

Vancouver and Portland Secured Entitled to Rate Advantage Over Puget Sound Cities

COLUMBIA RIVER GIVES PORTLAND DISTINCT ADVANTAGE IN RATES OVER INTER-MOUNTAIN HAUL TO SEATTLE

Tentative Report of Examiner for Interstate Commerce Commission Is That Local Shippers Are Entitled to Preferential Rate From All Territory South of the Snake River to Portland.

City's Ability to Handle Traffic From Inland Empire Points for Less Than Northern Lines With Their Enormous Climbing Costs Gets Recognition on Sound Basis of Dollars and Cents.

(Continued from Page One.)

advanced by railroads in defense of discriminatory, arbitrary or outworn systems of rate making.

This makes the result less sweeping than the Portland interests had hoped. The examiners' report recommends that the commission make the following findings: "That the rates on classes and commodities between Portland and Vancouver and points in the Inland Empire have not been shown to be unreasonable; that the rates on classes and commodities from points in the Inland Empire north of the Snake river to Portland and Vancouver have not been shown to be unjustly prejudicial as compared with the rates contemporaneously applied to Astoria, Seaside and Tacoma; that the rates on classes between Portland and Vancouver and points in the Inland Empire south of the Snake river are unduly prejudicial to Portland insofar as they are higher than the rates contemporaneously applied on like traffic between such points and Astoria, Seaside and Tacoma; that the rates on classes between Portland and Vancouver and points in the Inland Empire south of the Snake river are unduly prejudicial to Portland insofar as they are higher than the rates contemporaneously applied on like traffic between such points and Astoria, Seaside and Tacoma."

market at one of the four cities—Portland, Astoria, Seattle or Tacoma. These cities distribute to points in the Inland Empire a very large percentage of supplies received from foreign countries, from California and Alaska, and the products of the fisheries and forests on the coast of Oregon and Washington.

POSITION OF ADVANTAGE "Portland interests have brought these cases in order to secure rates that will give it an advantage over the Sound cities and Astoria in securing the handling of this grain from, and the distribution of other articles to, the Inland Empire. Portland claims that its geographical position 100 miles inland from Astoria in the valley of the Columbia river, with hauls from all points south of the Milwaukee which are less than to Seattle and Tacoma or Astoria, entitles it to an advantage in rates.

"Class rates between Portland and points in the Inland Empire in Washington and Idaho were established in the Portland Chamber of Commerce case. The report dealt with class rates from Tacoma and Seattle, and Portland to points in Washington, Oregon, Idaho and Montana. In that case the following first class rates were found to be reasonable maximum rates for the distances stated on interstate traffic from Portland, Seattle and Tacoma to points in the Inland Empire: 100 miles or less, 50 cents; 200 miles or less, 72 cents; 300 miles or less, 91 cents; 400 miles or less, \$1.10; 500 miles or less, \$1.29; 600 miles or less, \$1.47; 700 miles or less, \$1.64.

"The rates on the lower classes were related to the first class rates.

RATES WERE IDENTICAL "The report further stated that it is expected that defendants will establish rates to points at distances intermediate to those named and at distances in excess of 700 miles in conformity with those prescribed for 100 mile intervals up to and including 700 miles. This report bears the date of November 24, 1911.

"On January 19, 1912, an order was published by the railroad commission of Oregon, prescribing class rates from Portland to points in Oregon on lines of the Oregon and Washington railroads. This order bears the date of November 24, 1911.

"On February 5, 1912, the public service commission of Washington published an order prescribing rates for the Columbia river, under a parity of rates with other points in Washington.

