

POVERTY IS REAL RAILROAD DEFENSE AGAINST PORTLAND

Humble Knee Bent at Rate Hearing Despite \$28,000,000 in Dividends Paid by the O-W.

WOODWORTH SEES JUSTICE

Traffic Manager Declares His Belief in Fitness of Making Distance Rate Structure Base.

Impoverished by the great expense of networking the Oregon country with glistening rails of progress, splendid terminals, "and so forth," Northwestern railroad interests bended humble knee to plead financial tribulations at the concluding Portland session of the interstate commerce commission hearing on Columbia basin freight rates Monday night.

Fourteen years of financial strain, from 1903 to 1917, has left the O-W. R. & N. company, husbanding its wealth under the gift of imminent poverty, with a scanty \$28,000,000 to distribute to its stockholders, despite the many years the fruits of their investments, witnesses on Monday proved.

NIGHT SESSION FORCED
With J. G. Woodworth, traffic assistant for the North Pacific district, on the witness stand, the hearing was closed at 10:15 Monday night after parliamentary play had necessitated a night hearing over the objections of interstate commerce commissioners and attorneys who have been fighting for Portland night and day for more than a week.

Mr. Woodworth, without giving emphasis to replies to questions put to him by J. N. Teal and others arraying on the Portland case, shocked his own railroad henchmen when he proclaimed his belief in the eternal fitness of making distance the basis for freight rate structure.

BOMB HITS OPPOSITION
A more mild bomb was Mr. Woodworth's statement that:

"I can see no reason why the rule applied to Seattle should not be applied in reverse order to benefit Portland."

The essence of such a spirit, were it general among railroad men, would bring about either a reduction in the haul to Portland from the Inland Empire or an increase for the haul from the same territory to Puget Sound, Portland rate counselors pointed out.

Earlier in the day, however, Mr. Woodworth had "theorized," he admitted, when he declared his belief that the present rate structure is built upon a "very firm foundation and they are fair."

Getting "all the traffic will bear" appeared in the hearing testimony as a principle of freight rate making, although heretofore not widely heralded by the railroads.

FREIGHT RATES FLUCTUATE
After explaining the freight rate reductions brought about by legislative enactment in Washington, Mr. Woodworth explained how rates fluctuate at times in keeping with the price of grain. For instance, when the market price of grain is low freight rates have been known to drop proportionately, and vice versa.

Without regard to its cost," Mr. Woodworth stated, "the O-W. R. & N. would not stand higher rates at such times and that governs rate making."

A score of counselors and witnesses accompanied Commissioners Hall, Daniels and Eastman to Seattle when they left at 11 o'clock Monday night to resume the hearing there this morning.

Casting the proverbial monkey wrench into the machinery of the rate hearing late Monday afternoon, attorneys for the railroad interests that are combatting Portland's claim to a square deal in the creation of freight rates, successfully delayed proceedings beyond the set program and brought about a continuance of the hearing Monday night.

In an effort to conclude the presentation of Portland's case by Monday afternoon all interests had agreed on calling Mr. Woodworth a witness for the railroads. However, when J. N. Teal completed direct examination of R. Blaisdell, auditor of the O-W. R. & N. company, Arthur C. Spencer, chief counsel for the railroad administration, endeavored to take the witness into his own fold and caused the presentation of much testimony for the railroads.

EXPENSE IS TRIPLED
This blasted the possibility of calling Woodworth to the stand in the prescribed time, and an unpleasant situation was faced until Commissioner Hall called a recess and straightened out the tangled skein. The net result was that Blaisdell was excused from the stand, to be recalled in Seattle later in the week. Woodworth was seated and the night session was decided upon.

