introduced.

Attorney McCulloch, who conducted the examination of the witness, asked Mr. Lothrop to introduce a pamphlet, which was a reprint from the Engineering News of an article written by the late H. M. Chittenden, brigadier-general United States army, on "A 30-Mile Tunnel Under the Cascade Mountains." The pamphlet was introduced as a proposed practical solution for movement of traffic from east of the Cascades to Puget sound.

Admission of the article was objected to by C. A. Hart on behalf of the railroad administration on the ground that it was purely theoretical, that the

author was not present for cross-examination, and, further, that the pamphlet was not relevant or competent evidence.

Attorney McCulloch said in support of the evidence offered that it was written by an eminent engineer as his mature conclusion of the best method of reducing operating costs for movement of traffic over the Cascade mountains. He said he believed that it should serve to throw light upon the problem of cost of operation of the roads over the Cascade mountains.

Equated Mileage Plan Explained.

The pamphlet was excluded by the commissioners, after consultation, as to form, but its substance was not passed upon.

Complainants' exhibit No. 74 showed present first-class rates from five illustrative points via routes stated, also by distributive rates, percentage relation of the rates and what the rates should be based upon equated mileage. In response to a question by Commissioner Hall it was explained that equated mileage required the working out of tables by an engineer to show what would be the comparative mileage when curves and grades are eliminated to determine comparative relationship of the roads by establishing a "common denominator."

This table illustrated the difference in the physical conditions of the lines over which traffic must be moved from the Columbia basin to the respective markets, and what would be the difference in rates and percentage relation of the rates and percentage relation of present rates.

KEY THROWING LIGHT ON RATE SITUATION.

Table showing from five illustrative points south of Snake river to Portland and Seattle via routes stated, actual mileage, present first-class rates, first-class rates based on decision in distributive rate case, percentage relation of present and distributive rates, west-bound equated mileage and rates based on same and percentage relation of present rates.

Point.	Terminal—Route.	Actual Mileage.	Present Rate.	Per Cent.	Equated Mileage.	Rate.	Per Cent.
Atalla, Wash.	Portland, O.-W. R. & N.	263	95	106%	112.1	546	172%
	Seattle, N. P.	263	95	106%	112.1	546	172%
	Percentage relation	124.4	100	100%	112.1	100	100%
Pendleton, Or.	Portland, O.-W. R. & N.	216	95	115	100	223	117%
	Seattle, N. P.	216	95	115	100	223	117%
	Percentage relation	124.4	100	100%	112.1	100	100%
Walla, Walla, Wash.	Portland, O.-W. R. & N.	241	102%	101%	99	322	101%
	Seattle, N. P.	241	102%	101%	99	322	101%
	Percentage relation	124.4	100	100%	112.1	100	100%
Dayton, Wash.	Portland, O.-W. R. & N.	230	113%	110	97.7	297	127%
	Seattle, N. P.	230	113%	110	97.7	297	127%
	Percentage relation	124.4	100	100%	112.1	100	100%
Pleasant View, Wash.	Portland, S. P. & S.-N. P.	253	110	111%	101.3	513	117%
	Seattle, N. P.	253	110	111%	101.3	513	117%
	Percentage relation	124.4	100	100%	112.1	100	100%

the difference in rates and percentage relationship if worked out on the basis of actual mileage or the equated mileage basis in either direction.

Percentages Are Compared.

A similar table was prepared referring to seven illustrative points in eastern Washington territory between the Snake river and Spokane, to show comparative percentage of present rates and rates based on equated mileage.

As to Spokane, it is shown that whereas the present rate is 124 to both Portland and Seattle, west-bound equated rates would be as a rate of 133.4 to Portland compared with 161.3 to Seattle.

The witness made a detailed explanation of the data introduced in the tabulations, and told the commission that it was not the purpose to suggest that rates be increased to correspond with the higher rates quoted as what should be the percentage relationship under equated mileage shown.

Attorney McCulloch explained also that the method employed in working out the equated mileage and determining rates applicable thereto is commonly used by railroad engineers and approved by eminent operating officials of the railroads, notably by Julius Kruttschnitt of the Southern Pacific company.

Grain Rate History Reviewed.