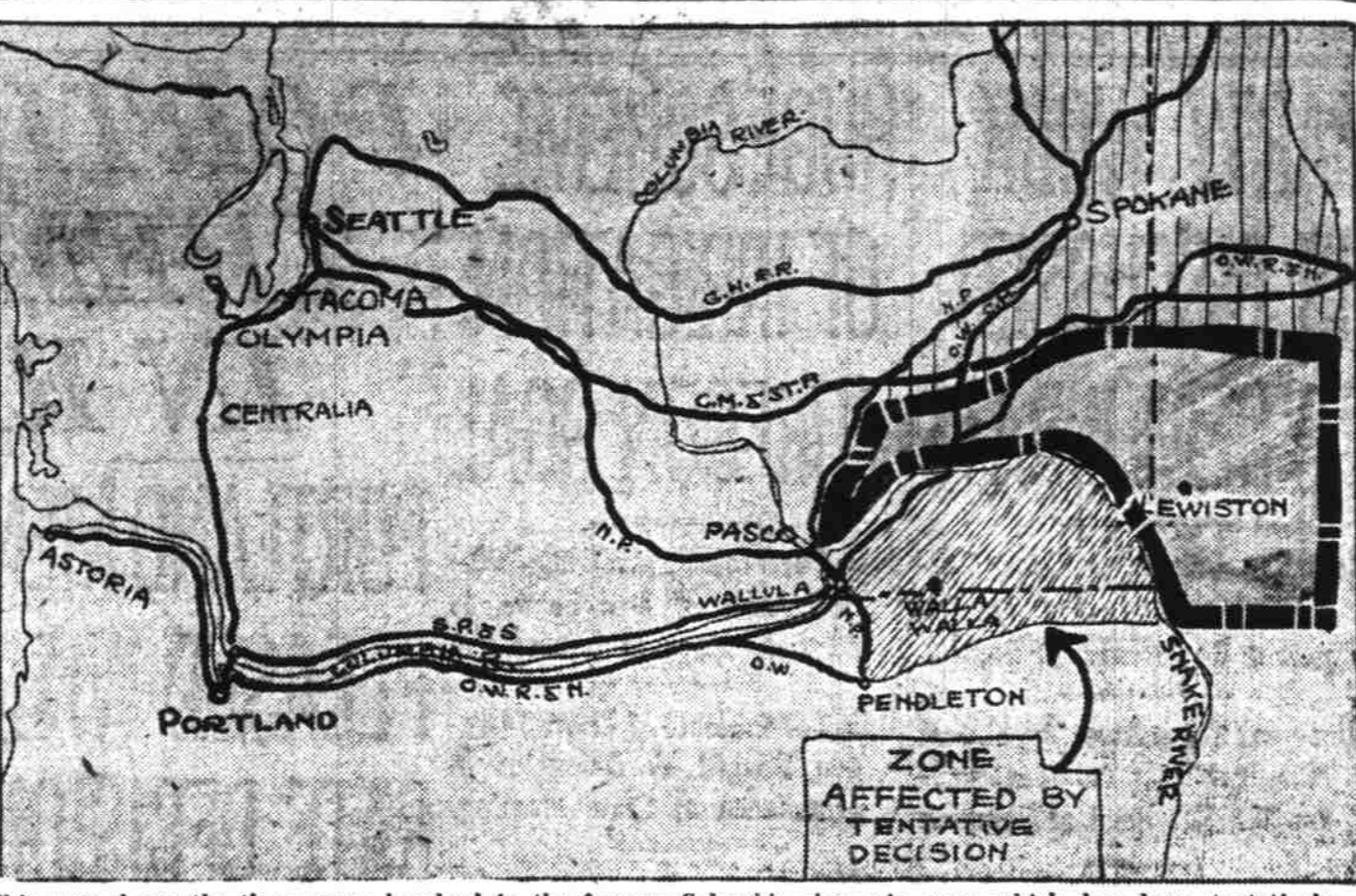
RECOGNIZES GRADES "Both the public service commission of Washington and the railroad commission of Oregon prescribed the same relation between classes as had been prescribed in the Portland Chamber of Commerce case. These reports went farther than the report in the above named case by prescribing grade rates for distances of 100 miles, as shown by the paragraph above.

"It thus came about that Maximum reasonable interstate and intrastate class rates from Portland, Seattle and Tacoma to points in the Inland Empire were established as the result of these three reports and were continued in effect until June 5, 1912, the date of general order No. 28 of the director general of railroads. The rates from and to points to which parity or rates was applied were generally based upon the short haul distances between such points and the nearest of the three cities—Portland, Tacoma or Seattle.

EVADDED THE ORDER "For example, the distance from Portland to Pendleton is 218 miles. The first class rate applied was 76 cents and this rate was also applied from Seattle, although the distance by the Northern Pacific from Seattle is 306 miles, for which distance a rate of 93 cents might have been established. The distance from Portland to Walla Walla is 244 miles and a rate of 82 cents was established.