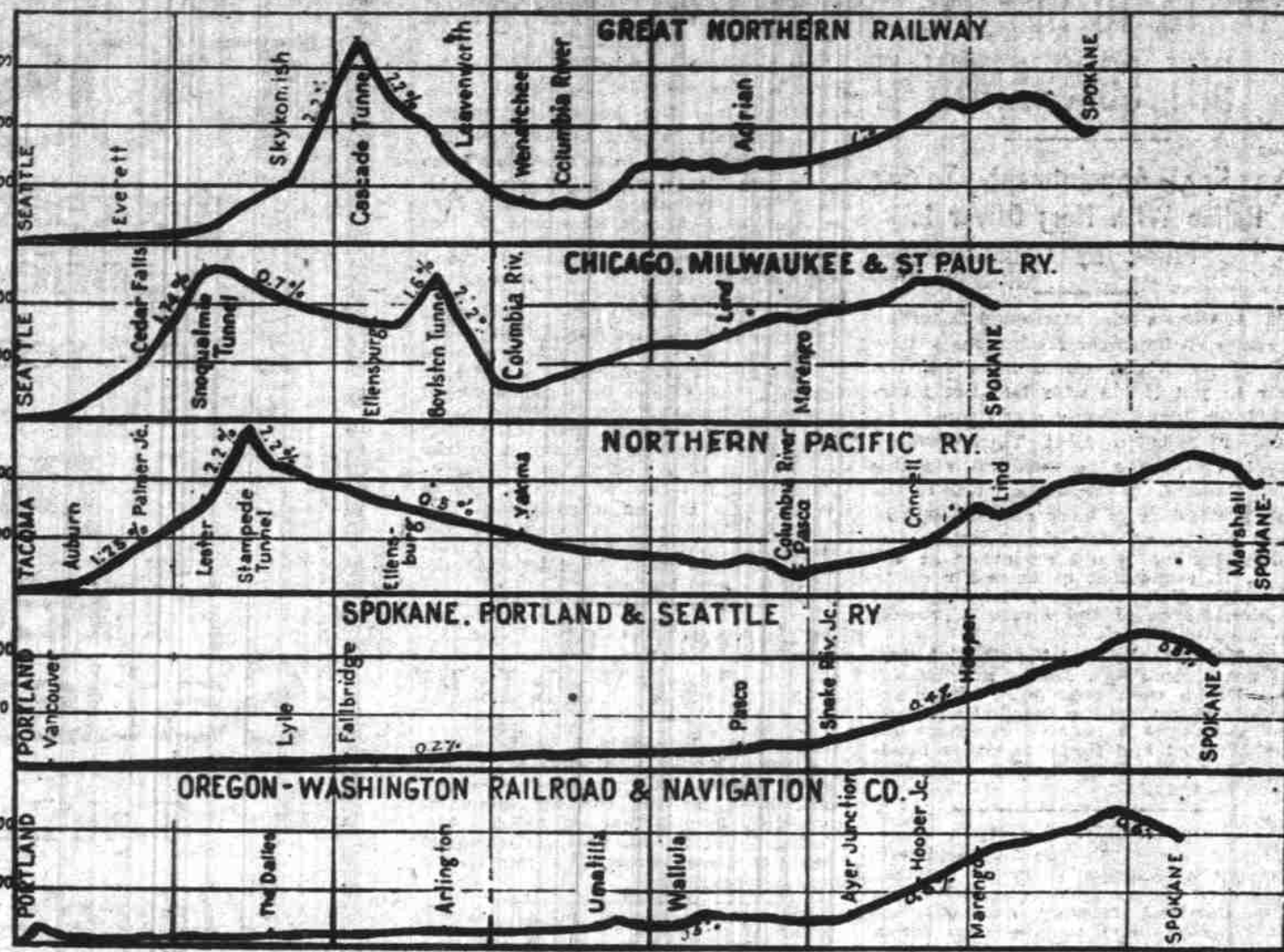
Just prior to the noon recess Monday, Mr. J. Buckley, general superintendent of the O-W. R. & N., gave some highly valuable testimony when called to the stand by the prosecution. He testified as to the amount of power required to haul a ton of freight over a mountainous railroad as compared with a water grade route, declaring that the mountain haul was approximately three times as expensive as the level haul.

Mr. Blaisdell, as auditor of the O-W. R. & N., centered his testimony chiefly upon financial affairs of the company, showing incidentally, that part of the cost of operating the O-W. R. & N. and other lines is the deficit amassed by branch line roads, which are usually, he said, on the red side of the ledger. He explained the increase in capital stock per mile of O-W. R. & N. trackage from \$50,000 in 1910 to \$72,000 in 1917 as due to the purchase of equipment and terminal facilities not previously owned, and a reorganization of the entire company.

Mr. Blaisdell explained the earnings of the railroad company, showing a total excess, after interest had been paid but before dividends had been distributed, of \$36,251,000 between 1903 and 1917.

O-W. FINANCES REVIEWED
Reviewing the financial affairs of the O-W. R. & N., Mr. Blaisdell said: "Although at times the reports of the company show a large surplus of funds, it was necessary for the company to

FOUNDATION FOR PORTLAND RATE CLAIMS



Profile map submitted in Columbia basin rate hearing by Oregon public service commission shows grades on leading Northwestern railroads and brings out clearly the basis of Portland's claim for a reasonable freight rate from the Inland Empire over a water grade haul. Whereas the Great Northern, Chicago, Milwaukee & St. Paul and the Northern Pacific rails must carry freight over towering mountains to get it to tide-water, the Spokane, Portland & Seattle and the Oregon-Washington Railroad & Navigation company freight glides down water level grades without resistance.

carefully husband its money. Until 1908 we went through a period of extremely hard times, but that year brought more brilliant things and the owners were enabled to declare a dividend of some \$26,000,000."

