

TERMINAL RATES DECISION MAY BE BLESSING TO CITY

Development of Waterways to Follow as Result—J. N. Teal Points Way—Seek Cheaper Rates on Grain.

Questions in connection with the recently announced Spokane and Reno rate cases as they apply to Portland, will be dealt with by the executive committee of the transportation committee of the Portland Chamber of Commerce, of which J. N. Teal is chairman. This committee will also devote close attention to the proposed opening of navigation of the upper Columbia river to the British Columbia line, and the securing of lower rates on grain from the wheat belts contiguous to Portland.

These decisions were reached at the meeting of the committee yesterday afternoon after Mr. Teal had made his report of the Spokane rate decision and possible effects that it may have upon Portland commerce and industries. A resolution touching upon the upper Columbia river improvement was passed unanimously, it being realized more strongly than ever as a result of the Spokane rate decision, that in the opening of the inland waterway lies one of Portland's great assets that will ever remain of inestimable value.

Blessing in Disguise.
As to the Spokane rate case decision, Mr. Teal explained that while it may act some injury to Portland's commerce for a time, it may also be viewed as a "blessing in disguise," because it will give a clearer vision of Portland's tremendous advantages of its water transportation facilities. What temporary injury may be caused when the new rates go into effect November 15, can not be ascertained until the ruling on the new distributive rates is announced, and it was stated that it will be for Portland as a whole to see to it that it is given the square deal in this respect.

The distributive rate cases are still pending, and if shippers are granted what they ask for a reduction of about 20 per cent on goods shipped out of Portland will become effective. As for the proposed reduction in the rate on wheat to Tacoma over the O. W. R. & N., it is stated that if distance is permitted to fix rates to Portland the same principle must apply to other coast ports and as Tacoma is 300 miles farther from the wheat belts referred to Portland will be entitled to a lower rate than Tacoma, on wheat from the interior over the O. W. R. & N. It is not the intention to attack any rate that may be made to Tacoma, but it is held that Portland is entitled to a lower rate than the much shorter haul.

Measure of Rate.
As to wheat rates, summed up in a nutshell, it was explained that the whole question hinges on whether the haul over the Cascade mountains to Tacoma with a climb of 4000 feet is to be the measure of a reasonable rate or if the down grade haul along the Columbia river to Portland is to be the measure of the rate. It is held that to make the most expensive and difficult route the measure would indeed be unjust and unreasonable.

In touching upon Portland's geographical location, Mr. Teal in speaking of the Spokane rate case decision, said that it has always been assumed that every community was entitled to benefits arising from its location, its natural advantages.

"The commission has said at many times," explained Mr. Teal, "as have the courts, in substance that 'it is not the duty of carriers, nor is it proper, that they undertake by any adjustment of rates or otherwise to impair or neutralize the natural competitive advantages resulting from location or other favorable conditions of one territory in order to put another territory on an equal footing with it in a common market. If this result is prejudicial to one or advantage to another, it is an undue prejudice or advantage forbidden by the statute, but flows naturally from conditions beyond the legitimate sphere of legal or other regulations.'

Far Reaching Effect.
A comprehensive analysis of the Spokane rate decision at this time can hardly be expected. If the principle announced and on which the decision is based, can stand the test of judicial investigation its far reaching effect at this time cannot be overestimated. It is one that affects the rate making basis of a large portion of the United States, certainly all portions where water or other competitive factors effect the rate. It is well, therefore, that no one delude themselves with the idea that it is simply a rate or rates that are involved, which is quite often a temporary situation, but it is a far reaching principle.

"Taking up these cases, what is decided? The commission found as a fact that there is real and active, as well as potential water competition between the Atlantic and Pacific coasts. It held that the effect of the rate making effect of water competition would increase rather than decrease. Therefore, as to shipments from certain territories, there was justification for charging more for the longer than the shorter haul. It also held the real gravamen

of the complaint was the alleged discrimination against Spokane by reason of charging more from eastern points to Spokane than to the coast terminals.

Reasonable Rates.
"Under the original section, if reasonable rates were established on an intermediate point, the carriers were the sole judges as to the extent they would meet the competition at the more distant points, so long as the rates fixed were not less than the fair cost of the service and did not, therefore, impose a burden upon other kinds of traffic." It has always been the opinion of both students and practical operators that, so long as traffic could be secured at a competitive point at rates above the cost of service, which otherwise could not be secured, instead of being a burden on other commerce, it, to the extent that it produced any net results, relieved other commerce from a burden it might otherwise carry.

