

**ESCH-CUMMINS LAW
NO PROFIT GUARANTY**

False Impression of Measure
Appears Prevalent.

READJUSTMENT SOLE AIM

Statute Enacted to Get Roads Over
Difficult Period Following War
Explained in Detail.

THE OREGONIAN NEWS BUREAU, Washington, D. C., Oct. 25.—Every now and then a political speaker arises somewhere to tell the country about the iniquitous government guarantee of a fixed income to the railroads, carried in the transportation act, better known as the Esch-Cummins law. In most cases there is no intention to misstate the facts, but, according to some of the mail received by members of congress from their constituents back home, this false impression has taken a firm hold in the public mind.

Careful analysis of the Esch-Cummins law made by a close student of federal legislation of recent years shows that any actual guarantee made to the railroads was of short duration, detailed explanation of the act being as follows:

The Esch-Cummins law was the act which terminated federal control of the railroads March 1, 1920. The period of federal control left the railroads with many intricate problems to solve, involving finance and operation, which necessarily include rates and wages.

Guaranty Limited One.
Under federal control the Wilson administration had guaranteed the railroads certain incomes and entered into contracts fixing the compensation which the railroads should receive. To carry the railroads over the readjustment period, the Esch-Cummins law guaranteed the railroads, for six months ending September 1, 1920, an income of not less than half the amount which had been guaranteed them under federal control.

Since September 1, 1920, not one cent of income has either been paid or guaranteed to the railroads by the government. It should be explained, however, that not all of the income guaranteed the railroads during the six months from March 1, 1920, to September 1, 1920, has yet been paid. This is due to the fact that the amount of this guarantee depended upon the amount of income the railroads obtained from the government during the period of federal control. In a very great number of cases this has not yet been settled.

To enable the railroads, which had been under federal control, to serve the public properly through the period of readjustment, the transportation act permitted any railroad within a period of two years following the termination of federal control, or until March 1, 1921, to borrow money from the federal government under certain conditions.

Full Security Required.
The railroads were required to put up security for such loans which would meet the approval of the interstate commerce commission. The loans were to bear 6 per cent interest per annum and be repaid within 15 years from date. To supply funds for these loans the transportation act appropriated \$300,000,000 to create a revolving fund. To date approximately \$251,000,000 has been lent to the railroads from this fund and about \$20,000,000 has been repaid.

The act authorized the interstate commerce commission to divide the railroads of the country into groups to facilitate the making of rates on an equitable basis. The act prescribed that the interstate commerce commission should estimate the aggregate value of railroad property in each group, and ascertain the aggregate amount of freight traffic handled by the railroads of each group. It should then fix a freight rate for each group sufficient to earn a fair return upon the aggregate value of the property "under honest, economical and efficient management." However, the act provided that during the two years, March 1, 1920, to March 1, 1922, a fair return should be 5 1/2 per cent on the aggregate value of the railroads in each group.

Some have asserted that this constitutes a guarantee of a 5 1/2 per cent net income to the railroads. This is not true. The rates fixed are on group aggregate traffic handled. Each group contains strong roads and weak ones. Neither the commission nor the government takes cognizance of these differences within a group.

After the rate was fixed on the basis of group traffic to earn 5 1/2 per cent on group property, each railroad had to hustle. If its earnings are not 5 1/2 per cent that is entirely its own misfortune. There is no guarantee by the government that any railroad shall earn 5 1/2 per cent or any other per cent.

LINDBERG TRIAL DATE SET
Director of Scandinavian-American Bank to Face Jury.

TACOMA, Wash., Oct. 25.—(Special.)—All motions presented by counsel for Gustaf Lindberg, one time member of the board of directors of the defunct Scandinavian-American bank of Tacoma and president of the Lindberg Grocery company, charged with having criminally borrowed \$13,500 from the bank, were denied by Judge Chapman of the superior court and the date for Lindberg's trial was set for November 10.

The charge on which Lindberg will go on trial was filed against him in information direct by action of



SPECIAL THURSDAY
4:30 to 8:30 P. M.
Virginia Baked Ham
Southern Style, Brown Sweet Potatoes Baked in the Juice of the Ham.
Red Mill Cafeteria
Fifth, Bet. Stark and Oak
Breakfast Served



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Sam'l Rosenblatt & Co.
Fifth at Alder Gasco Building

BROTHER CAUSE OF ROW
F. L. Baker Seeks Divorce Charging Infidelity of Ray Baker.

PENDLETON, Or., Oct. 25.—(Special.)—A story of one brother's infidelity to another was told yesterday when F. L. Baker filed a complaint for divorce from Mary Ellen Baker.

Mr. Baker says his wife ran away last month with his brother, Ray, and that the two are now living in La Grande.

The Bakers have two children. They were married here in 1913. The husband says that the brother, Ray, a soldier in France, came to live with him after being discharged from the army in 1919. His wife and the brother went motoring, visited shows together, and were friendly, according to Baker. A month ago the complaint states, becoming suspicious, he

confronted the wife. She confessed her love for the brother. The husband then called the brother in and he in turn told of his love for the wife. Mr. Baker kicked his brother out of the home. When Ray Baker left the home, the wife followed him to La Grande, the husband charges.

