

BASIN RATE RULING ALL TOO STUPIDITY

Puget Sound Cities File Unique Rehearing Brief.

NEW FACTS ARE ABSENT

Interstate Commerce Commission Covertly Told It Was Asleep When It Made Decision.

THE OREGONIAN NEWS BUREAU, Washington, D. C., March 12.—Application by the state of Washington, filed yesterday, and by Seattle, Tacoma and Everett, filed today, for modification of the interstate commerce commission's order, after a rehearing in the Columbia basin rate case, was viewed as a request by those interested that the commission confess itself stupid for ever allowing facts to persuade it to change its mind.

These applications were based largely upon the fact that if the order giving Portland a 10 per cent advantage in rates from south of the Snake river is allowed to stand it will be a disregard of commission's decision in the earlier Astoria case.

Portland's Rights Ignored. The suggestion throughout the applications for a rehearing and modification of the order was that the commission was asleep when it made its order in the later Columbia basin case, because it refused to be bound by its earlier opinion that the rate in favor of Portland should be disregarded, notwithstanding the fact that in addition to difference in distance, Portland has the advantage of a downhill, water grade pull, while to reach Puget sound cities, the heavy westbound traffic, the one in the mountains, no recognition was given to the possibility of the commission's having done when it made its earlier decision in the Astoria rate case.

Seattle's application and supporting brief contained 13 allegations of error, but when analyzed it was believed that they all resolved themselves into the insinuation that the commission was fully awake when it decided the Astoria case and sound asleep when it disposed of the Columbia basin case.

Policy Well Established. There was no allegation of a new fact other than if the case were reopened it could be shown that the cost of operating over the Milwaukee's electrified line is less than over the Columbia river line. Even were that proved, it would not justify the commission in making rates on the shortest and lowest cost line.

The commission, time and again, has decided that it cannot make rates in this way, but it has repeatedly considered all the lines serving the territory in question, else, in a short time, there would be transportation only for commodities on the lines having the lowest cost of operation.

Assignments of error made in the Seattle petition follow:

That the commission erred in concluding that Portland is entitled to lower rates to and from territory south of the Snake river than the Puget sound cities.

Uniform Rate Demanded. That the commission failed to consider the question from a broad and comprehensive standpoint in this case, as it did in the Astoria case, with the result that the two decisions will bring about inconsistent rate adjustments, and that the entire situation should be reviewed on a uniform and consistent rate policy adopted.

That if the decision in the present case stands, the party adjustment will be disrupted entirely, and other readjustments will be inevitable, and all the advantages which the commission has repeatedly found to exist in group rate adjustments will be lost.

That the commission failed to give due consideration to the fact that large investments have been made in terminal facilities, mills, factories, warehouses, etc., on the basis of the present rate adjustment, which will be seriously injured by the establishment of a differential in rates.

Commission Told of Errors. That the commission failed to give due consideration to the fact that in other parts of the parity rates territory the Puget sound cities have advantages in distance which more than offset the advantages of Portland in the territory south of the Snake river.

That in connection with the consideration of cost of operation of mountain as compared with water-level hauls, the commission erred in giving effect to the theoretical unit costs instead of actual costs of transportation.

That the commission erred in not finding that the actual costs of operation on the Northern Pacific are more favorable than on the Oregon, Washington, and therefore that the differences in the cost of operation do not justify the establishment of a differential in rates.

That the commission erred in assuming that the diversion of traffic brought about by a differential in rates would have any appreciable effect on the actual costs of operation.

That the commission did not give due effect to the empty car movement.

That the decision fails to give due effect to the short-line haul of the Milwaukee railroad and the cost of operation on this line lower than on the Columbia river line.

That the reasonableness of the rates between points south of the Snake river and the Puget sound cities was not an issue, and the commission erred in assuming that it had authority to require these rates, which presumably are reasonable, to be increased in order to establish the differential.

The supporting brief Seattle, Tacoma and Everett say: "If it were not for the fact that Portland already has, according to her claim, a decided advantage in rate, and that it has in the past handled more grain of the northwest than the Puget sound cities together, one might be inclined to regard her appeal on the ground of sympathy, but in view of the existing facts it is very difficult to see how it can be justified."

and Everett, and that the rates are on a parity in territory embracing 57,000 square miles in which 25,000,000 bushels of wheat are produced annually.

"Notwithstanding these facts, the commission finds and concludes that Portland's exclusive territory should be still further increased and that she should have an advantage in rates over territory in which approximately 15,000,000 bushels of grain are produced annually."