Mr. Lothrop briefly traced the history of the establishment of existing grain rates in the Columbia river basin territory. He explained also the orders of the Washington railroad commission that have been made affecting rates in that territory.

Exhibit No. 73 is a table showing route, distances, present grain rates, class "D" rates, distance commodity rates applying on grain and rates figured on the percentage of average of present rates to average of class "D" rates from the 20 points shown to Seattle.

Exhibit No. 79 is a table showing from five illustrative points, south of Snake river to Portland, present rates and rates based on equated mileage.

Members of the commission and Chief Examiner Thurtell took part actively in the examination of the witness, frequently interrogating with reference to exact interpretation of the data, the method by which determinations had been made, and basis of percentages employed. The commission evidenced its desire to have the fullest possible light on all points involved. Commissioner Hall asked whether the percentage upon which calculations were based in determining rates on equated mileage would be changed from that shown as to illustrative points if applied to all agency stations within the respective districts.

Engineer to Testify.

The engineer who worked out the equated mileage tables will testify on this phase at today's session.

Exhibits Nos. 83 and 84 were tables showing lumber rates from Portland, Seattle, Astoria and Aberdeen from illustrative points in the Columbia river basin territory. No. 85 showed rates on salt to the same points and from like points of origin.

The witness called attention to the fact that the distance of 100 miles or more between Portland and Astoria is ignored in the making of the rates. He said it is customary in other sections to grade the rates according to distance, but that in the territory in the northwest the matter of distance is ignored in fixing rates and forming rate groups.

Comparison was made of differences employed in making natural rate groups in the east, and showing that in central freight territory, where competition is particularly keen, rates between cities and between zones are based on distances, and each city has the benefit of advantages of location.

Missouri Points Cited.

Points along the Missouri river, Sioux City, Council Bluffs, St. Joe, Atchison and Kansas City were named as points keenly competing for business in the same territory. Each point has rates based on distances, and used as examples to illustrate the practice generally employed. The distance from Omaha to Hershey is 304 miles, the rate 96%; from Sioux City, 335 miles, rate 117%.

KEY THROWING LIGHT ON RATE SITUATION.

Table showing from five illustrative points south of Snake river to Portland and Seattle via routes stated, actual mileage, present first-class rates, first-class rates based on decision in distributive rate case, percentage relation of present and distributive rates, west-bound equated mileage and rates based on same and percentage relation of present rates.

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	Percentage relation	124.4	100	100%	112.1	100	100%

from Kansas City, 444 miles, and the rate 119%.

The witness further pointed out that there is no other case in which the same rate is applied for 300 miles to one competitive point and for 400 miles to another. Minneapolis and Duluth were cited as examples of this fact.

When the witness started to introduce a quotation of a dozen words from testimony of Henry Blakeley, general freight agent of the Northern Pacific railroad at Tacoma, at the time of hearing the rate Astoria case, he was called upon to testify.

Testimony Is Included.

The statement of Attorney McCulloch that the quotation did not exceed a dozen words did not induce Attorney Hart to withdraw his objection, and the testimony was shown.

In the course of his testimony Mr. Lothrop said that the late James J. Hill well expressed the relationship between a mountain road and a water grade when testifying before the Elkins commission of the United States senate, as printed in the Record of the Senate. Again Attorney Hart of the railroad administration objected to the testimony as something that might influence the commission, and as a water grade when testifying before the Elkins commission of the United States senate, as printed in the Record of the Senate. Again Attorney Hart of the railroad administration objected to the testimony as something that might influence the commission, and as a water grade when testifying before the Elkins commission of the United States senate, as printed in the Record of the Senate.

Difference in Costs Defined.

The paragraph quoted was an epigrammatic statement from Mr. Hill defining the difference between cost of operation of a railroad having a water grade with one extending over a mountain. The statement said in effect that assuming that New York is 800 miles distant and 800 tons could be handled as a maximum load over the existing road, then a water-level road could be built of greater mileage over which a maximum load of 800 tons could be hauled. It would be apparent that two and one-half times as much could be hauled over the longer road of lower operating costs, and the "longest" way around would be the shortest way home.