"There is nothing in the opinion or the case that negatives what would seem to be the plain meaning of the section. Indeed, it is somewhat difficult to see how, as a transportation proposition, if an interior point enjoys a reasonable rate and possibly one fixed by the commission, that because competition forces a lower rate at some distant point, the intermediate point suffers thereby, or why each place should not enjoy the benefit of its natural advantages.

Reduction Automatic.
"If changed conditions result in more active competition at coast terminals and the carriers desire to meet it, while the traffic situation may make it desirable, every financial reason, (and that is the controlling one) exists for their doing so, for a reduction at the terminals will work on automatic reduction at every intermediate point, even though such intermediate point is enjoying a reasonable rate and has no water competition. This, because it has found that any greater differential than above set out will cause an unjust discrimination. Under such circumstances, the tendency will naturally be to advance rather than to reduce rates. It must be remembered that the application of this rule is not limited to transcontinental rates which are under discussion, but will apply where similar conditions exist in any part of the country.

"We have another situation here in this section, where the same principle will unquestionably be applied. There is strong water competition between San Francisco and Portland. The rates to Willamette valley points, and points south in the state of Oregon are all based upon the water competitive rate at Portland. Does this result in unjust discrimination against Eugene, Roseburg or other points?

Advantage Divided.
"Will the commission say when the application covering this situation is presented that rates to points in the Willamette valley and other points in Oregon on the lines of the Southern Pacific company shall not exceed, a given percentage of the competitive rate at Portland? If so, how will this differential be measured, and to what extent will the discrimination be allowed? At the present time, as is known, it is measured very largely by the local rate from Portland. I simply refer to this to give you some idea of the application of the principle and how far reaching its effect really is.

"It would, therefore, seem that a water point is by this construction deprived in some measure of the benefit of its natural advantages. It respects lower rail rates based on natural competitive conditions, and its advantage is in a measure divided with other points not so favorably located. The necessary effect, it would seem, is threefold. First, to cause railroads to favor interior points as against competitive points. The probability of this is recognized by the commission. In the Spokane report it says:

Building Up Interior.
"To a distinguished observer it would seem to be in the true interest of these transcontinental lines, which begin at the Missouri river, to make rates which would build up interior points as against the coast. The haul to the coast is shorter, and less expensive. The distribution from these points is easier, but above all, the traffic which is created at such a point belongs to the rail line which creates it, while the traffic which is fostered by the coast is divided between the coast and the interior. The carriers in the future will doubtless adopt this method and will voluntarily make rates to interior points like Spokane, which will enable the carriers to compete with coast cities. And again, in this case the carriers might deem it good policy to establish rates from interior territory which would carry the traffic as against the water and to the entire exclusion of the coast. It would not be policy to attempt to make such rates at the seaboard. Second, to bring about this very result, the railroads will endeavor to maintain high intermediate rates from all coast to all intermediate points. This is the manifest result of the foregoing will be to force all terminal shippers to the use of water to the greatest possible extent.

Situation Difficult.
"The problems, possibilities and results of this situation open up many avenues of discussion and lead to many perplexing and difficult situations. One significant fact must present itself to the consideration of the possible effect on rates on our natural productions, whose markets are in the middle and eastern states. If loaded cars are not to move to the coast, then to move traffic to eastern points (and much such traffic is not subject to water competition), empty cars must be hauled to the coast for that purpose. The effect of a traffic movement of this character cannot be in the direction of lowering rates, for the operation of the principle announced by the commission is to result only in lowering rates to interior points on goods of eastern origin and manufacture with advances on great productions, such as lumber, fruit, fish, hops, wool, etc. I doubt whether the satisfaction over the decision will be so great as it now appears to be in some quarters."

Table Is Presented.
Mr. Teal presented a table showing on a number of representative articles existing rates to the coast and to interior points from each zone, the rates as fixed in the former decision, as they will be if the order is followed, and rates from coast points and with a 20 per cent reduction thereon as heretofore indicated by the commission would be made in the coast rate cases.