"Where did your company, which you say was impoverished, secure the cash to make such dividends?" Chairman Hall inquired of the witness.

DREW ON CREDIT WITH U. P.
"We drew upon our credit with the Union Pacific system, to whom we had turned over the surplus," Mr. Blaisdell said.

He affirmed that the entire procedure had been in conformity with banking rules.

"That dividend, added to previous ones, less the interest on our undistributed surplus, made a total of \$23,000,000 for dividends over the period of years. Reduced to an annual payment on prime capital stock, these dividends did not exceed 6 or 7 per cent, the witness testified.

RATES WERE EQUALIZED
Mr. Woodworth followed Blaisdell on the stand. He testified that without the equalization of rates that does exist in the Northwest any of the several railroads could control rates.

"All rate changes have been carefully considered by the railroads in each case," he said. "Most of the changes have been ordered by rate making bodies. No road ever tried to cut its rates in an attempt to get a commercial advantage. We of the railroads believe the present rate structure is built on a very firm foundation. The rates are primarily equalized on a basis of the shorter distance haul, and other rail distances were disregarded. There is, I think, no difference of opinion among railroad men on the fairness of the present parity rates."

Questioned by C. A. Hart, Woodworth declared that the grain rates in vogue in the Northwest are very low, comparatively, because grain is the important product of the territory, because public interest is centered on grain and because the rates had been reduced by legislative enactment.

"The Olympia legislature has always had sufficient influence to bring about such reductions," Mr. Woodworth said. He did not, however, explain what the influence was, or is.

ANSWER IS EVASIVE
The witness cited other instances of disregard for distances in making rail freight rates. He declared that the equalized rate is a benefit to the producer without a doubt, and he also interested the auditors at the hearing when he referred to future witnesses and very little if anything about the desire for a reasonable freight rate from the Inland Empire, other than what he read in the newspapers.

Chairman Hall asked him if the railroad administration had not used the gradeless haul wherever possible during the war for loads and shipped empty cars back over the mountain tracks, thus giving the loaded train the advantageous haul and relieving congestion.

Immediately Woodworth became evasive, referred to future witnesses and finally failed to answer the question at all. Shortest possible routes were used by the railroad administration, he said.

Mr. Spencer picked up branch line costs, saying that with a cost, as shown by the engineers' tables, \$1,746 a ton from Shanks to Portland, 172 miles, and \$2,192 for 355 miles from Garfield to Portland, an impossible basis of cost had been assumed.

Mr. Newell answered that for the purpose of comparison he had contrasted main line operation of Columbia lines with similar operations of northern lines, and that to have figured in every detail of branch line operation would result in nothing but confusion.

"You wouldn't want the commission to apply this exhibit to a rate adjustment in this case?" asked Spencer.

"To the extent that it has bearing," answered Mr. Newell, "I don't see how comparison can be made between two railroads as machines for transportation unless you assume common operating conditions."

Former Governor Oswald West and Edward Ostrander are here for the In-

land Empire Shippers' league; J. N. Teal, W. C. McCulloch and John H. Lothrop for the Portland Traffic & Transportation association and Chamber of Commerce; City Attorney W. P. LaRoche for the Portland dock commission; Assistant Attorney General J. O. Barry, Commissioners Williams, Buchtel and Corey, Secretary Wright and Engineer Rasch for the Oregon public service commission. Astoria is represented by G. C. Fulton, John H. Smith, City Attorney Anderson and Port Commissioner B. F. Stone. C. A. Hart and Arthur C. Spencer will conduct the case for the railroads, as they did in Portland. Chief of counsel for Seattle is S. J. Wettrick, and Scott Henderson for Tacoma.

Jay W. McCune of the Tacoma Transportation bureau is predicting that unit costs of transportation over the mountains will be shown to be less than by way of the Columbia because of the density of traffic.

**Commissioned Men
Reenter Service
In Ranks of Army**

Henry Gunness, former first lieutenant on duty at brigade headquarters, Camp Pike, Ark., and Edward Pomeroy, a former second lieutenant of infantry, enlisted Monday for the general service infantry and have been assigned for duty in the Portland recruiting district. Both men have several years of honorable service to their credit with the American army and say they will retire at the same time. They won their commissions during the war.