Commissioner Daniels asked Mr. Lothrop whether it was not true that equal rates were made over roads of long and short mileage in central freight association territory to Atlantic seaboard points. The witness answered that it was, but that the same rates were not made from Chicago for the same mileage to a point on the Atlantic seaboard and another point in the interior.

He said that it was customary to make the same rate apply over different roads between the same points of origin and destination.

Railroad Lawyers Object.

Chief Examiner Thurtell asked relative to existing rates as applied from interior points to Newport News and other Atlantic seaboard terminals, but witness was not familiar with the rates in effect there.

At the request of the commissioners Major F. R. Jeffrey of Kennewick, Wash., was permitted to present a statement representing the attitude of the business interests of Kennewick toward the rate controversy. Major Jeffrey, just returned from service overseas, stated that he was in receipt of a telegram from the counsel for the business interests of Kennewick saying that owing to illness that prevented attendance of the representative it was desired that this statement be entered in the case.

Objection was raised by attorneys for the railroads unless Major Jeffrey would limit the statement to cross-examination. The attorney said that he was not qualified as a rate expert, but would comply insofar as his knowledge permitted; that he had been away in service for the past two years and was not entirely familiar with the local conditions; that he is a member of the law firm of Moulton & Jeffrey and had been a resident of Kennewick for several years.

Scott Henderson, representing Ta-

lor, said that would object to the testimony, being personally acquainted with the gentlemen interested at Kennewick, unless cross-examination could follow its introduction.

Commissioner Hall inquired whether it would be the point of the attorney representing Kennewick interests to be at Seattle during next week to present the testimony, and upon being informed that Major Jeffrey was not informed beyond the contents of the telegram referred to, decided that the testimony would be received. In part, the statement read by the attorney was as follows:

"The principal carload shipments from Kennewick for the period of the fiscal year, ending June 30, 1919, consisted of the following:

Commodities—	To Portland & Puget Sound.	Total Cars shipped.
Hay	18	23
Barley	18	23
Flour	20	40
Grape juice	15	17
Livestock	25	127

"The territory from which these shipments originated consists almost entirely of the irrigated district about Richland, known as the Richland project, and the irrigated district about Kennewick, comprising approximately 15,000 acres of irrigated land. Efforts are now being made to bring about the irrigation of 35,000 acres more of land within the vicinity of Kennewick, which will make the total producing area, more than three and one-half times the area from which the present shipments originate.

Just Rate to Portland Asked.

"Our community is dissatisfied with the present rate adjustments, because these rates are based on the condition of operation found on the mountain line of the Northern Pacific to Puget sound and not on the operating conditions obtaining on the Columbia river roads. We merely ask for a just and reasonable rate to Portland based on the cost of the service rendered by the lines that serve rendered by the Northern Pacific to Puget sound. Just how much more it costs the Northern Pacific than the O.-W. R. & N. or the S. P. & S. we do not know, but our common sense tells us it is and must be substantially greater, and we ask that the difference be reflected in our rates to and from Portland. We are not asking to have our community's rate increased, but we are firmly convinced that if our rates to Puget sound are just and reasonable, then our rates to Portland are too high and should be reduced."

S. & Z. green stamps for cash. Holman Fuel Co. Main 353, A 3352. Block wood, short sawwood; Rock Springs and Utah coal; sawdust.—Adv.

Phone your want ad to the Oregonian. Main 7070. A 6095.

SECRETARY OF NAVY ASKS RADIO CONTROL

Handling of Commercial Messages Is Desired.

TIE-UP NOW THREATENED

Inadequacy of Other International Systems Responsible for Delays. Says Naval Head.

WASHINGTON, July 23.—Secretary Daniels in asking congress to enact legislation permitting the navy department to continue handling commercial radio messages, declared that "an intolerable situation in the business world" was threatened because of the inadequacy of other international communication systems.

In a letter to Speaker Gillett the secretary said the navy owned and operated 85 per cent of all radio stations in the United States and that with its existing organization it could continue the work which "no commercial company is now in a position to accomplish." No hardships on private companies would result, the secretary said, because only five commercial stations within continental United States maintain continuous service.

"On the proclamation of peace," wrote the secretary, "the handling of business messages by the radio naval stations will automatically cease and the result will, very probably, be disastrous to American business interests."