"If Portland had higher rates in the territory about which complaint is made, the question presented would be quite a different one. A complaint of discrimination on account of the higher rates, and a request for the establishment of equality, then would have in its favor all those elements which the commission in the past has taken into consideration in passing upon group or blanket rate adjustments, just as her claim under existing circumstances has none of those elements to support it."

"The decision in the present case is clearly contrary to the numerous decisions in which the commission has recognized group rate adjustments. The average distances to and from the territory south of the Snake river are about 250 miles, and if the same principles of rate-making which the commission has heretofore applied to that territory were applied to the territory south of the Snake river, an average difference in distance of 48 miles cannot be absorbed."

BASIN RATE FUND OPPOSED — Clarke County Protests Paying Money to Fight Itself.

VANCOUVER, Wash., March 12.—(Special) Governor Hart signed the bill appropriating \$25,000 with which to fight the basin rate decision, which will be of great benefit to Vancouver and Portland, Clarke county will have to pay \$100 of that amount. This would be paying money to fight the people who pay it.

Senator McCoy of this county, who has just returned from Olympia, was strong in his position that a vigorous representation should be made to Governor Hart to veto this section of the bill. To be compelled to pay \$100 to fight themselves would be making the people of this county, who are so poor and foolish, said the senator.

Senator McCoy said that the road appropriation bill of \$1,000,000 was originally passed by the legislature from Tacoma to Vancouver. From this appropriation will come money to pave the highway from Pioneer to La Center, about five miles.

BEER PERMIT TO STAND UNLIMITED MEDICINAL MANUFACTURE HELD ALLOWED.

Solicitor-General Frierson Declares Palmer's Ruling Will Stay Unless Treasury Objects.

WASHINGTON, D. C., March 12.—The ruling of ex-Attorney-General Palmer permitting the practically unlimited manufacture of beer, wines and whisky for medicinal purposes will stand, despite protests, Solicitor-General Frierson said today, unless the treasury department should ask for its reconsideration. Such a request has not been made, it was said at the treasury.

A review would only be made, he said, on motion of the department originally making the request and a change made where an error of law was found.

Regulations to provide for the use of beer medicinally will be issued when they can be prepared, prohibition officials declared.

Under this recent interpretation of the prohibition law, officials declared it would appear that a patient for whom beer was prescribed could obtain it by the same means as it would probably be ordered as a tonic and it would appear unreasonable to require a person to procure only one or two bottles.

REPAIRATIONS BACK-FIRE FULFILLMENT BY GERMANY REACTS AGAINST ALLIES.

American Member of Penalties Board Says Entente Nations Face Industrial Losses.

NEW YORK, March 12.—Delivery of Germany of ships, coal and other products demanded by the allies already has caused stagnation in some allied industrial centers, John Foster Dulles, American member of the reparations commission, declared today in an address.

Discussing what Germany may be able to pay for the war damage he said the English shipbuilding industry is almost at a standstill because of vessels turned over by Germany and other vessels now under construction in German yards, which, under the Versailles treaty, also will go to allied countries.

English coal exports, he said, were suffering because of the heavy shipments of coal from the Ruhr valley into northern France. He said that most of the things Germany has to offer as reparations are not wanted by the allies.

OVERHEAD MUST BE CUT, SAYS PACKER

Swift Manager Tells Reason of Wage Reduction.

ECONOMIC NEED PLEADED

Cost of Doing Business Is Said to Be Three Times That of Days Prior to World War.

Necessity of a reduction in operating expense, and a desire to return to normal conditions, were given yesterday by E. C. Darnall, manager of the Portland plant of Swift & Co., as main reasons for the recent proposal of eastern and middle-western packers that wages of men employed in packing houses be readjusted.

"The wage reduction proposed by the packers in the middle west is a necessary step, in a measure, get back to normal conditions. If the packers cannot operate at a small profit, the livestock producers and general public are affected."

Overhead Is Tripled. "Swift & Co.'s cost of doing business in 1914 was \$1.20 per hundred weight. This steadily advanced, until 1920, when it figured \$2.74 per hundredweight, practically three times the pre-war cost. This high expense is entirely out of proportion to present values of finished packing house products. Present values are practically the same as pre-war values. Dressed beef sold by Swift & Co. in 1914 averaged \$12.22 per hundredweight. At the high time since 1914 it sold for \$25.42 per hundredweight. In the week ended March 5, 1921, beef sold for \$13.74 per hundredweight.

