

THE EUGENE CITY GUARD.

ESTABLISHED FOR THE DISSEMINATION OF DEMOCRATIC PRINCIPLES, AND TO EARN AN HONEST LIVING BY THE SWEAT OF OUR BROW

WHOLE NO. 742.

EUGENE CITY, OR., SATURDAY, DECEMBER 31, 1881.

\$2.50 per year IN ADVANCE

The Eugene City Guard.
L. L. CAMPBELL. J. R. CAMPBELL.
CAMPBELL BROS.,
Publishers and Proprietors.
OFFICE—On the East side of Willamette Street between Seventh and Eighth Streets.

OUR ONLY
RATES OF ADVERTISING.
Advertisements inserted as follows:
One square, 10 lines or less, one insertion \$3;
each subsequent insertion \$1. Cash required in advance.
Times advertisers will be charged at the following rates:
One square three months..... \$6 00
" " six months..... 12 00
" " one year..... 24 00
Transient notices in local column, 20 cents per line for each insertion.
Advertising bills will be rendered quarterly.
All job work must be PAID FOR ON DELIVERY.

POSTOFFICE.
Office Hours—From 7 a. m. to 7 p. m. Sundays from 9 to 11 a. m.
Mail arrives from the south and leaves going north at 8 a. m. Arrives from the north and leaves going south at 2:30 p. m. For Sitka, Fairbanks and Long Beach, close at 6 a. m. on Wednesday. For Crawfordville, Camp Creek and Brownsville at 1 p. m.
Letters will be ready for delivery half an hour after arrival of trains. Letters should be left at the office one hour before mail depart.
A. S. PATTERSON P. M.

SOCIETIES.
EUGENE LODGE No 11, A. F. and A. M.
Meets first and third Wednesdays in each month.
SPENCER BUTTE LODGE No. 9 I. O. O. F.
Meets every Tuesday evening.
WIMAWHALA ENCAMPMENT No. 6,
meets on the 2d and 4th Wednesdays in each month.
EUGENE LODGE, No. 15, A. O. U. W.
Meets at Masonic Hall the second and fourth Fridays in each month.
J. M. SLOAN, M. W.

DR. JOHN NICKLIN,
Physician, Surgeon and Accoucheur.
(Formerly of Yamhill County.)
RESIDENCE—Up stairs, over Chas. Horn's gunsmith shop.

DR. JOSEPH P. GILL,
CAN BE FOUND AT HIS OFFICE or residence when not professionally engaged.
Office at the
POST OFFICE DRUG STORE.
Residence on Eighth street, opposite Presbyterian Church.

JEWELRY ESTABLISHMENT.
J. S. LUCKEY,
DEALER IN
Clocks, Watches, Chains, Jewelry, Etc.
Repairing Promptly Executed.
All Work Warranted.
J. S. LUCKEY,
Elleworth & Co.'s brick Willamette street.

A. LYNCH. JAS. PAGE.
LYNCH & PAGE,
In Dorris' Brick Building.
DEALERS IN

Groceries and Provisions,
Will keep on hand a general assortment of Groceries, Provisions, Cured Meats, Tobacco, Cigars, Candles, Candles, Soaps, Notions, Green and Dried Fruits, Wood and Willow Ware, Crockery, Etc.
Business will be conducted on a **CASH BASIS,**
Which means that **low Prices are Established**
Goods delivered without charge to Buyer
ALL KINDS OF PRODUCE WANTED
For which we will pay the highest market price.
LYNCH & PAGE.

B. F. DORRIS,
DEALER IN
Stoves, Ranges, Pumps, Pipes, Metals, Tinware.
AND
House Furnishing Goods Generally
Wells Driven Promptly
AND
Satisfaction Guaranteed.
Willamette Street,
Eugene City, Oregon.
One week in your own town. Terms and \$3.00 out of \$10.00. Address H. HALLEY & Co., Portland, Me.



