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for the direction of congress a plan for the consolidation of the railway properties of the United States. He said that while there were defects and mistakes here and there, which must be corrected if great injury to public as well as private interests is to be avoided, that yet the tentative plan of the commission affords the basis and ground work which should be followed and from which departures should be made only with great caution. He said he doubted whether railroad men themselves could have formulated a plan so fair and workable, because they could not have divested themselves of their environment and their affection for lines with which they had spent many years.

Judge Lovett opposed the suggestion that all lines in western territory should be consolidated into four systems, saying, "Four systems, comprising from thirty thousand to upward of thirty-five thousand miles each and each extending from Puget Sound or the Pacific ocean to the Great lakes, to the mouth of the Mississippi river and the Gulf of Mexico, and traversing most of the intermediate states, make the combinations entirely too large for efficient management and service for the welfare of the corporations themselves, their creditors and stockholders and for the public good, and present a situation which probably would be a source of much undesirable friction and in many ways a constant menace, especially in case of failure."

He answered Mr. Holden's argument, based on the fact that the traffic handled by the New York Central and Pennsylvania respectively is substantially as great as that which would be handled by any of the four systems, by pointing out that the problems of management in a territory extending only from New York to Chicago and St. Louis are very different from the problems of management in new and rapidly developing territory, extending all the way from the Canadian border, Puget Sound and the Pacific ocean to the Great lakes, the mouth of the Mississippi river, the gulf and the Mexican border.

Judge Lovett also disagreed with Mr. Holden's view that each of the Pacific coast lines should have a line extending to the gulf, stating that the east and west traffic was the important and controlling traffic with the transcontinental lines. After pointing out various reasons for this, he said:

"But more important still and almost startling is the inevitable tendency and effect of the Holden plan to divert grain from the trunk lines and Atlantic seaboard to the gulf. Hitherto the Great Northern, the Northern Pacific, the Burlington, the Chicago, Milwaukee & St. Paul, the Chicago & Northwestern, the Union Pacific and the Chicago Great Western have been impartial as between Atlantic and gulf ports, as their carriage did not extend beyond Chicago, Kansas City or St. Louis, and they interchanged without preference with the trunk lines and the gulf lines alike at the usual gateways. But the Holden plan ties each one of the great 'Granger' roads up with a gulf line of its own, but without any line east of Chicago or St. Louis, thus forcing all of them in their own interest thereafter, through control of car supply and otherwise, to exert their influence in favor of movement of all export grain over their own rails to the gulf instead of being impartial as heretofore. If such consolidations are accomplished where will the trunk lines and Atlantic ports get their grain for export? I am not their advocate, but only wish to point out this as another revolutionary and disastrous effect to some interests of the action the commission is asked to take."

Even if the four-system plan were adopted, it is Judge Lovett's view that the systems should be constituted in a much different way than proposed in the Holden plan. He said that if the Hill lines were to be consolidated, the Union Pacific and Southern Pacific should also be consolidated, as their combined strength would be needed to place them on a fair, competitive basis with the northern lines. Again he said that under a four-system plan the Chicago, Milwaukee & St. Paul instead of the Chicago & Northwestern should be combined with the Santa Fe. Such a consolidation would put the Santa Fe system into the North Pacific coast territory in competition with the Hill lines and the Union Pacific-Southern Pacific group instead of stopping the Santa Fe group east of the Cascade mountains as proposed by Mr. Holden. He also stated that the Chicago, Milwaukee & St. Paul and Santa Fe connect at both Chicago and Kansas City, while the Chicago & Northwestern has no line to the latter point.

Judge Lovett dealt at some length with the history of the Central Pacific and its relationship to the Union Pacific and the mutual dependence of these lines on each other. He referred to the decision of the supreme court, ordering the dissolution of the control of the Central by the Southern Pacific because violative of the Sherman act, and to the recent hearing before the

commission of the application of the Southern Pacific for authority to acquire control, and the decision of the conditions imposed by the commission to the granting of the Southern Pacific application, protected with reasonable adequacy the rights of the Union Pacific, and that with these conditions imposed the Union Pacific would not object to a permanent consolidation of the Southern Pacific-Central Pacific.