"The same rate was applied from Seattle for a distance of 238 miles, although the order of the public service

NON-COMPETITIVE ZONE AWARDED PORTLAND



This map shows the three zones involved in the famous Columbia river rate case which has been tentatively decided by the interstate commerce commission in Washington. Portland asked that all three zones be placed in her non-competitive territory—that is, be given lower rates to Puget Sound. This petition has been tentatively denied by the commission as to the northern and middle zones, but granted as to the southern zone, which includes all the territory south of the Snake river and involves the famous wheat districts of the Big Bend, Walla Walla and Umatilla county.

commission of Washington authorized the average distance from all agency stations south of the Snake river and north of Pendleton, Or. to Portland is approximately 260 miles and is about 45 miles less than the average distance to Seattle and 100 miles less than to Astoria. The average distance from representative points south of the Milwaukee railroad and north of the Snake river to Portland is not far from 350 miles and is about 35 miles less than to Seattle via the Northern Pacific and 100 miles less than to Astoria.

UNREASONABLE RATES "The supplemental report in the Portland Chamber of Commerce case was issued after a very careful check of the operating revenues and expenses of the carriers had been made by our account in order to determine probable effect on total net revenues of the carriers of the order then contemplated.

"The testimony here offered in support of unreasonableness in these class rates consists in part of comparisons of rates to Portland from points in the Inland Empire with like rates from the same points to Seattle, Tacoma and Astoria applicable to longer distances. If it is assumed that the rates on classes from these points to Tacoma, Seattle and Astoria are the maximum reasonable rates which could be applied for these distances, it might follow that the rates to Portland over shorter distances and over lines on which some of the operating conditions are more favorable could be considered unreasonable.

DISPLACED HIGHER RATES "To so conclude, however, is to beg the question. The rates to Tacoma, Seattle and Astoria, effective in 1911, were in many instances than those authorized by us in the Portland Chamber of Commerce case in November, 1911, or by the public service commission of Washington in February, 1912. They were established by the carriers for competitive reasons and when established displaced higher rates theretofore existing. The rates to Astoria were established, as stated by the carriers, responsive to our report and order in the Astoria case. That report was founded upon other considerations, and it is to be noted that the rates to Astoria are not to be construed as a declaration by us that the rates subsequently established by the carriers to Astoria are the maximum reasonable rates which might be applied.

"The evidence in the record in regard to the traffic operating and financial condition of the Oregon-Washington. Here is inserted a table showing the revenue per ton mile, operating revenue from operations per mile of road, operating expenses for the years 1912 to 1917, inclusive.)

LITTLE CHANGE "This, and all other evidence of like nature, has been carefully examined and there is nothing disclosed which would lead to the conclusion that conditions so changed between 1911, when the report was made in the Portland Chamber of Commerce case, and 1917, as to warrant the conclusion that rates then held to be reasonable for application on the lines serving Portland from the Inland Empire had in 1917, by reason of subsequently changed conditions, become unreasonable.

"No testimony was offered by any witness which sought to controvert allegations in the certificate of the president of the United States with respect to the necessity and propriety of increased rates established by him on June 25, 1912. It was shown, however, by a witness for the railroad, that in the year 1917 the net railway operating income of the Chicago, Milwaukee & St. Paul, Great Northern, Northern Pacific, Oregon and Washington, and Spokane, Portland & Seattle railroads amounted to \$104,038,368.12, which is stated to be 6.04 per cent interest on the total investment in road and equipment. The net revenue for the year ended December 31, 1913, was \$68,195,102. The standard return of these roads from that year was \$92,272,402. The federal net income for the year from these roads was \$54,572,475.

REVENUES ARE SHOWN "The net revenue from railway operation was 73.9 per cent of the standard return and the federal net income was but 59.2 per cent of the standard return. For the first five months of 1913 the federal income was but \$7,558,583, as compared with the federal income of 1912 for the same five months of \$13,412,182. The standard return for the five months period would be \$35,387,363. During the first five months of 1913 the roads earned but 41.16 per cent of the standard return for that period and during the last five months of 1913 but 23.19 per cent of the standard return.

Under these circumstances it cannot be concluded that these class rates or any of the commodity rates, respecting which testimony was offered between Portland and Inland Empire points, are now unreasonable.

"It is claimed that traffic to Seattle and Tacoma must be hauled over mountain grades across the Cascade range, while the lines serving Portland follow the course of the Columbia river and are less expensive to operate. The costs of hauling traffic to Portland are alleged to be less on that account than on the hauls to Tacoma and Seattle.

DISTANCE ADVANTAGE "What are these advantages of loca-

HIGHER TRAFFIC DENSITY

"These divisions of the Northern Pacific and Great Northern are divisions that cross the Cascade range. The comparatively low cost per ton mile on these divisions compared with such costs on the Oregon-Washington is due in part at least to the fact that these lines have a much higher traffic density than the Oregon-Washington.