"You will observe," continued Mr. Teal, "that the commission, under the law, now feels at liberty to make the Spokane rate depend upon the coast rate. This fact itself brings out in striking contrast the wide difference between the operation under the old and the operation under the amended law." "Jobbers in Missouri river cities and Chicago and elsewhere in that territory will cover all of this territory, and no doubt competition will be severe. What does an absorption of 7 cents a hundred pounds on drygoods and many other commodities amount to to a Chicago jobber seeking to dispose of a product? The coast rate cases asking for lower distributive rates have not been finally decided. It may be that the commission, on considering the matter of our application for a rehearing, which is pending, may make reductions that for the present leave the relationship about it and will not for the

ILL-HEALTH GIVES SOTHER, WAITED HERE, A RESPITE

Accused Forger Too Sick to Travel, So Extradition Is to Be Held Off for at Least a Month.

(United Press Leased Wire.)
San Francisco, July 29.—Danger to his life through his tuberculosis condition today secured a respite in his extradition to Oregon for W. G. Sother, who is out on \$500 bail here on a charge of forgery placed against him in Portland.

To State Agent Leonard of Oregon, who is here to take Sother north, the alleged forger's physician presented an affidavit that in his present condition, passing over Mount Shasta probably would kill Sother. He declared, however, that the man would be in shape to go north in a month, and Leonard agreed to wait.

Sother was a real estate dealer in Portland and took charge of the property belonging to Mrs. Caroline Dunlap, 555 Yamhill street, while she went to Europe 18 months ago. The property consisted of lots and acreage near Portland, upon which there was an income. Arrangements were made whereby Sother would remit monthly allowances to Mrs. Dunlap. She received three remittances after arriving in Europe, but finally failed to remit her money. When she arrived in Portland and began an investigation, Mrs. Dunlap discovered he had embezzled the funds from the property, it was charged. The matter was taken before the April grand jury and an indictment returned against Sother.

BUILD SUBMARINES ON PACIFIC COAST

Moran Company Lands Contract for Two Destroyers for Chilean Government.

(United Press Leased Wire.)
Seattle, Wash., July 29.—The contract for the construction of two submarines for the Chilean government was let to the Moran company of this city. The contract was made with the Electric Boat company of Groton, Conn. This is the first contract of its kind ever given to a Pacific coast firm. As is usual in such work, the construction of the destroyers will be secret. They will be kept from public view and only trusted mechanics will be allowed to work on them.

PACT FIGHT DISSOLVES CANADIAN PARLIAMENT

(United Press Leased Wire.)
Ottawa, Ont., July 29.—To get a verdict from the people of Canada on the reciprocity treaty with the United States, the Canadian parliament was dissolved today. Sir Wilfrid Laurier's government probably will go before the people in September. Nominations for the Dominion election will take place every week and the polling will come on September 2. The conservatives will make the fight on reciprocity from ocean to ocean. It is believed they will carry a majority in the country, but the provinces of Ontario and Quebec are predicted by the liberals as sure to return Sir Wilfrid Laurier to power by a large majority than before.

The obstructive tactics of the Conservatives in the Dominion house in preventing a vote on the reciprocity question and their ability to stave off a decision indefinitely, compelled Laurier to dissolve parliament. The dissolution ended a bitter struggle for advantage which has been in progress ever since the Laurier government arranged the trade treaty with the United States. Both sides will go to the country on numerous issues, of which the reciprocity measure will be paramount.

The followers of Laurier today insist that he has scored a strategic advantage which will be of great benefit to him by announcing that the government will investigate the Canadian cement merger and by having the navy agreement tabled.

present disturb the relationship as between Spokane and Portland.

Conditions Changed.
"This, however, does not meet the changed conditions resulting from crowding this territory open to Missouri river and Chicago jobbers, nor will it in the end meet the conditions necessarily created by the change in the law as construed by the commission."

"With the introduction of a policy which removes from these interior points in some degree the disadvantage under which they have suffered with relation to eastern points of production it will be a matter of moment to the coast cities to avail themselves fully of the ocean as well as develop industries upon the Pacific coast itself which will compete with the industries of the east for the interior trade."

"That which has been done in the middle west within a generation may certainly be accomplished upon the Pacific coast, so that there may come about a competition between real producing markets as well as competition between jobbing houses."