Pacific coast business interests, the secretary said, would be handicapped, as present seven-day delays in trans-Pacific messages might be doubled, while in the Atlantic delays of two to three weeks were predicted unless the legislation sought was enacted.

A new navy wireless service to Siberia via Alaska stations to handle 20,000 words a day promises soon to relieve the Pacific situation, Mr. Daniels wrote.

SAN FRANCISCO, July 23.—A nine-day delay exists on cable transmission between Guam and Manila and a three-day delay on wireless transmission between Honolulu and oriental points, navy radio officials announced here today when advised that Secretary Daniels was trying through congress to correct oceanic radio transmission. Both cable and radio between San Francisco and Honolulu was said to be normal by these officials.

PROBATION HOME BURNS

RANCH BARN AND DORMITORY DESTROYED BY FLAMES.

20 Boys, Inmates of Institution, Help to Save Furnishings and Are Given Paroles.

Twenty lads at the boys' ranch at the county farm on the Canyon road were paroled to their homes yesterday afternoon after a fire which completely destroyed the barn and dormitory there. The flames were discovered about 4 o'clock in the barn and spread to the dormitory before they could be put under control.

The farm has been used as a ranch this spring and summer as a place of probation for wayward boys. The dormitory had recently been rebuilt and was capable of taking care of 20 boys, with beds upstairs and dining and recreation rooms downstairs.

The fire started in the haymow of the domestic relations, who announced last night that he would send them to their respective homes for the time being, arranging for reports to him at frequent intervals as to their welfare and behavior.

Japan was verging on a wool famine during the war, and as a result of this condition the country has taken steps to encourage sheep raising.

VICTIMS RESCUED

Kidney, liver, bladder and uric acid troubles are most dangerous because of their insidious attacks. Heed the first warning they give that they need attention by taking

GOLD MEDAL HAARLEM OIL CAPSULES

The world's standard remedy for these disorders, will often ward off these diseases and strengthen the body against further attacks. Three sizes, all druggists. Look for the name Gold Medal on every box and accept no imitation.

Blumauer-Frank Drug Co. Portland, Oregon. Sole Distributors for Oregon, Washington and Idaho.

Ask Your Druggist

There is one SAFE PLACE to buy your piano.

Get our selling plan. We sell standard pianos.

Don't fail to attend our JULY SALE.

Sipman Wolfe & Co. Merchants of "Mott Only"

CONSIDER THIS WOMAN'S CASE

Mrs. A. L. DeVine, of Los Angeles, Cal., says: "After I had suffered from a female trouble for years, not being able to do my housework, or get any relief from doctors, Lydia E. Pinkham's Vegetable Compound made me a well woman, and I want to tell the world the good this medicine does." This woman is perfectly justified, and should be commended for telling others how she regained her health.—Adv.

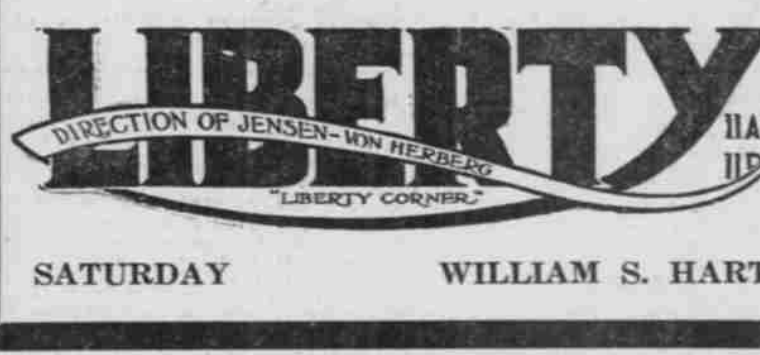
YOU CAN MEET ME FACE TO FACE TO and INCLUDING FRIDAY MIDNIGHT



CHARLIE CHAPLIN

IN "SUNNYSIDE"

A Rural Romance Filled With Fun, Funny Situations and Chaplin Antics Galore.



WILLIAM S. HART

SATURDAY

Liberty Corner

Direction of Jensen-Von Herberg

Liberty Corner

Liberty Corner

Liberty Corner

Liberty Corner

Liberty Corner

Liberty Corner

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