"It should be understood that the freight operating expense does not include general expense, traffic expense, depreciation or renewals and retirements. It might also be added that it does not include interest upon investment.

OTHER CONSIDERATIONS "There are, of course, other considerations than costs which must be taken into account in the establishment of the rates. In the Astoria case the commission said, at pages 26 and 27:

"When the entire situation as it appears from the record is carefully analyzed, the most important question that emerges is whether the fact that the Northern carriers were forced by the recognition of Portland as a port and terminal to give to Seattle and Tacoma the same rates as Portland, justifies either the carriers or this commission in disregarding the effect upon Astoria of the competition of Tacoma and Seattle with their lower rates, even though they may be compelled rates. On that question it will suffice to say that the effect of the competition of Portland and Tacoma upon Astoria as a port and harbor is a matter of fact, and that the carriers may not lawfully overlook the effect of the competition of Seattle and Tacoma upon Astoria as a port and harbor."

DISCRIMINATION CHARGED

"A careful examination of the record makes it clear that the Northern Pacific coast ports have closer geographic and economic relation one to the other than is at this time reflected in the tariff of the defunct carriers, and that the latter, in their present rate adjustment, unduly discriminate against Astoria and unduly prefer the Puget Sound ports. We also conclude, and find from the records that there is such relationship between Seattle, Tacoma, Astoria and Portland as to require them to be considered as forming more or less of a natural rate group with respect to much of the traffic in question.

ASTORIA HAS HOPES

"Since the decision of the Astoria case on January 22, 1915, very great investments have been made at Astoria looking to the greater development of that city. In part at least some of the investments have been made in reliance upon that decision. The total cost of docks, elevators and other terminal and harbor facilities including work contracted for and other construction, is said to be \$4,428,144. Astoria has under construction a 15,000-ton drydock which will cost \$750,000. The port grain elevator has a capacity of 1,250,000 bushels and was completed in 1913. In addition there will be storage capacity in proposed extension of pier warehouse of 500,000 bushels. The pier and terminal under construction will, when completed, have berthing capacity of 8878 feet. There are to be constructed six one-half miles of terminal railroad tracks, which will accommodate 334 40-foot cars. The capacity of flour mills is 1100 bushels a day and there are now under construction additional plants that will have total capacity of 5100 bushels.

LUMBER OUTPUT LARGE

"The production of lumber mills adjacent to Astoria shows an annual output of 421,900,000 feet of lumber, 50 per cent of which is shipped by water, leaving upward of 200,000,000 feet annually for eastbound rail shipments. The value of exports for 1913 was \$60,720,844 and imports \$128,273,844. During the first six months of 1913, the total tonnage of wheat and flour export shipments from the port of Astoria was 25,467. In the year 1913 there were received from the following table:

YEAR ENDING JUNE 30, 1915			
	Trackage	Operating Expenses	Cost Per Net Ton Mile
Northern Pacific—Paradise and west...	836	\$4,591,729	1.37
Great Northern—Troy and west...	494	\$4,906,961	6.27
O-W-E & N...	568	2,886,842	5.11
Spokane, Portland & Seattle...	878	687,454	2.27

tion which Portland claims? The average distance from all agency stations south of the Snake river and north of Pendleton, Or. to Portland is approximately 260 miles and is about 45 miles less than the average distance to Seattle and 100 miles less than to Astoria. The average distance from representative points south of the Milwaukee railroad and north of the Snake river to Portland is not far from 350 miles and is about 35 miles less than to Seattle via the Northern Pacific and 100 miles less than to Astoria.

"The cost study previously referred to in this report on the lines of the Oregon-Washington in Oregon to a limited extent has been applied to lines of the Northern Pacific, Great Northern and Milwaukee railroads joining points in the Inland Empire with Sound cities.

"It is explained that similar analysis of the cost of service to that accomplished on the line of the Oregon-Washington was attempted for the Northern Pacific in Washington, but owing to the incompleteness of the data available, the results were not considered reliable and were omitted in the testimony offered in this case except in a brief summary. The difficulty encountered was in determining the detailed movement of traffic so that the amount of resistance overcome could be calculated. The statistics obtained give the total gross ton miles in each direction over each division and separates as between main lines and branches, but they do not state the amount on each branch line, but it is assumed they are to be said to vary so widely as to grades as to make the results of an arbitrary apportionment of traffic unsatisfactory; also the statistics were given for part of the year only and the reports were not clear as to the inclusion of certain maintenance charges. It was attempted to compare costs of hauling traffic from various points in the Inland Empire to Portland with the line of the Northern Pacific to Tacoma.

