

Eastern Oregon Wheat League Report and Resolutions of the Transportation and Rural Electrification Committee Heppner, Oregon, December 4-5, 1936

When it comes to paying freight rates, the wheat growers of the Inland Empire remain the number one goat.

During the past year freight attacks have been made upon the wheat growers on many fronts.

There is an upward push in the highway freight rates caused by increased regulation activities of state and federal commissions.

Competition among highway, waterway, and railway carriers heretofore has tended to force reductions and prevent increases in the freight rates upon wheat. From interior Oregon this competition has held down the rate on an average of six cents per 100 pounds lower than the Interstate Commerce Commission's orders would otherwise permit.

The Inland Empire wheat grower is now faced with the possibility of a new water carrier regulation bill being passed by the next Congress (Eastman bill). It was introduced and on its way to become a law at the last Congress, but was stranded and left pending at the close of the session. Already the Interstate Commerce Commission has authority over joint rail-and-water rates. In a recent order, a certificate of convenience and necessity was granted the Inland Waterways Navigation Company (the Seattle concern). From various interior points to tide-water, this order sets the minimum differential between all-rail grain rates and the joint rail-and-water rates, via The Dalles as a port of exchange, at one cent per 100 pounds. This differential of one cent is not enough. Through the Farm Rate Council we have advocated, in connection with wheat rates, free and open competition between highway and waterway carriers on the one hand, and railway carriers on the other hand. (See Farm Rate Council bulletin of Oct. 9, 1936.)

Another problem we still have with us is the effort of the railroads to charge more for short hauls than for long hauls. Failing in their campaign to get the last Congress to pass the Pettengill bill, which would have hamstringed the Fourth Section restricting charging more for a short haul than a long haul, railroads now announce that they are to have a new bill introduced in the next Congress. Furthermore, the new bill, as now announced, would be more throttling upon the people of the interior than the notorious Pettengill bill. (See Traffic World of October 24, 1936, p. 805.)

Another problem relates to strikes: The wheat grower concedes the constitutional right of any body of citizens to organize for the purpose of obtaining better pay, better working conditions and shorter hours, but the wheat grower does not concede that such a right entitles them to interfere with, stop, or destroy the business of innocent bystanders.

We take no sides in the present strikes at coast ports. We know that we are suffering from it, and we believe that appropriate action should be taken either by the conflicting parties or the constituted authorities of the state or nation to the effect that the strike is settled without further damage and injury to the producer.

Other subjects of far-reaching importance both to the flour milling and wheat raising industries of the Pacific Northwest are questions raised in the last bulletin of the Farm Rate Council, reading as follows:

"Is Inland Empire wheat to move into the Southeast via the Canal route, or overland, or as at present via both routes?"

"Is the upward trend of the freight rates upon grain and grain products from the Pacific Northwest into the Southeast to be continued?"

"Is the movement to be mainly of wheat, or is the wheat first to be manufactured into flour and other grain products?"

"These are some of the questions that the Interstate Commerce Com-

mission considered at a recent conference in Chicago and will consider at hearings which are scheduled to begin this month (December)."

Groups of flour mills in the Pacific Northwest, in the inter-mountain country and in the Middle West and Southwest, and in the Southeast, as well as in Buffalo, are much interested. Their representatives are constantly on the job.

On the other hand, we wheat farmers of the Pacific Northwest are likewise vitally concerned. Our farm price reflects deductions for transportation to the more distant markets where the surplus must be disposed of.

Your committee has kept in contact through the Farm Rate Council, to which the Eastern Oregon Wheat League belongs, on all transportation questions. But due to lack of finances the Farm Rate Council and Eastern Oregon Wheat League transportation committee are not able to participate actively in any of the scheduled conferences and hearings, except such as may be held in the Pacific Northwest. It is quite a job even to keep track through various reporting services, of what is going on at these different conferences and hearings that are constantly being held respecting the freight rates upon grain and grain products by railway, by highway, and by water.

Another problem relates to truck regulatory laws:

At the coming session of the state legislature various amendments to the Truck and Bus Bill will be presented by the different transportation companies and possibly by the little truck owner, farmer, and shipper. It is needless to add that all parties will try to protect their own interests and gain any advantage possible. The wheat raiser should be represented; it is absolutely certain that the transportation companies will be.

Work has progressed wonderfully on the Bonneville Dam and from reports it will be completed next year. The government engineers are to be commended for the way they have improved the channel from Celilo up river, and we hope they will be able to have work completed in the near future.

There is just one freight rate problem after another. Just now the railroads have announced their intention to ask permanent freight increases upon many of the things that the wheat farmers of the Inland Empire use. When they asked for emergency increases in the case known as Ex Parte 115, the Eastern Oregon Wheat League, in company with the Farm Rate Council, successfully opposed any of these increases being placed upon farm products including wheat. However, wheat farmers are interested not only in the freight rates that they must pay upon their products but also in the freight rates that they must bear upon the things that they buy. Accordingly, the emergency increases granted by the Commission on things that farmers buy also came in part, at least, out of the wheat growers' pockets. The proposal to extend and make permanent these increases must be opposed.

It is only by a sustained, continuing effort that the wheat growers of the Inland Empire can expect to get out of their present class of number one goats.