"The operating expense for the year 1920 of \$2.74 per hundredweight figured 10.7 per cent of the value of beef per hundredweight at the high time. This expense figures 20 per cent of the present beef value.

"Steer hides in 1914 were worth 18 cents per pound. They advanced to 52 cents in 1919. Present value is only 19 cents per pound. Tallow, oleo oil, pork lard and other products show similar changes.

"Packers announced their intention to pay time and one-half after the tenth hour, instead of after the eighth hour as heretofore. This is necessary on account of variation in livestock receipts. The packing business cannot draw a supply of material as other industries do. We have to take it as it comes to the market.

Animals Cannot Be Stored. "Some days there may be more livestock than we can handle, making it necessary to work overtime. Then several days the same week we will have so few animals that plants, particularly in the killing departments, can operate only a few hours. Livestock cannot be stored like other material after arrival at the market, as there is rapid depreciation.

"Swift & Co. have been making their employees a forty-hour guaranty, the practice of paying time and one-half after the eighth hour and the minimum forty-hour guaranty meant an expense to Swift & Co. in 1919 of \$1,653,000, which represented 2,700,000 hours pay, without any corresponding production. More than \$400,000 of this amount was paid to make good on the forty-hour guaranty. The men who drew the greater part of the guaranteed minimum and overtime pay averaged to work less than eight hours a day during the year, so that the latitude required in being able to work the ninth and tenth hours without an excessive cost to the business is an economic necessity."

SHOOTING HELD FRAME-UP (Continued From First Page.) "Nichols quoted Ketch as saying: "Why, you talk as if I did it," he said Clara replied. "He did it himself and will tell you so."

Mr. Ketch replied, according to Nichols, that he did not want to discuss it, but that Clara must leave as Mrs. Jake Hamon was coming from Chicago.

On cross-examination, Mr. Nichols denied he had seen bruises and marks on Clara Hamon's face and hands, other witnesses, when questioned closely, denied her face and hands bore marks.

Through Mr. Nichols it was brought out that Clara Hamon demanded \$5000 from Ketch, which to leave Ardmore and that he agreed to get it.

Defense counsel has been strict in bringing statements from each of three state witnesses who swore to knowledge of the manner of the shooting that they had kept it a secret.

Each testified that he had been bound to secrecy by Hamon and Mr. Hamon's desire was that nothing be said, unless necessary, that his family might be spared humiliation.

Other points brought out today were that E. W. Sallis, a chauffeur of Dallas, Tex., had driven Clara Hamon from Dallas to Cisco, Tex., where she boarded a train for El Paso, en route to Chihuahua City, Mexico; that she had attempted to rent an airplane at Dallas and that on the trip west from Dallas she had ridden with two pistols partly concealed in her lap.

Death Desire Recited. Sallis testified he made the first statement regarding having driven the defendant to a newspaper man for \$50.

He said she told him she had shot a man, hoped he died, and that she had asked whether a new or old pistol was the better to shoot a man with to kill him. Sallis said he told her an old one, as rust and dirt then would help make the wound worse. At noon court adjourned until Monday.



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Rainier Pair, 18, to Wed. VANCOUVER, Wash., March 12.—(Special.)—Paul Lamon Crum, 18 years old, obtained a license to marry Miss Edna Leona Kilby, 18, both of Rainier, Or., today. Mr. Crum is the son of Mrs. Mary Crum, of Rainier, who accompanied him to get the license at their rooms in the Chamber

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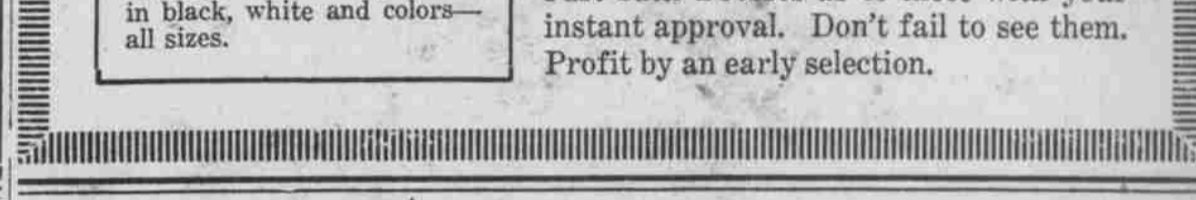
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