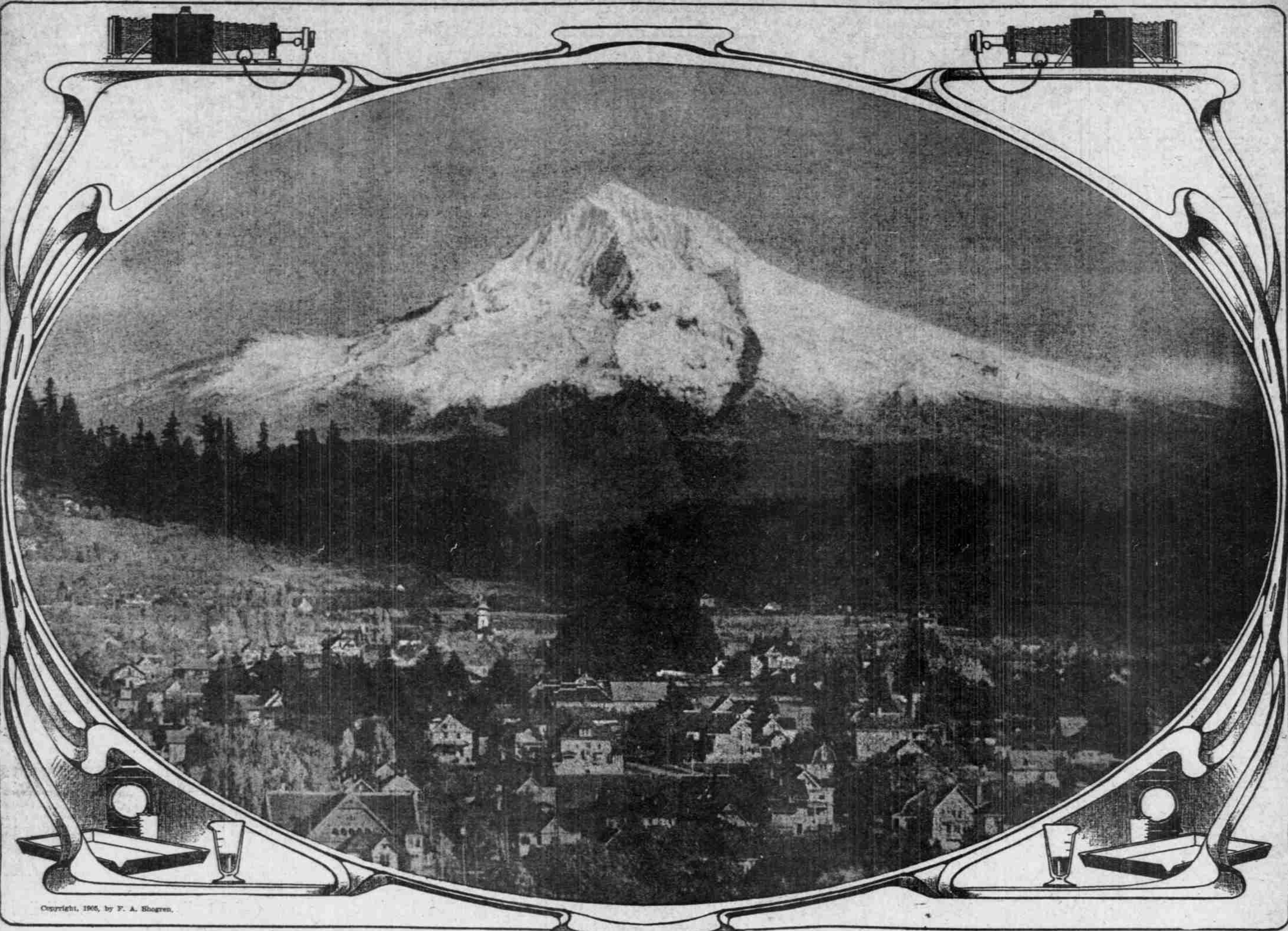


PHOTOGRAPH OF MOUNT HOOD TAKEN AT SIXTY MILES RANGE



Copyright, 1905, by F. A. Shogren.

This is a half-tone of a remarkable photograph taken by F. A. Shogren, staff photographer of The Oregonian, on a bright day in October. It was made with a tele-photo lens from The Oregonian tower, the object being

60 miles distant from the camera. The exposure was only three seconds. Professional photographers as well as skillful amateurs consider this the best picture of Mount Hood ever made; that is to say, the best picture of the mountain as seen from Portland.