"I doubt if there is a city in the United States as favorably located as Portland from a transportation standpoint. Strategically it could not be better. It is at the junction of the ocean and the great river, and the entire Atlantic and Gulf seaboard. Down the Willamette valley, probably the richest area of like size in the United States, and easily capable of supporting a population of several millions, the river can be made safely navigable to Eugene. To the east the Columbia and Snake rivers drain the inland Empire. The coast rate cases asking for lower distributive rates have not been finally decided. It may be that the commission, on considering the matter of our application for a rehearing, which is pending, may make reductions that for the present leave the relationship about it and will not for the

Journal Want Ads. bring results.

THE WEAPON OF HIS FATHERS



NEW COMMITTEE TO FRAME CHARTER COMES INTO FIELD

Fifteen Men Compose Unofficial Body to Work Independent of Committee of Mayor Simon.

A new charter committee to frame a commission government charter vaulted into the municipal field last night with the announcement of its personnel of 15 members, selected by a committee of the East Side Business Men's club. While the east sides took the initiative, the members come from all parts of the city and from many vocations.

The newly announced commission was projected before Mayor Simon named the official commission, and some of its members declined to accept appointment from Simon because of having previously agreed to serve with the unofficial body. An effort will be made, however, to place the new committee of 15 on an equality with the one named by Mayor Simon, so far as the city is concerned, by voting it an allowance for necessary expenses and by submitting the charter it prepares at the same time with the other.

Personal of Committee.
Three members of the new committee were members of the committee of 15 that framed the charter voted down two years ago. These are Circuit Judge Henry E. McGinn, Richard W. Montague and Dr. Charles H. Chapman. Dr. Harry Lane, another member of the new committee, was mayor when the rejected charter was drawn.

Other members of the new committee are A. E. Clark, A. L. Barbur, Alfred D. Cridge, Frank C. Barnes, Daniel V. Hart, H. G. Parsons, Isaac Sweet, William C. Benbow, Thomas H. Hurt, N. U. Carpenter and George Black.

In City Auditor Barbur, Deputy City Attorney Benbow and City Engineer Hurlbut the committee will have the aid of three men especially equipped in the knowledge of what the present charter contains and what features it may be useful to retain.

Mr. Clark is an attorney who has given much attention to city problems and the application of charters in their local aspects. Mr. Cridge and Mr. Parsons are identified with organized labor and are also students of civic conditions. Mr. Hart is a county commissioner and Mr. Barnes a former county commissioner. The committee the beneficiaries of suggestions drawn from county government. Mr. Sweet was a member of the executive board under Mayor Lane and served for a time as municipal judge. Mr. Carpenter is president of the Citizens Union and Mr. Black is a public accountant.

Meeting Soon Held.
A meeting for organization of the new committee will be held soon, probably during the coming week. The committee of the east side club that selected the 15 members was composed of Dan Kallisher, George Black and L. M. Lepper.

A member of the new committee of 15 today said that an effort will be made to frame a commission government charter that will meet the approval of the people, according to the best ideas from all sources. With this object the city council will be asked to give equal consideration to the new committee as the one named by Simon, so there may be an even race and the charters placed before the people at the same time.

"We hope to frame a short charter," he said, "and at the same time a comprehensive one. It will not be framed in a spirit of rivalry, but we will work independently of the other committee to secure the best charter we can. If the people like our work best it will be adopted."

TESTIFIES DYING BOY IDENTIFIED MURDERER

(United Press Leased Wire.)
San Francisco, July 29.—The Captain Michael K. Conboy was identified by Bernard Lagan as his slayer before the jury today. Dr. John D. Lagan, uncle of the dead boy, in the second trial of Conboy, who was granted a new trial after being convicted and sentenced to eight years in prison.

Dr. Lagan also testified that Conboy, who was in his room at the time the boy made his identification, said: "Why, the poor boy! I would not harm a hair of his head."

Hennessy Taken to Minnesota.
Salem, Ore., July 29.—John Hennessy, who had completed one year at the penitentiary for larceny from Multnomah county, was today turned over to officers from Minnesota, where he is wanted for breaking parole while serving in the reformatory. In Minnesota he was promised freedom if he would keep the parole agreement three months. This he failed to do.