He said that the Holden plan providing for a half interest by the Southern Pacific in the Denver & Rio Grande Western and the Denver and Salt Lake lines would be inconsistent with these conditions and would be highly prejudicial to the Union Pacific. He also referred to the testimony already offered in behalf of the Union and Southern Pacific asking that the Colorado lines of the Rock Island be eliminated from the proposed Southern Pacific group, as the ownership of these lines would be likewise inconsistent with the conditions imposed by the commission in granting the Southern Pacific's application to control the Central Pacific.

"Finally, to guard against possible misunderstanding of my views in stating our purpose, to carry out as far as we can the tentative plan of the commission with the modifications above suggested, I should like to add that I believe entirely too much is expected by some of our statesmen, and in some quarters of public opinion, from this commission's work and the effect of the transportation act of 1920 with respect to these consolidations. Good undoubtedly will come from consolidation and legal solidification into one company of lines naturally allied and grown together as one system, but legally held by numerous different corporations loosely combined in common control through stock ownership. There will also be consolidations of some lines not at this time under common control or otherwise related where the stockholders are able to agree upon relative values. Yet, the consolidation of independent systems will not be as rapid or as numerous, I fear, as are anticipated by many, at least without further legislation by congress solving many of the problems that will present themselves even where the terms of consolidation have been agreed upon; and there will be great difficulty in the stockholders agreeing upon relative value even not counting those individuals who are in the habit of acquiring a small amount of stock and posing as an oppressed minority.

"A great difficulty in this connection is that there are many unsuccessful railroads in the United States which ought to be liquidated. Doubtless there are owners of these who are looking to this consolidation law as an opportunity for them to escape from their investments by unloading on the strong roads. Their properties are unprofitable and failures financially for one reason or another, and sooner or later must be dealt with according to their actual value based upon their earning capacity, present or prospective, regardless of the capitalization. I apprehend that financially strong roads asked by the commission, by the adoption of its plan of consolidation to absorb these roads, will be willing to take them, if at all, only at their actual value, and that if there are any losses to be liquidated they must be borne by those who have sustained them rather than be shifted onto the stockholders of the successful roads.

"But if the object of the statute is accomplished and a plan for the consolidation of the railroad properties of the continental United States into a limited number of systems is adopted by the commission and carried out in full, it will not in my opinion aid very much in solving the railroad problem. It will not reduce the cost of transportation, which is the great problem, or increase the traffic. Of course it will not affect wages or the price of rails or rolling stock or coal or other materials and supplies, or reduce the taxes, and it will not help the credit of the railroads as a whole; and we shall still have 'strong' and 'weak' railroads.

"Even if all the systems to be created by the commission plan were given an even start (which is impossible) they will not remain even. Some will succeed and some others will fail, and there is the very great danger of permanently welding together incompatible and inherently different properties, and building trade centers and traffic routes and relationships which with the greatest care cannot all now be foreseen in a situation so vast and complicated. But it is the policy of the government, as declared by congress which the commission is carrying out, and it is our purpose to cooperate to the greatest possible extent we can consistently with what we regard as our duty to our stockholders and employees and the communities and traffic we serve."

Community box supper and program will be given Thursday evening, April 12, 5 o'clock, at the basket ball hall. Ladies, bring boxes. Everybody come and help build a C. E. fireplace.

CECIL

A. E. Wheeler, of the Highway House, left on Sunday for Portland. Leon Logan, accompanied by J. W. Osborn, Mrs. Combest and Mrs. Nash, all of Cecil, were visiting friends in Ione on Sunday.

Mr. and Mrs. W. C. Myers and son, Allen, of Yoncalla, visited at the home of Mr. and Mrs. Geo. Krebs of the Last Camp on Wednesday, leaving on Thursday for Spray.

Carl Troedson, of Ione, was a Cecil caller on Friday.

F. C. Maloy and R. L. Williams, of Morgan, were transacting business in Cecil on Thursday.

L. L. Funk, of Rhea Siding, was a business caller in Cecil on Saturday.

Herb and Annie Hynd, of Butterby Flats, accompanied by Mildred Henriksen, were calling in Ione on Thursday.