Oregon Postmasters Appointed.
THE OREGONIAN NEWS BUREAU, Washington, D. C., Oct. 25.—Fourth-class postmasters were appointed in Oregon today as follows: William J. Eccles, Bate; John P. O'Brien, Jennings Lodge; Augusta A. Behme, Ripplet.



A Message to the People of Oregon
By Governor Olcott

IT IS with pleasure I take the opportunity thus afforded me to urge upon the people of the state the importance of rallying around Oregon industries by the purchase of Oregon products.

The prosperity of all of us is very closely linked with the prosperity of such industries. When Oregon people invest in Oregon industries by the simple method of buying their products, they are making an investment which cannot help but bring large returns to themselves.

I sincerely trust that this campaign to educate the people of the state into the knowledge that the purchase of Oregon products means a greater and better Oregon for each and every one of us will meet with success from the start.

Wm. Olcott

ASSOCIATED INDUSTRIES OF OREGON
702 Oregon Building, Portland



OREGON QUALITY

**Proved! Yesterday!
To Portland!**



Big Audience at White Temple Hears Helen Clark and Joseph Phillips in Edison Tone-Test

In a test of direct comparison, made yesterday at White Temple before a large audience, the New Edison scored a complete and convincing triumph.

Helen Clark, the famous contralto, sang in direct comparison with the RE-CREATION of her voice by the New Edison. To every ear there was no difference between her living voice and her RE-CREATED voice.

This is the most drastic phonograph test known. No other phonograph has ever attempted it.

The New Edison's marvelous performance of yesterday vindicates everything that has been said or claimed for its perfect realism.

Helen Clark stood on the stage next to a shapely Chippendale cabinet. She began to sing. Her golden notes soared over the auditorium, bringing all under its magic spell.

Half way through her song she suddenly

stopped singing. The New Edison, at her side, took up her song—and continued it alone.

Singer and phonograph thus alternated throughout the song.

The only way the audience could be sure which was singing was by watching Miss Clark's lips—so exactly like the living voice was the RE-CREATED voice.

Joseph Phillips made the same test of comparison with the RE-CREATIONS of his baritone selections. Again the same result—there was no difference between the RE-CREATED voice and the living voice.

Proof was piled upon proof! Evidence was massed on evidence! The end of the concert found the audience absolutely and completely convinced, through its own personal experience, that there is no difference between an artist's living performance and its RE-CREATION by the New Edison—that listening to the New Edison is, in literal truth, the same as listening to the living artists.

The NEW EDISON

"The Phonograph With a Soul"

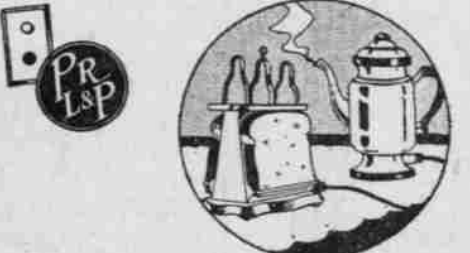
Only one question can still bother your mind. This question we now answer.

The instrument used in yesterday's tests was not a special model. It was an Official Laboratory Model, taken from regular stock. Every Official Laboratory Model in our stock is guaranteed to sustain the same test of direct comparison with living artists.

You can have an Official Laboratory Model in your home. You can own an instrument which will do everything done yesterday in the test. Come in. Hear the wonderful Official Laboratory Model for yourself. Learn about our Budget Plan, which puts our Official Laboratory Model into your home for no more than you would "pay down" for a talking machine.

Reed French Piano Co.

Local EDISON Dealers
Twelfth and Washington Sts. Twelfth and Washington Sts.



Toast and Coffee Electrically Hot!

After all, there's only one way of preparing toast and coffee, and that's the electric way. Piping hot coffee and crisp warm toast as you want them and when you want them—right on the table within reach.

The cost of an electric percolator and electric toaster is but a trifle when considering their great convenience. And the cost of electricity for heating them is very low indeed.

All first-class dealers sell these and other electrical appliances. We, too, have them.

Ask About Our SPECIAL ELECTRIC RANGE PRICES and TERMS and LOW COOKING RATES

PORTLAND RAILWAY, LIGHT & POWER CO. ELECTRIC STORE
Electric Bldg., Between Sixth and Broadway
ELECTRIC STORES ALSO AT SALEM, VANCOUVER, OREGON CITY, ST. JOHNS

The Gasco Furnace

perfected after years of effort, now is unique in its scientific perfection.

The result: Hundreds of enthusiastic users, satisfied 100 per cent.

That's what we aimed at in building the Gasco.

Those satisfied customers are our best asset.

- Floor Furnace, \$37.50
- The Bungalow, \$125
- Gasco Pipeless, \$150 up
- Gasco Furnaces, \$200 up

See them at the Gas Office.