Bargains

REDUCTION IN PRICES!!

F. B. DUNN,

Gives notice that he offers his stock of Goods at reduced prices for

CASH.

Call and Examine his Stock.

HEADQUARTERS

Eugene City

Hide & Fur Depot

For the present I can be found at T. G. HENDRICKS. I am now buying all the

FURS, HIDES AND TALLOW,
offered at the best market price, in Cash. I hope to see all my old friends and customers before selling their Pelts.

D. HYMAN.

New Departure !!

TWO PRICES!

CASH AND CREDIT,

PATRONIZE THE MEN WHO HELP T-BUILD YOUR BRIDGES, ROADS AND SCHOOL HOUSES, whose interests are your interests! Are permanently located and spend their profits at home. Take notice that.

A. V. PETERS,

Will sell goods for CASH at greatly reduced prices, as low as any other CASH STORE.
Best Prints 16 and 18 yards..... \$1 00
Best Brown and Bleached Muslins, 7, 8, 9, and 10 cts.
Clark and Brooks spool cotton 75 cts per Doz.
Plain and Milled Flannels, 25, 35, 45 and 50 cts.
Water Proof, cents
Fine White Shirts, 75 cts and \$1.
Also the Celebrated
WHITE SEWING MACHINE!
None better for strength, size, and durability. At greatly reduced rates. To my old Customers, who have stood by me so long, I will continue to sell on same terms as heretofore on time, but if at any time they wish to make CASH purchases, I will give all on, as others, the full credit on my reduction.
A. V. PETERS

ANTI-MONOPOLY.
The true History of the O. & C. Railroad, Ben Holladay the "Benefactor," Etc.
HALL OF MARION COUNTY ANTI-MONOPOLY LEAGUE, SALEM, Dec. 10, 1881.

To the officers and members of the Marion County Anti-Monopoly League:

We, your committee appointed to prepare an answer to the criticisms of the Daily Oregonian of the 8th, upon the addresses issued by this League at its meeting of Dec. 3d, beg leave to submit the following:

We are pleased to see that the Oregonian admits that managers of railroads often make the roads earn dividends on inflated or "watered" stock, to the injury and oppression of the people; but think it can be shown that the editor of that paper has not gone far enough in his admission, as the evil is one of great magnitude. Principally within the last ten years there has been a debt created, in excess of the actual cost of railroads in the United States, amounting to upwards of \$400,000,000 in excess of the national debt, and which the people will be expected to pay, in the shape of freights and fares. The national debt in the year 1880 was \$2,120,415,370 63. The fictitious debt on railroads is \$2,555,646,997. This debt is in excess of the actual cost of the roads. The represented cost is \$4,897,401,976, or upwards of \$52,000 per mile, while the actual cost would be less than \$25,000 per mile. We make here an approximate estimate, in detail, of what would be an excessive average cost per mile; iron costs less than \$6,000; right of way, say \$1,000; cross ties, \$1,000; track laying, \$500; ballasting, \$1,000; rolling stock, \$3,000; shops and stations, \$1,000; grading, high estimate, 24,000 cubic yards, \$6,000; rock work, \$3,000; bridging and trestle work, \$2,000; engineering and office expenses, \$500; making a total of \$25,000 per mile, and for the 93,671 miles of railroad in the U. S. \$2,341,775. Thus the represented cost gives an excess over actual cost of 2,555,646,997, as above stated, or more than \$50 on every man, woman and child in the United States. This is the work of these managers for about ten years, and if permitted to continue for a few years longer, the debt will be piled up to its tens of billions. As another indication of the cost of our railroads, we extract from a letter of General Hewson the proposition to build 800 miles of the Canada Pacific, for a bonus of \$5,000 each and 3840 acres of land per mile. Again we find that a company presided over by Senator Fred Smith "has offered to build the Sault branch—a road 220 miles long, and through a much rougher country than the plains section—for a subsidy of \$4,000 and 4,000 acres of land per mile." Valuing the land at two dollars an acre, the road would cost under either of these propositions about \$12,000 per mile. Under all tests that can be applied to the cost of railroads \$25,000 per mile is exceedingly high.

