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Thursday, July 11, 1912.

Hill, The Empire-Builder

To the average man the story of the growth of a great railroad system appears to be a collection of dry figures strung together by prosaic statements of fact, but to the man with imagination the story of the Great Northern Railway is the story of the splendid achievement of James J. Hill, for, in fact as well as in public estimation, the building of the road is his life-work. He had good right to review with pride what he had done, when he laid down the office of chairman of the board of directors. The fascination of this story consists in its intimate association with the history of the development of the Northwest and in the fact that it deals with the work of a single individual who saw with wondrous prescience the future of the country, but who possesses the power to hold in check the enthusiasm which his vision must have awakened in his mind.

Such figures as Mr. Hill gave in his valedictory address to the Great Northern board of directors form the basis of an epic.

He and his associates in 1878 made what he well calls "the slender beginning on which we risked our all," and he adds: "Failure would be immediate and final disaster." They bought the scattered fragments of the bankrupt St Paul & Pacific, consisting of 311 miles of completed line and of two projected lines, on which some grading had been done and about 75 miles of track had been laid.

They went to work to complete and extend these lines, even before they had foreclosed the mortgages, thus having 667 miles, of which 565 were completed, when they took possession. But events fully justified their confidence, for in the first year earnings increased 54 per cent and land sales amounted to \$1,200,000.

"And now began the long task of building up the country," said Mr. Hill. He reviewed the successive steps by which Minnesota was covered with roads, lake terminals were secured and steamships put on the lake, the road extended across the Dakotas, then across Montana, then to Puget Sound, thence to Vancouver, B. C., ending with the construction in combination with the Northern Pacific and the North Bank road to Portland and the invasion of Oregon with the Oregon Trunk and the electric lines, which are still reaching out through Western Oregon. He told of the acquisition of the Burlington, then of the Colorado Southern, which made the system extend from Vancouver to the Gulf as well as from the lakes to the Pacific. Finally, he told how the system, having grown to a total of 7407 miles, had provided for the standardizing of all its bonds and for all needs for 50 years to come by authorizing an issue of \$600,000,000 of bonds. Its capital stock is now \$210,000,000. The total capital and debts of the companies originally purchased were about \$41,000,000.

Efficiency and economy have been Mr. Hill's watchwords and by them he has achieved the work which is his pride. His road applied proceeds of land sales to redemption of bonds and consequent reduction of interest. His stockholders were willing

to forego dividends that profits might be used in extensions, when Eastern capitalists still considered the road an experiment and were chary of buying bonds. In all, about \$11,000,000 of profits was put into construction and betterment at a time when stockholders expected profits to be distributed. They were given bonds for this amount. Bond issues were limited to an amount per mile much less than the actual cost of construction. Mr. Hill proudly says, referring to the capital stock: "Every dollar of this represents honest value received."

The fruits of Mr. Hill's combination of conservatism and audacity are seen in the results of his business policy. All other transcontinental roads, though they received large subsidies in cash or land or both, passed through receiverships and reorganizations. Of the Great Northern, which had no such artificial aids except a land grant for its original lines, Mr. Hill says:

"The Great Northern never failed, never passed a dividend, never was financially insecure in any time of panic."

Speaking further of its freedom from inflated capitalization, of its provision for all future needs, he says:

"No emergency can surprise it. It is financed for a period beyond which it would be fanciful to attempt to provide. And the development of this business throughout every part of the practically half a continent which it serves makes the payment of dividends on the stock as certain as that of its bond coupons. There has never been a dollar's worth of stock or bonds issued that was not paid for in cash, property or services at its actual cash value at the time. The stock has paid a dividend ever since 1882, and since 1900 the rate has remained steadily at 7 per cent."

In its last paragraph he says: "Most men who have really lived have had in some shape, their great adventure. This railway is mine."