COSTS UNCERTAIN "The results of this study, it is explained, are not to be considered as absolute, but it is assumed they are to be relied upon as showing approximately the relation between costs from these various points to Portland as compared with Tacoma. What is termed the road cost, which includes the direct costs due to distance, resistance, excess draft service and empty tonnage in the opposite direction of hauling traffic to Portland, are compared with like costs of hauling traffic to Tacoma. The districts are various points. Walla Walla is, perhaps, a representative point in the territory south of Snake river, and Garfield is a representative point in the territory north of the Milwaukee railroad and north of Snake river.

"It was shown in the cost study with regard to the Oregon-Washington that the terminal costs for the average net ton of revenue freight handled on the system was usually \$1.20 for the two handlings at origin and destination. On the Northern Pacific a rather rough calculation indicates that these costs are about a half cent less than on the Oregon-Washington. The study seeks to show the comparative costs of handling one ton of revenue freight from Walla Walla and Garfield to Portland as compared with the similar costs of handling one ton of freight to Tacoma.

ROADS NOT SHOWN "It gives these costs for handling

I Treat Successfully, and For About Half the Usual Prices Diseases of Eye, Ear, Nose, Heart and Kidneys. All female diseases. Rheumatism, Piles, Ulcers and Rheumatism. Quick relief. Complete general practice.

DR. N. CLAUDE HAMPTON Physician and Surgeon THIRD AND WASHINGTON STS. Hours: 10 A. M. to 6 P. M. OFFICE PHONE.....MAIN 5675 RESIDENCE PHONE.....WEST 1991 318 AND 318 DEKUX BUILDING

grain producing territory in Washington, Oregon and Idaho a total of 854 cars. The total number of cars of fish

	Portland	Tacoma	Seattle
Enter	42	801	102
Cleared	42	801	102
Value of foreign trade	\$18,878,389	\$1,219,177	\$507,149,796
Net tonnage cleared from ports	796	21,418,247	

for 1917 moving from Astoria was 515 and for 1918, 516.

PORTLAND IMPROVEMENTS

"The Portland commission of public works has at present under operation a grain elevator with a capacity of 2500 lineal feet or cargo capacity of 34,000 tons at one time. There have been constructed and now in operation by private interests eight large lumber docks, three fuel oil docks and a modern mechanical coal bunkering plant. There are nine grain docks with a total capacity of 159,000 tons of sacked grain at a time, a private owned elevator with capacity of 800,000 bushels, and the flouring mill at Portland have storage capacity of 550,000 bushels.

BIG ELEVATOR BUILDING

"The Portland commission of public works has at present under construction a grain elevator with a capacity of 2500 lineal feet or cargo capacity of 34,000 tons at one time. There have been constructed and now in operation by private interests eight large lumber docks, three fuel oil docks and a modern mechanical coal bunkering plant. There are nine grain docks with a total capacity of 159,000 tons of sacked grain at a time, a private owned elevator with capacity of 800,000 bushels, and the flouring mill at Portland have storage capacity of 550,000 bushels.

YANCOUVER IN-KING ROW

"The flour mill at Vancouver has a capacity of 700 barrels a day and there are very large lumber mills in operation. The country adjacent to this city is noted for its extensive production of prunes, the total annual value of which exceeds \$1,500,000. It has 15 miles of water frontage on the Columbia river and extensive plans have been made for the improvement of the harbor and betterment of the facilities for handling freight."

EYEBRETT'S CLAIMS

"Everett, Wash.—Everett has an excellent deep-water harbor and the present berthing capacity of 2280 lineal feet. The capacity of lumber docks at this point is 3,500,000 feet a day, approximately 117 cars. There are 4,500,000 feet of lumber produced each day, 35 tons of paper and the flour mills have a capacity of 1000 barrels a day. During the year 1913 the total number of cars filled and shipped east from Everett was 21,678 and 2023 loaded cars are received during this same period.