As to the Oregonian's next criticism, that "the authors of this address do not act with perfect fairness, when they make the gross mismanagement under which the road from Portland to Roseburg was built a basis of attack upon its present status." In answer to this we submit a brief statement of the unvarnished facts connecting the old management of the road with the new. Early in the year 1870 there was formed a syndicate consisting of Ben Holladay, M. S. Latham and Wm. Rufolson, Americans, with Julius May and R. and S. Sulzbach, of Frankfort, Germany. Under the agreement Ben Holladay was to organize what has become the O. & C. Railroad Company, and issue bonds as president of said company, at the rate of \$30,000 per mile for 365 miles, making \$10,950,000. The Sulzbachs were to take these bonds and pay to Holladay's account 60 cents on the dollar. They were also to pay Latham and Rufolson 4 per cent in addition, Holladay agreeing in a private contract with Latham to give him 7 1/2 per cent of his 60, leaving only 52 1/2 per cent that Holladay was

to receive. The Sulzbachs advanced money to enable Holladay to carry out the arrangements of organizing the new company. Holladay completed a hundred miles of railroad, extending from Portland to Harrisburg, the Sulzbachs having only sold up to this time, about \$3,500,000 of the bonds, leaving \$7,450,000 unsold. At this point Holladay being a mere figure-head for deeper and more astute schemes, became alarmed at the danger that surrounded the swindle, and threatened to stop the work, to prevent which one DeLackie was sent to Oregon to urge Holladay to proceed with the construction of the road, which he finally completed to Roseburg, expending less than three million dollars. At this time, the bonds having all been sold by the Sulzbachs, the work was stopped leaving upwards of \$6,000,000 of money in the hands of these parties, which should have been applied to extending the road to the State line. Upon the default of interest on these bonds, the holders thereof called meetings in Germany and sent an agent to Oregon to investigate. The Sulzbachs, apprehending trouble, secured the services of Henry Villard, who being an educated German residing at Washington and other places as a newspaper correspondent, sent him to Oregon, where he remained as the guest of Mr. Holladay for two or three days only. Returning to Germany he made speeches at meetings of the bondholders, denouncing Ben Holladay as a very bad man, and said other things which caused the bonds to depreciate to 13 1/2 cents on the dollar. They were then bought by the Sulzbachs at figures varying from 13 1/2 to 18 cents. At this time there was in the hands of the syndicate upward of 60 per cent of the money belonging to between 4,000 and 5,000 "poor Germans," who had purchased these bonds at or near par at the solicitation of the Sulzbachs. Besides this 40 per cent M. S. Latham and some other members of the syndicate were financially situated so that 25 per cent more could have recovered of them had Mr. Villard made a correct statement at the bondholders meeting of the financial condition, of which he was well informed at that time. Villard, as the agent of the Sulzbachs, next appeared in Oregon and took Holladay's place as President of the O. & C. R. R., paying him \$550,000 for property that was acquired with money belonging to the original bondholders, and which should have been taken under the law and without paying anything therefor. Three hundred thousand dollars of the amount paid Holladay in bonds of the Oregon Central railroad Company bearing 7 per cent interest, making \$21,000 per year, which is being paid from the earnings of the O. & C. Railroad. We submit as a proposition of law, to be answered by the lawyers of the State, that Holladay was an embezzler of all the money that came into his hands over and above the amount expended in the construction of the road, and amounting to between \$2,000,000 and \$3,000,000; and quote in this connection section 557 of the Criminal Code of Oregon: "If any officer, agent, clerk, employee or servant of a private person or incorporation, shall embezzle or fraudulently convert to his own use, or shall take or secrete with intent to embezzle or fraudulently convert to his own use any money, property or thing of another, which may be the subject of larceny, and which shall have come into his possession or be under the control by virtue of such employment, such officer, agent, clerk, employee or servant shall be deemed guilty of larceny, and upon conviction thereof shall be punished accordingly." If Mr. Holladay became an embezzler under the above section, it will be seen by section 749, as follows, that Villard is equally liable as an accessory: "All persons who, after the commission of any felony conceal or aid the offender, with knowledge that he has committed a felony, and with intent that he may avoid or escape from arrest, trial, conviction or punishment be accessories." We think we have shown by the foregoing that the "present status" of the road has no advantage over the "gross mismanagement" under which it was built. At all events,