Miller Taken to Asylum.
Salem, Ore., July 29.—Arrangement of six years' standing resulted in commitment to the asylum of Henry J. Miller, a wealthy hop grower of Aurora and candidate for representative in the last legislature. His illusions are of financial and religious nature, said Dr. Griffith, assistant physician, "but the cause of insanity has not been determined."

Pilgrimage to Shrine of St. Anne.
New York, July 29.—The sick, the lame, the halt and the blind to the number of several hundred, will make the eighth annual pilgrimage of New Yorkers to the shrine in Quebec of St. Anne de Beupre tomorrow.

Pope Plus Is Improving.
Rome, July 29.—Pope Plus continues today to cause anxiety here and his physicians are constantly in attendance. The pontiff is rapidly recovering from the attack of laryngitis, but his general health is poor.

Search for Missing Girl.
Los Angeles, Cal., July 29.—Bearing foul play, the parents of Irene Davis, 14, are prostrated today over her strange disappearance from home last Thursday morning. The police after turning down several clues, are inclined to believe that the girl ended her own life.

Loses Keys; Calls Fire Luddies.
Salem, Ore., July 29.—A fire-finding he had lost the keys to his office and that every locksmith in town was busy, State Senator E. B. Martinelli called out the fire department. A big extension ladder was placed against his window and entrance effected.

SLEUTH FEARS NOT; SAYS SO HIMSELF

Detective Hosick Asserts He Believes He's Not Guilty of Kidnaping McNamara.

(United Press Leased Wire.)
Los Angeles, Cal., July 29.—"I do not believe that I am a kidnaper in any sense of the word, and I have nothing to fear, should I go before the court in Indiana to be tried on such a charge," said Detective Hosick, of the local police department, when informed today that it was possible that extradition papers might be secured to take him to Indianapolis on the charge of having kidnaped John J. McNamara.

"As to whether I will fight extradition or not," he added, "I cannot say until I have seen District Attorney Fredericks and get his advice on the subject. I was acting as an agent of the state of California when I went to Indiana last April. Personally, I would prefer to go of my own free will to answer the charges, as I have nothing to fear."

COMMISSARY BUILDING AT SOLDIERS' HOME

(Salem Bureau of The Journal.)
Salem, Ore., July 29.—The Soldiers' Home at Roseburg will have a commissary building in the near future. Governor West wired Commander W. W. Elder today to begin construction. C. D. Fraser, secretary of the state purchasing board, returned last night from Roseburg and reports that a new building is needed. There are 167 old soldiers making their homes at the institution.

DAMN THE ICE TRUST SAYS NEWARK PASTOR



Rev. Louis S. Osborn, pastor of Trinity Episcopal church at Newark, N. J., who startled his flock by saying: "Damn the ice and milk trusts," speaking of the word "damn," he said: "I have been taught that 'damn' is a good, sound, scriptural word, not, however, to be used lightly or unadvisedly, soberly and in the fear of God, and so I say, advisedly and soberly, damn the ice trust and the milk trust, and the farmers and the cows, and everybody and everything that is making this hot weather an excuse for hoisting the price of ice and milk. The sugar trust may be faulty, but the Standard Oil not all that can be desired, but they don't conspire to kill sick babies."

ELITE, BOTH SEXES, CHASE 3 YEGGMEN

Members of Fashionable Summer Colony in Running Fight With Robbers.

(United Press Leased Wire.)
Ardiesley, N. Y., July 29.—In a running battle with yeggmens who dynamited their safe in the railroad station and post-office here today, New York financiers, prominent merchants and other members of the fashionable summer colony here, both men and women, participated. After a thrilling chase, during which a number of shots were exchanged, the three bandits escaped in a fast motorboat. It is believed that one of the robbers was wounded.

TO SIGN ARBITRATION TREATIES NEXT WEEK

(United Press Leased Wire.)
Washington, July 29.—The general arbitration treaties between the United States and Great Britain and the United States and France will be signed in Washington next week according to announcement made here today.

GOOD ROADS ENGINEER VOTED OUT OF OFFICE

(United Press Leased Wire.)
San Diego, Cal., July 29.—A. B. Fletcher, secretary engineer of the good roads work in San Diego county, who came here from Massachusetts to take up the work two years ago, was today voted out of office by Archie Crowell and J. W. Isbell, highway commissioners, elected last week to succeed John D. Spreckels and A. G. Spaulding, resigning. E. W. Scripps, the third member of the board, voted to retain Fletcher. Fletcher's work will be divided among the commissioners. Rex B. Clark was elected secretary of the commission.