TACOMA AND SEATTLE

"Tacoma—Two million five hundred thousand dollars have been appropriated for the proposed development of port facilities. This city has approximately 15 miles of water frontage. The tide flat industry of Tacoma represent an investment of approximately \$19,000,000 and the flour mills have a total capacity of 9500 barrels a day. The port of Seattle has expended to date approximately \$10,000,000 for building terminal facilities, including piers, docks, warehouses, storage plants and a grain elevator of 1,200,000 barrels' capacity. During the past year there have been from 16 to 20 regular steamship lines running from Seattle to various points in the Orient. The berthing space is approximately 57,000 lineal feet, which accommodates 1000 vessels at a time. The 1913 value of Seattle's foreign and domestic commerce is stated to be \$72,000,000, and in addition to this there was imported \$120,000,000 worth of silk products, which moved in bond through Seattle to New York. Seattle has 12,000 manufacturing plants with a total investment of about \$100,000,000. Its flour mill capacity is 52,000 barrels a week."

CLEARANCES ARE SHOWN

Below is shown entrance and clearances for 1913 at Portland, Tacoma and Seattle:

Statistics of foreign trade and the net tonnage cleared from the ports of Portland and Seattle:

	Portland	Tacoma	Seattle
Enter	42	801	102
Cleared	42	801	102
Value of foreign trade	\$18,878,389	\$1,219,177	\$507,149,796
Net tonnage cleared from ports	796	21,418,247	

1913 NOT REPRESENTATIVE

"Statistics of wheat production show that 1913 is not very representative of the production of wheat in the Inland Empire. A study of the movement of grain and grain products for the year 1915 from points in Washington, Oregon and Idaho, designated in these complaints as the Columbia river basin, and points in territory, Spokane, Adiray, Connell, Hooper (equal rate points on Northern Pacific and Spokane, Portland & Seattle) shows the following movement:

"Portland 318 tons; Portland 508,725 tons; Seattle 259,212 tons and Tacoma 314,994 tons. Had this grain moved to the nearest port by the shortest possible route the result would have been as follows:

"Portland 548,472 tons; Seattle 527,900 tons; Tacoma, 9767 tons.

"During the same year there were exported through Puget Sound ports \$206,441 bushels of wheat and 1,715,676 barrels of wheat flour and through Columbia river ports 11,988,061 bushels of wheat and 387,811 barrels of wheat flour.

CREDIT FOR VANCOUVER

"It is intended on behalf of Vancouver that its position with reference to



The Seats of the Mighty

To gain an idea of the might of women as a commercial factor in the modern world, realize that Delineator families, for whom the household purchasing is done by women, are spending \$39,-300 for furniture today, and spend that same amount every day in the year that the stores are open. Nearly every household necessity that woman does not purchase direct, she influences the choice of. To sell your goods, describe them to the women "purchasing agents" of American homes.

The Delineator

The Magazine in One Million Homes

35 Men's Overcoats \$28.75

Good weight overcoats in conservative styles. Some with plain box back, others with half belt. These have the popular convertible collars and side or patch pockets. Casimeres, tweeds and chevits. Good assortment of patterns and colors. This is a splendid special for the man who needs an overcoat.

Women's Coats \$16.75 and \$21.75

Two splendid lots of coats that have sold at much higher figures. There are meltons, velours, mixtures and tweeds in a variety of styles—some with plush shawl collars, others with tailored collars and buttons of plush. Belts and odd set-in sleeves add novelty notes to many numbers. Brown, navy, green, burgundy and mixtures are the choice of colors.

Silk Dress Skirts at \$6.75

This is indeed a special. Moire crepe de chine dress skirts of light blue and lavender as well as smart navy taffeta numbers.

FURS at Great Savings

All other furs, capes, collars, scarfs, muffs and coats proportionately reduced.

Use Your Charge Account

It is the most convenient way to shop and you have the privilege of paying in amounts to suit your pleasure.

Eastern Outfitting Co.
Washington St. at 10th The Grey Tile Corner

Coney Scarfs, were \$ 25, now \$ 16.75
Coney Capes, were \$ 35, now \$ 26.75
White Fox Scarfs, \$145, now \$127.75
White Fox Scarfs, \$135, now \$115.00
Jap Cross Fox, \$ 45, now \$ 31.75

HOBART BOSWORTH in "Behind The Door"

Here's the picture that all of Portland is getting a "thrill" out of.

LIBERTY Portland's Best Photoplay House, Where Quality Reigns Supreme

LOOK WHO'S COMING SATURDAY

WALLACE REID in "HAWTHORNE OF THE U. S. A."

One of the brightest, funniest pictures of the season.

FATTY ARBUCKLE in "THE GARAGE"

An eight-cylinder, 90-mile-an-hour roar of laughter, of fun.

IT STOPS FRIDAY MIDNIGHT