WHAT IS AN EQUITABLE FREIGHT RATE?

Thousands of Experts Ever Busy Adjusting the Delicate and Flexible Problems.

WHAT is a freight rate? That question has been puzzling thousands since the plan to place the establishment of rates in the hands of the Interstate Commerce Commission has come up in Congress. "What is all this great potter and newspaper agitation about?" says the man in the street, to whom the matter of fixing the charges for the transportation of commodities seems, in the casual consideration, something simple enough—something that any one familiar with the broad principles of railroading could reduce to a National system as inflexible as algebra, something that must be guided by the simple facts of the weight of the commodity and the number of miles it is carried.

The Man Behind the Rate.

Among the highest paid railroad men are the freight traffic managers. On all the great roads these men have under them a large staff of freight experts, who are constantly hunting and pursuing and studying and adjusting in the matter of rates. If the traffic manager is paid such a high salary and has such an elaborate staff under him, obviously his work must be of a supreme importance to the railroad. It is. He is the man behind the rate. His main business is to catch the greatest pig, to fix the rate.

A traffic manager can no more establish a freight rate by taking into consideration merely the length of the haul and the tonnage of the commodity than a publisher can establish the value of a book by considering the number of words and the cost of binding. Some of the things the traffic manager has to consider in fixing his rates are the value of the freight, the danger of damage to it and the cost of such damage, the cost of service, the conditions of competition to the shipper, not only at the shipping point but also at all other points from which competition may come, and the laws of supply and demand. These are all in addition to considerations of tonnage and mileage.

Considerations Simple Enough.

Certain of these considerations are simple enough. Fine furniture, for instance, is more valuable than grain and it is natural that the rate for it should be higher. The same tonnage of silk or of granite might be packed in a freight car, but the rate for silk will be higher, be-

cause it might easily be damaged if the car was overturned, while the granite could remain in the open without injury. Crookery, in the same way, is much more damageable than pig iron. Again, a haul over a country of steep grades and many turns will entail a higher rate than a straight and level run. Thus, on level regions a road may move 30 or 40 cars more easily than 15 or 20 could be moved on a stretch of sharp grades or hills. At times a road may have great quantities of freight moving in one direction, while empty cars are clattering back on the other, and this waste of energy must modify prices. A community that manufactures a product in which there is practically no competition can pay a higher rate than one in which there is much competition. And the rate is affected by the fact that the commodity may be a luxury or necessity, for naturally it makes less difference to the shipper of luxury goods what the rate is than it does to the man whose commodity is building stone.

When he reaches the consideration of competitive conditions against his road, the freight traffic manager has a more delicate situation to handle. For instance, in the export side the competition is foreign markets of like articles coming from and going to other ports than those of the United States is a big complication. "as for instance," points out Mr. James B. Dill, of New York, "grain from Russia, the Danube, the Baltic, India, Australia, Canada and Argentina; cotton from India, from Egypt, and, perhaps, in the future, from other parts of Africa; and so on, of each and every article, in the varying stages of its manufacture." To such competition the railroad rate here must be receptive.

Water Competition.

The railroad freight rates from New York to San Francisco are lower than from New York to some intermediate points because of the competition by water. A similar situation exists in the rates between Boston and Portland, Me., and again between New York and New Orleans and between New York and Buffalo. The fact that the Hudson River and the Erie Canal are open to navigation seven months of the year affects the railroad rates not only for these months, but also for the entire year. The traffic manager must make his rates high enough to insure a profit, but at the same time low enough to attract the shipper who is willing to pay something over the water-route freight rate, in consideration of the quicker transportation by rail. Railroad rates in the case of lines running from port to port on the Great Lakes, where the roads must compete with the great freight-carrying steamships, are ground down to a minimum, while on parallel roads 100 miles inland rates may be considerably higher.

Moreover, the freight traffic manager may have to consider a peculiar problem of competition by other roads. For instance, from Boston to Worcester by

the Boston & Albany is a distance of 44 miles, while it is 59 miles by the Boston & Maine. Rates must be kept practically the same on the two roads, in spite of the divergence in mileage. The freight traffic manager is continually confronted by odd general conditions like this in his never-ending problem of the adjustment of rates. From Chicago to New York 21 routes, ranging from 212 to 127½ miles, compete for traffic, and between Omaha and San Francisco there are five lines, of which the shortest is 1865 and the longest 2724 miles.