NEWBERG PEOPLE WANT PROPOSED HIGHWAY

(Salem Bureau of The Journal.)
Salem, Ore., July 29.—A delegation from Newberg waited upon Governor West last night with a proposition to build the Salem-Portland highway built down the west side of the river. They declared they were ready to show that they mean business and are ready to put convicts to work at once. Governor West says he does not see why parties who get in line first and show they are ready for business should not benefit by convict labor.

LACE CURTAIN SALOME DISTURBS SACRAMENTO

(United Press Leased Wire.)
Sacramento, Cal., July 29.—Frank R. Adams took a lace curtain from his room in a lodging house today, and wrapping the drapery about his body, went to the front porch of the house and executed a Salome dance. A large crowd gathered. The dance was ended by the police. Adams was charged with disturbing the peace.

Bubonic Plague Kills.
Sacramento, Cal., July 29.—A case of bubonic plague, the first human case in the state for a year, was reported today to the state board of health by Dr. Rupert Blue of the United States public health and marine hospital service at San Francisco. The victim was Horace Flood, who died July 26 in Contra Costa county. Bites and scratches from a ground squirrel are supposed to be the cause.

TOBACCO TRUST REORGANIZATION

Terms to Be Published When Stockholders Are Notified.

(United Press Leased Wire.)
New York, July 29.—The terms of dissolution of the tobacco trust and its plan for reorganization will be given to its stock and bondholders on Monday if present plans are carried out. The terms will not be made public until the stockholders are notified. Calls, however, have been issued for deposit of the preferred stock and bonds with the Central Trust company, which will guarantee the stock of the tobacco trust.

It is planned to issue certificates of deposit to the stock and bondholders, which will be changed for new stock in the reorganized companies. All stock and bonds are to be deposited by August 28, when, it is expected, the reorganization scheme decided upon will be presented to the United States court of appeals.

OREGON SHOULD HAVE SHARE IN APPROPRIATION

(Salem Bureau of The Journal.)
Salem, Ore., July 29.—Oregon is going to make a fight to get some benefit from the congressional appropriation of \$200,000, made to enable the federal government to cooperate with the states in establishing systems of fire protection on watersheds of navigable streams. In a letter to State Forester Elliott, Secretary of Agriculture Wilson expresses a doubt whether that appropriation was designed for the west, as much money had already been spent in the west along these lines.

Governor West takes the stand that the only restriction in the law was that it should apply only to states having adequate forestry laws, and as Oregon has the best forestry laws of any state in the Union, she is entitled to federal aid.

STRYCHNINE BRINGS DEATH TO ANDREWS

(Special to The Journal.)
Pendleton, Ore., July 29.—A. Andrews lies in a local morgue, dead by his own hand, and his wife is living only by virtue of a kind Providence which called her to the bedside of a sick friend at an hour when to remain at home meant probable death.

Andrews had laid his plans carefully to cheat the gallows, for he had swallowed strychnine before he arrived sick friend at an hour when to remain at home meant probable death.

When he found his wife away and when the physician had been summoned by persons who had heard his groans, he begged that an antidote be given him, but already he had had two convulsions and the death he had invited could not be repelled.

WELL KNOWN FISHERMAN DIES ON LOWER COLUMBIA

(Special to The Journal.)
Astoria, Ore., July 29.—Andrew Simonson, one of the best known fishermen in this city, died suddenly last night about 7 o'clock, in his boat on the lower river. He had just finished paying out his net and was talking with his boat puller, Chris Sorenson, when he gave a sudden lurch and went overboard. Sorenson succeeded in getting hold of the body before it sank and returned with it to the city at 9 o'clock.

The deceased was a native of Denmark, 56 years of age, and leaves besides his widow, seven children, all of whom reside in this city.

Mrs. West Returns Home.
Salem, Ore., July 29.—After spending a week in the Cascade mountains for the benefit of her daughter Helen's health, Mrs. West returned to Salem today and the governor will take as far as Elk creek on the coast for a few weeks.