Others who enlisted Monday are: Charles P. Fuz, 20, Roseburg, air service; Virgil L. Blankenship, 18, Mossyrock, Wash., infantry; Charles Steel, 23, Rickville, Or., motor transport corps; Frank W. Trask, 22, Chicago, field artillery; John W. Ingram, 18, Boise, Idaho, motor transport corps; Earl L. Cox, 18, Portland, quartermaster corps; Clyde J. Dooley, 21, Albany, motor transport corps; and Henry M. Miller, 18, Roseburg, quartermaster corps.

**No Recollection of
Theft, Asserts Man**

Because the property involved could not meet the required valuation, Carl Engley, who was arrested at Sixth and Everett streets by Special Officer Bowlers and brought before Judge Rossman Monday afternoon on a charge of grand larceny, was released. An automobile line, half dozen different repair tools, said to have been stolen from G. Somelkova, Japanese importer, and several bottles of vanilla extract were introduced as evidence. Engley testified that if he had taken the tire and tools he had not the slightest recollection of the affair; in fact, he said he could not even remember the arrest, and could not account for his presence in the police station except through the agency of a concoction he styled as "white mule."

**Use Coconut Oil
For Washing Hair**

If you want to keep your hair in good condition, be careful what you wash it with.

Most soaps and prepared shampoos contain too much alkali. This dries the scalp, makes the hair brittle and is very harmful. Multisified coconut oil shampoo (which is pure and entirely greaseless) is much better than anything else you can use for shampooing, as this can't possibly injure the hair.

Simply moisten your hair with water and rub it in. One or two teaspoonfuls will make an abundance of rich, creamy lather, and cleanses the hair and scalp thoroughly. The lather rinses out easily, and removes every particle of dirt, dandruff and excessive oil. The hair dries quickly and evenly, and it leaves it fine and silky, bright, fluffy and easy to manage.

You can get multisified coconut oil shampoo at most any drug store. It is very cheap, and a few ounces is enough to last everyone in the family for months.—Adv.

**GOLD MEDAL
HAARLEM OIL
CAPSULES**

The world's standard remedy for kidney, liver, bladder and uric acid troubles—the National Remedy of Holland since 1895. Guaranteed. Three sizes, all druggists. Look for the name Gold Medal on every box and accept no imitation.

Women who are losing weight and energy—who look pale and feel languid—need the healthful effects of

**Beecham's
Pills**

Largest Sale of Any Medicine in the World. Sold everywhere. In boxes, 10c., 25c.

**Soldiers Soothe
Skin Troubles
with Cuticura**

Best, Oldest, Tallest, etc. Sold Everywhere. "Cuticura" is the name.

WOMAN LEGISLATOR PLEADS FOR SESSION TO RATIFY SUFFRAGE

**Desire That Women of Nation
May Have Vote in Presidential
Election Expressed.**

Salem, July 29.—Mrs. Alexander Thompson of The Dalles, Oregon's only woman legislator, makes her plea for a special ratification session of the legislature in a letter received by Governor Olcott this morning, in which she volunteers to attend the session at her own expense and urges the necessity for calling such a session forthwith.

"You take the stand that, if Oregon's ratification were necessary to determine the question, you would undoubtedly call the session," declared Mrs. Thompson. "But do you not see that if every governor takes the same view of the matter, no headway will be made? It seems to be highly important and consistent with our progressive spirit that the states already in the suffrage column should take the lead in this matter. By prompt action on our part we will help to inspire other states and pave the way for settlement of this question in time for the presidential election of 1920. This election promises to be most momentous in the history of our nation."

Mrs. Thompson concludes with a plea to the governor's "well-known spirit of progressiveness" to make arrangements in the near future for the consummation of national woman's suffrage.

"I, old Oregon lead in this as she leads in every other good movement," she concludes.

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THE NUT

If the Governor of Oregon and the Mayor of Portland and a 'thousand' dollars worth of prizes!!!! and loads of swell eats—in a swell park on the FAMOUS COLUMBIA HIGHWAY aint gonna make one Classy picnic next Wednesday, Aug. 6th?? then I don't know what more the Grocers & Merchants Assn. can do-----do you?

Yours for \$5,400,000

The Chief Nut

P. S.—Better lay in a good supply of "Nut House Brittle" and "Whoppers" before you go. The more you eat—the more you want eat.