The Rate Man an Arbitrator.

The rate adjuster is to a large extent the arbitrator between the business interests in the communities through which his road passes. He must know the commercial conditions of those communities like a book. His rate system must be a barometer that will reflect exactly the commercial weather of his territory. If his rate toward one community is too high, the discrepancy is immediately reflected by the breaking down of business and manufactures in that community and an immediate falling off in the business of the road as regards that point. If, on the other hand, his rate is too low, the road suffers directly. He must study each community as to every article of commerce it produces and the markets therefor.

The rate above all else must be flexible. The freight traffic manager must often rely on his expert judgment as much as on broad, general principles of rate making. He must have the knowledge and the sense of commercial sympathy to reflect ever-changing conditions and novel contingencies that keep unexpectedly arising. His watch over the communities his road traverses must be as close as that of a physician over his patient—or rather he is the physician who must at once time the pulses of a hundred, a thousand and no physician can conduct his practice on general principles of medical application, but must be guided also in each case by an intimate knowledge of the patient's physical and mental makeup, so the traffic manager must have the sympathetic knowledge of his communities to apply in separate cases, or he fails. "But what," railroad men are asked, "if your rate adjuster is made responsible not to the road, but to the Government merely? Would he care enough about the prosperity of the road to maintain this delicate balance and conserve the interests of the communities affected?"

Official Versus Private Efficiency.

One Eastern railroad officer answered the question this way: "Suppose the Government selected your physician and he was responsible to the state only. Do you think that he would take as much interest in your

welfare as a man paid by and responsible to you? Would he not be likely to sacrifice certain patients to certain others whose political influence might be used to his advancement. And, furthermore, having an assured Government position—which might as likely have been obtained through political pull as through peculiar qualifications and experience—would he have the same incentive toward general excellence and care for detail as he would if his livelihood and standing depended on his success in individual cases? Even if he were a man of high honesty and efficiency, I believe that the answer would be 'No.' And the same reasoning must hold good in the case of the rate adjuster."

A Diversified Problem.

How diversified a problem is the making of rates is not easily illustrated, because of the vastness of the thing. The New Yorker who sits at his dinner-table uses silver utensils brought as ore from the Far West; his table is made of lumber which may have been brought from Maine or California, and manufactured in Connecticut; his sugar is drawn from Louisiana; his bread is made from flour grown in Minnesota; his beef is raised in Texas and slaughtered in Chicago; his bacon was cured in San Francisco or Omaha; the milk he drinks is brought possibly from 300 miles up the state; the eggs he eats may have been laid in Iowa, and his fruit dish may display at once the products of Jersey, Florida and Oregon. What innumerable freight problems have gone toward producing for us even a simple repast! What a factor the rate is upon our very table. And it is woven in the very clothes we wear. The working man in New York is clothed in wool from Oregon and from Texas, woven into fabrics in the factories of Connecticut.

Results From Slight Changes.

A slight change in rates is productive of consequences which might be termed colossal. According to President Melien, of the New York, New Haven & Hartford railroad, any one of the big railroads of the country spends more money each year in the adjustment of freight rates than the entire expense of the Interstate Commerce Commission. A change in its freight rates of only one per cent per hundred pounds costs the New Haven road \$1,300 to prepare new schedules. President Lucius Tuttle, of the Boston & Maine, recently elucidated, in a speech to the Brotherhood of Locomotive Engineers, that the average freight rate received by all railroads in 1903 was 83¢ per ton per mile, while in 1904 the rate was 7.31 mills. This reduction of 1.12 mills in the average freight rates amount in a year

to \$191,000,000. President Tuttle gave a further illustration of the large consequences of a slight change in the rate. He recalled that in 1903 the employees demanded and received an increase in the wage schedule amounting in all to \$300,000. He said: "For that same year the company fortunately received an increased average rate of forty-seven one-hundredths of one mill a ton a mile upon its total freight movement, a sum in itself wholly insignificant and inconsequential, but which, when averaged over the year's freight tonnage, became a balance of nearly \$300,000, an amount almost sufficient to make good the year's wage increase."