it is possible that, if the Oregonian will exert its powerful influence, making use of the knowledge which its editor should have acquired as former editor of Holladay's organ, the Bulletin, the people will have the satisfaction of seeing the question settled by the agency of the law. Another fact to be noted is that the original employees of the old "gross mismanagement" are still at their posts.
We quote from the Oregonian: "The road has been in operation about ten years, and during that time they have not realized four per cent per annum on the actual cost of the road, and are not realizing it now. * * * Ten per cent of the actual cost of the road would be a splendid income, an income which the section from Portland to Roseburg is not likely to earn within the present generation." In relation to the above statement of the Oregonian we will refer the editor to a deposition of Mr. Henry Villard, on file in the U. S. Circuit Court at Portland, in which he states that the net earnings of the O. & C. railroad for the first year he was connected with it, was \$193,000. This was the year in which the bridge over the Clackamas river which cost upwards of \$30,000, was built. Now if we take the \$21,000 paid Ben Holladay each year with the cost of the bridge, we have upwards of \$244,000; which, on the actual cost of the road, would be nine per cent. And as regards the present year, the road is earning nearer twenty-five per cent on its actual cost than ten per cent. The road must be netting, at the present time, nearly \$3,000 a day. We wish here to inquire of the Oregonian how it happens that the road in Western Oregon, which accommodates about 100,000 inhabitants, is not earning one-eight as much as the Columbia river line, which accommodates about one-half that number. These statements concerning the meagre earnings of this road remind us of the course pursued by the Bulletin, when it was defending Holladay against the damaging exposures of the more honest portion of the press, by holding him up as a benefactor who had brought millions of dollars into the State, and insisting that such exposures were against public policy, and an injury to the people of the State. It will be remembered that one cause of decrease of traffic for the year 1879-80 when the net earnings of the road were reported at \$83,000, was the failure of the wheat crop by rust. This, in connection with Mr. Villard's putting down rates of transportation by boats from all points along the Willamette River to one dollar per ton, when he was attempting to get control of the O. & C. R. R. by circumventing his original employers, tended to largely diminish the earnings of the road for the year. Still, the gross earnings of the company since 1876, as shown by Poor's Railroad Manual, have averaged from \$503,000 to \$750,000 per year, 50 per cent of which should be net earnings. Again, if it be true that this road will not earn 10 per cent on its actual cost within the present generation, perhaps the Oregonian will tell us how Villard is going to pay seven per cent interest on his \$10,950,000 of preferred stock, and \$140,000 a year rental of the narrow gauge, which certainly cannot earn one-quarter as much as the O. & C. R. R.
In regard to the comparison of rates, the conclusion is not that the O. & C. road should carry at rates in force on the Eastern roads named, but that the difference in favor of this road, being from six to twelve greater is out of all reasonable proportion.
We notice, also, a revised edition of comments in the same paper of the 9th inst under the head of "Oregon Railroads." As to the "extraordinary" nature of the statement found in the address issued by this League, that the facilities of the Columbia River route were sufficient to do the business of that route. We would ask, if they were not sufficient, by whom, and in what manner was the business of that route done? And, again, we ask the question, if the O. S. N. Co.'s line of transportation on the Columbia River "could no longer do the busi-

Continued on Eighth Page.