**TOO
LATE**

Death only a matter of short time. Don't wait until pains and aches become incurable diseases. Avoid painful consequences by taking

**GOLD MEDAL
HAARLEM OIL
CAPSULES**

Women who are losing weight and energy—who look pale and feel languid—need the healthful effects of

**Beecham's
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Largest Sale of Any Medicine in the World. Sold everywhere. In boxes, 10c., 25c.

**Soldiers Soothe
Skin Troubles
with Cuticura**

Best, Oldest, Tallest, etc. Sold Everywhere. "Cuticura" is the name.

Woman, 67, Tries Ride in Airplane on 50th Anniversary

Salem, July 29.—Mrs. Charles H. Kugel, 67, of 795 Wilbur street, Salem, topped off the celebration of her fiftieth wedding anniversary Sunday evening with a flight through the air as a passenger in the plane piloted by Lieutenant Cook of this city. Mrs. Kugel had often expressed a desire to ride in an airplane and following her flight

Sunday evening was as enthusiastic as any of the younger aviators.

"The trip wasn't half long enough," she declared.

The wedding anniversary, which was celebrated at the home of Mr. and Mrs. S. P. Kimball of Polk county, was attended by many relatives and friends of the aged couple. Among the children and grandchildren present were: Mr. and Mrs. K. B. Kugel of Pendleton, who were celebrating their tenth wedding anniversary on the same day, and Mrs. Lewis Hall and daughter, Miss Emma, of Oregon City.

The Kugels came to Oregon from Niagara Falls, N. Y., nine years ago. Mr. Kugel is 76 years of age.

**First Division to
Start Home Soon**

Washington, July 29.—(U. P.)—The First division, the last of the American combat divisions in France, will commence moving to base ports for the trip home August 15 with the exception of units retained to make up a permanent force, the war department was advised today.

A vacuumeter has been invented to tell an automobile owner how much gasoline he is consuming from mile to mile.

Last of Our July Clearaway Specials

The daily arrival of fall stocks makes it necessary to dispose immediately of all summer stocks on hand after a brisk season's selling. These prices in many cases represent actual loss to us—a loss which is the customer's gain. Those who come early have the best choice.

Coats and Capes . \$5
Regularly selling from \$15 to \$17.50.
Serge and poplin in navy, gray and tan.

Suits . . . \$12.50
Regularly selling from \$25 to \$45.50.
Sizes 16 to 38 only

Capes . . . \$10
Regularly selling from \$19.50 to \$25.50.
Velour, silver-tone and serge in brown, blue and gray.

Dolmans . . . \$15
Regularly selling from \$25 to \$35.
Velour and serge, navy, tan and rookie.

Dresses, regularly selling to \$35, \$19.75
Superior quality of taffeta, crepe de chine and georgette, in appealing modes.

Satin Finish Wash Skirts . . . \$3.95
Special for Wednesday and Thursday.
Of excellent quality, these skirts are \$6.95 values. Pearl button and buckle trimmed. Launder exceptionally well.

Odds and Ends Waist Special . . \$3.35
Georgettes and crepe de chine, offset with hemstitching, tucking, embroidery or lace. Wide range of sizes—up to 46.

**Hats at \$3.95
and \$1.95**

Whether you need a hat or not, it is good policy to get one at these prices. Both trimmed and tailored models—many styles that are always in good style. Black, taupe, navy, white, sand, purple, gray, red included.

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124 to 128 SIXTH ST. JUST OFF WASHINGTON

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Choicest Cuts—Low Prices!

**Wednesday
SPECIALS**

**Center Cut Chuck
Pot Roasts
12 1/2c Lb.**

**Shoulder
Veal Steaks
20c Lb.**

**Very Choice
Especially Fine**

**Plate
and
Neck
Boil
10c Lb**

**Our Famous
Wild Rose Brand
Creamery Butter
\$1.18
Per Roll**

**Steaks
Sirloin
and
Round
20c Lb**

**Veal
Stew 12 1/2c Lb.**

Frye & Co.
Frye's CASCADIA Market
THIRD and YAMHILL
Frye's ECONOMY Market
FOURTH and YAMHILL

YOUR EYES
Rests, Relieves, Soothes, Heals—Keep your Eyes Strong and Healthy. If they Tired, Smart, Itch, or Burn, If Sore, Irritated, Inflamed or Granulated, use Murine often. Safe for Infants or Adults. At all Druggists. Write for Free Eye Book. Murine Eye Remedy Co., Chicago.

Are you looking forward to vacation days?

You can select here, before you go, the latest of the models for Fall.

See the high-waist English types and the belted-all-round models in heathers and iridescent; they're clever clothes.

Young Men's Clothes \$18 to \$50

—Second Floor.

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