How vast a task is that of rate making in this country is indicated by railroad statistics alone. The internal commerce of the country for last year has been estimated at \$22,900,000,000. According to the report of the Inter-

state Commerce Commission for 1904, the gross earnings of the railroads for that year were \$1,858,533,321 and their combined capitalization was \$12,395,990,338. There were 2,358,960 railroad tariffs on file, the annual average being over 130,000, and more than a third of the commission's clerical force (apparently about 30 clerks) was kept constantly busy filing, indexing and furnishing information in reference to them.

Little Sermons - - By Elbert Hubbard

Aphorisms by the Editor of "The Philistine," Author of "Little Journeys," Etc.

THE employee who drives a sharp bargain and is fearful that he will not get all he earns, never will. There are men who are set on a hair-trigger—always ready to make demands when there is a rush of work and who threaten to walk out if their demands are not acceded to. Such men are out of employment about half of the time, and the curious part of it is, they never know why.

GOOD health! When you go out of doors, draw the chin in, carry the crown of the head high and fill the lungs to the utmost; greet your friends with a smile and put soul into every handshake. Do not fear being misunderstood, and never waste a minute thinking about your enemies. Try to fix firmly in your own mind what you would like to do, and then without any violence of direction you will move straight to the goal. Fear is the rock on which we split, and hate is the shoal on which many a bark is stranded.

BETTER occasionally be deceived than to be always distrustful.

WE learn in moments of joy; play is education; pleasurable animation is necessary to growth; and when you have robbed a child of its play spell, you have robbed it of its life.

I WISH to meet all men on an absolute equality; to face any obstacle and meet every difficulty unabashed and unafraid.

WE reap as we sow. We hear that quite often, don't we? But it is only a half-truth, for not only do we reap as we sow but we reap as other men have sown. We are heirs to the past—its good and ill, and all the millions of men who have gone before us

have for us prepared the way. Not only do we reap the ripe grain that others have planted, but our bare and bleeding feet tread the thistles sown by those long dead. Be careful how you sow!

LET us work to make men free! Am I bad because I want to give you freedom, and have you work in gladness instead of fear? Let's abolish the devil.

MEDIOCRITY always fears when the ghost of genius does not down at its bidding.

DO not stop to think about who are with you and what men are against you. It matters little at the last—both the ability to harm and the ability to help are over-estimated.

NATURE punishes most sins, but sacrilege, blasphemy and heresy are things that Nature does not provide any punishment for; therefore man has to look after these things himself.

THERE is no secret society that has corrupted truth. Truth is in the air, and when your head gets into the right stratum you know it. No one can impart it to you until the time is ripe, and when the time is ripe for you to know, you do not have to ride a goat in order to understand.

AT hotels the man who complains is always in league, and the man who complains most is the man who has the least at home.

EVERY employer is constantly looking for people who can help him; naturally, he is on the lookout among his employees for those who do not

help, and everything and everybody that is a hindrance has to go. This is the law of trade—do not find fault with it; it is founded on Nature. The reward is only for the man that helps, and in order to help, you must have sympathy.

BE pleasant until 10 o'clock in the morning and the rest of the day will take care of itself.

THE cat's plan of disposing of difficulties is not without its disadvantages.

Could Not Escape.

The following telephone conversation is reported to have been heard between a certain well-known young financier and a society woman whose functions are considered somewhat boring:

"Is this Mr. —?"
"Yes."
"This is Mrs. —. Won't you give us the pleasure of your company at dinner on Monday?"
"I'm so sorry, Mrs. —, but I have an engagement for Monday."
"Can you come Tuesday, then?"
"Why, it is most unfortunate, but I have a partial engagement for Tuesday, also."
"Well, how about Wednesday?"
"Oh, hang it! I'll come Monday."

Her Family's Longevity.

A Virginia Representative in Congress says that two ladies in Richmond with whom he is well acquainted were one day discussing the relative longevity of the members of their respective families. "I have no doubt," said one of the ladies, "that, everything considered, we Blanks are the most notable family in Virginia when it comes to a question of longevity. Do you know, my father died at 98, while my grandfather reached the advanced age of 97."
"Is that so?" queried the other lady. "And which grandfather was that?"
"Oh," replied the first speaker, "that was the grandfather of my first husband."