Elvin Schaffer, of Morgan, was a Sunday guest at Butterby Flats.

Mrs. Jenks, who has been visiting with her daughter, Mrs. K. Farnsworth, of Rhea Siding, left Thursday for Heppner.

Geo. Wilson, Geo. Chandler and Elmed Dickinson left with Hynd Bros.' cattle on Wednesday for their Freezeout ranch.

Mrs. Jack Hynd and daughter, Annie, were visiting with Mrs. Oral Henriksen of Ewing on Wednesday. Mrs. J. E. Crabtree and children were calling on Mrs. H. J. Streeter, of Cecil, on Saturday.

Mr. and Mrs. T. H. Lowe, of the Highway House, left on the local on Wednesday for Portland where they will visit for a while.

Hat Pearson arrived in Cecil on Saturday. He and his crew of shearers began shearing on Wednesday at Minor & Krebs' ranch.

Geo. Krebs was a Heppner business caller on Wednesday.

LIBRARY TO OPEN TWO DAYS EACH WEEK

Arrangements have been made by which the Heppner Library will be open on Wednesday and Saturday of each week from 2:00 P. M. to 5:00 P. M. Miss Annie Doherty will be in charge of the library during those hours.

This arrangement will stand until further notice.

By Order Library Board.

LLOYD HUTCHINSON MOVES TAILORING SHOP

Lloyd Hutchinson has moved his tailoring and cleaning establishment from the old location next Mrs. L. G. Herren's millinery store into the rear room of the Dave Wilson store farther up the street. This location will be temporary until Mr. Hutchinson can secure a suitable location on the street. Watch for his new ad next week.

Mrs. Ellis Minor is up from her home at "End O' the Trail" ranch near Ione today visiting friends and doing some shopping. "End O' the Trail" is one of the most pleasant ranch homes on the creek.

Ben Scott, formerly head block man in the Central Market here, writes from Livingston, Montana, that he has been in a hospital at Chico Hot Springs for a couple of months where he had two operations for throat trouble but is now slowly recovering. The letter was written April 1 and he said it was snowing like sin and he wished he was back in Heppner.

Mr. and Mrs. S. W. Spencer left yesterday for a visit at Portland and The Dalles. They expect to spend the summer touring the coast and camping out while Mr. Spencer is pulling his health together again.

Mrs. Ed Reitman (nee Ruth Van Vactor), who recently underwent an operation for appendicitis at the Heppner Surgical hospital, was able to leave that institution yesterday and is the guest of Mr. and Mrs. S. A. Pattison for a few days.

Ed Reitman and Mr. and Mrs. Hind drove in, from the Reitman ranch, north of Ione, Friday to visit Mrs. Reitman who is in a hospital here and also to do some shopping. Mr. Hind is the contractor in charge of the fine new bungalow Mr. Reitman is just about completing on his ranch. The home will be one of the most modern and complete in the county.

Don Case, who has been attending high school in Seattle the past winter expecting to graduate in June, writes his mother, Mrs. May Case, that he has secured a position as circulation manager with the Seattle American, a new daily paper now being established in that city. He will have charge of about 20 newsboys and expects to be plenty busy outside school hours.

HIGH SCHOOL NOTES

Mr. S. E. Notson visited Heppner high last Friday morning and gave a short talk on the anniversary of the war, April 6. In the afternoon Mr. Woods, ranger from the forest reserve, gave an interesting talk concerning the forests and fire prevention.

Annuals have caused no little excitement in school during the past week. Subscription lists have been made out, and the town will be canvassed this week. Don't forget when a student "pops the question," sign up for at least one annual. The cost of each this year is \$1.25.

The base ball nine anted to Lexington last Friday evening after school for a game. Weather conditions did not help either side, but we escaped with a score of 17-2 in their favor.

The members of the millinery class have completed their practice hats of organdie and are now working on transparent hats.

The operetta to be presented by the high school in the near future is "The Treasure Hunters." The usual good cast has been selected and practice commenced last week.

FOE SALE

One roan bull two years old. Three roan Durham cows two and three years old. One red Durham cow. Also fresh milch cows and springer heifers.

W. P. SMITH, Hermiston, Ore.

50-51

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