A man who has done such a work, who has built up a property by which an empire is developed and has founded it on a financial structure so solid that no storm can shake it, has well earned the title "Empire-Builder." What he has done is a sure guaranty of what his successors, imbued with his spirit, will do in Oregon. Every patriotic Oregonian should join all others who have shared the benefits of his work in the wish that for many years his eye may not grow dim or his natural force abate.—Oregonian.

The Democratic Nomination

With success in November more promising than for many elections past, the Democrats are beginning to lay aside their petty grievances, to unite their strength for their common cause, and take on all the earmarks of a successful national organization. They are also failing to make the conspicuous blunders, as has been their wont in past years, and are now conforming their policies to the immediate needs of the country, and framing them in such manner that they will meet the popular will of the people.

The nomination of Woodrow Wilson was a wise move on the part of the Baltimore convention. Not that it would have been impossible to have elected Mr. Clark or Mr. Underwood, but because the confusion into which Theodore Roosevelt has thrown the national political situation places Wilson in a strategic position the other candidates could not have forced upon themselves. Woodrow Wilson is a progressive, by his own utterances of the past few years, and by the active and able manner in which he has conducted his office as Governor of New Jersey. The scholar that he is, he has a

knowledge of public affairs possesses by few others of his time; he has the courage, ability, breadth of vision and desire to give the country a clean, honest and fearless administration; he had the courage to repudiate Tammany Hall, and all other forms of "boss" rule in the convention, and the strength to secure his nomination after such repudiation; he believes in a genuine tariff revision and is opposed to those combinations in "big business" which have been under suspicion during the past score of years.

His nomination squarely places Theodore Roosevelt and his third party on trial. The Ex-President has bolted the Chicago convention and is demanding his own nomination at the hands of a third party in order that he might secure progressive legislation according to his interpretation of the will of the people, also that he might overthrow the present political organization and methods, which, by the way, accomplished his defeat at the Chicago convention. Leaving out the personal ambition of the Ex-President, Mr. Wilson stands for the identical principles that Mr. Roosevelt is fostering. Mr. Roosevelt must determine, with what assistance he needs from those whom it may please him to call in to conference whether his patriotism and interest in progressive principles are greater than his personal ambition. If such be the case, he will refuse to sanction a new party, and throw his influence to the Democratic candidate, thus strengthening Wilson's position, a move he could not have been expected to make, had Clark or Underwood received the Democratic nomination. However if his political judgment and patriotism are warped by his greedy thirst for office, then he must suffer defeat and go down in history as a man of dangerous ambition. That he will be defeated if he becomes the candidate of a third party, we believe is the opinion of many of those who have been his strongest supporters in his fight for the nomination. Mr. Bryan yielded the leadership gracefully to Mr. Wilson. It remains to be seen whether Mr. Roosevelt is as great in defeat as he would appear to be in success.

Why He Advertises

A prominent business man of Michigan explains why he advertises and why he uses newspapers for that purpose, as follows:

"I advertise in the newspapers because I am not ashamed of my goods or my work, and to let people know my stock; because I cater to the intelligent class and they read the papers, and believe in increasing my business because I can talk to more people through the newspapers at a greater distance in less time and at a more reasonable price than in any other way; because my newspaper advertising has brought me greater returns for the least expenditure of any advertising I have done; because when I write an ad I am not too stingy to pay for placing it in the best possible medium or to have it inserted so it is attractive; because I know my ad is seen and read by every one in the house where the paper goes."—Exchange.

A Hair of the Prophet's Beard.

In acknowledgement of the expressions of loyalty which have been sent by the Albanian Mohammedans, the sultan has sent the Sherif Mehmet Bey on a mission to the Albanians. Mehmet Bey is carrying with him a hair from the beard of the prophet which the sultan has presented, as a sign of his friendship, to the mosque at Vuchitru.—Salonki Cor. London Globe.

Monel Metal.

"Monel" metal, intended for use in propeller blades, shows a tensile strength of over 75,000 pounds per square inch. Recently a 4,000 pound weight was dropped twenty-one times a distance of twenty-five feet on one of the blades without causing a fracture.

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