With the expenditure of considerable sums of money and with the expenditure of much effort by leading wheat growers, we succeeded in getting from the Interstate Commerce Commission a freight rate decision which back in 1931 reduced the freight rate bill paid by the Inland Empire wheat growers two million dollars a year. Then the railroads appealed to the United States Supreme Court and in large measure the wheat growers went away and forgot about the case. When the wheat growers woke up they had lost most of the two million dollar a year saving.

The savings from such points as Bend, Shaniko, Condon, Heppner, and Prineville, and intermediate points to Portland averaging six cents per 100 pounds, however, have been preserved through the years. These Oregon intra-state reduced rates of 1931 were not increased first, because the railroads forgot to include them in their appeal made to the Supreme Court of the United States, and secondly, because of the competition of truck and Columbia River carriers with the railroads. However, even with the 1931 reductions, the Oregon intrastate rates remain much too high.

In these traffic matters let us reiterate that millions of dollars are at stake. It is because there is not a continuous active fight made through the years on behalf of the wheat growers that the Inland Empire wheat grower continues to be goat number one.

Over in Canada the wheat growers did not get their half priced rates via Vancouver until they made it a political issue as well as an economic issue. They did not get their half-priced rates over there from the Canadian prairies to Vancouver except by a continuous active fight.

This fight against having to pay more than our share of the cost of running the railroads cannot be handled as a side issue by a group devoting itself to marketing or as a side issue by general farm organizations. Its importance and its intricate and complex nature demands the formation of a continuing Inland Empire wheat growers' traffic committee whose members should talk, breathe, and live transportation problems, and only transportation problems. The committee must be adequately and continuously financed.

Before making recommendations as to specific resolutions, we again express the belief that there is need of a permanent wheat traffic committee properly financed, with a board of directors selected from the whole Inland Empire. Under the direction of such a committee there should be a constant representation of the wheat growers at all of these conferences and hearings. Remember it is we wheat growers who actually pay the freight, irrespective of whether or not the transportation charges are set forth on our account sales.

Although we are paying freight rates that are about twice too high from the Inland Empire to tide-water, our problem is not merely in endeavoring to get freight rates lowered to a fair basis. Our problem also is to stop the upward trend in our wheat rates. Railroad labor is proposing a six-hour day. Bills providing for this and for other increased railroad expenditures will be introduced in the next Congress. Without passing upon whether or not these proposals of labor are justified, it is certain that the railroads should look to other sources than increased freight rates on wheat to offset any increased expenses.

With our wheat freight rates already twice as high as those paid by our Canadian competitors, there is no justification for railroads to increase our wheat freight rates. The wheat growers of the Inland Empire have long been paying a great deal more than their proper share of the railroad transportation cost.

In conclusion, we believe there should be a resolution opposing rate regulation of inland and ocean waterway carriers tending towards higher rates, and one resolution opposing all features of the present regulation of trucks which force upward highway freight rates upon farm products, and which play into the hands of the big truck companies and railroad-controlled truck companies and against the welfare of small and independent truckers.

A recent investigation of the Interstate Commerce Commission shows that the railroads already own financial interests in 128 motor carriers. The railroads at the present time have \$43,000,000 invested in these truck lines and the majority of these railroad-controlled truck lines are in the western district. We surely must oppose, as vigorously as possible, this emasculation of truck competition thru railroad control. (Statistics from Nov. 27, 1936, Trade Lanes, p. 2.)

There also should be a resolution opposing modification of the Fourth Section of the Interstate Commerce Act by the passage by Congress of

the Pettengill bill or any similar bill under a different name.

The rural electrification question is practically the same as last year and we have no additional suggestions to make.

(Resolutions emanating from this committee will appear next week.)

HARDMAN

By LUCILLE FARRENS
Mr. and Mrs. Harlan Adams and Mr. and Mrs. Carl Leathers were transacting business in Heppner Monday.

Jack DeVore attended the funeral of his brother-in-law, Emmet Smith, in Heppner Monday afternoon.

Jim Miller went to The Dalles Tuesday to consult a physician there. Marvin Brannon, who is with the CCC camp at Brush creek is visiting home folks this week.

Allen Farris of Walla Walla is visiting here for a couple of weeks.

Lewis Batty was a business visitor in Heppner Monday.

Miss Delsie Bleakman is keeping house for the Robison children while Mrs. Robison is at the ranch.

Elwood Hastings went to work for Harlan McCurdy the first of the week. Everett Harshman came up for him. He stated the roads almost impassable on account of the drifted snow.

Mrs. Ada Cannon and son Bud and Gus Steers motored to Heppner Saturday.

Lucille Farrens returned to work Monday. She is working near Lexington.

Dee Snitzer was taken to Portland Monday to consult a specialist about his leg which failed to heal.

Carey Hastings is working near Heppner tagging sheep.

Raymond Stitzer is ill at his home here.

Cecil Hicks of Lonerock is visiting in Hardman.

There will be a dance at the I. O. O. F. hall Saturday night.

PINE CITY

By BERNICE WATTENBURGER

School was closed three days of last week because of the bad roads and cold weather. The bus drivers had a hard time making their routes Tuesday evening.

Mrs. Ray J. Pinson spent the week end in Pendleton and Mrs. Joyce Smith went to her home in Irrigon. Mrs. Allen is staying at the Lon Wattenburger home for a few days while Mr. Wattenburger is in Pendleton where he is serving on the jury.

Lloyd Baldrige spent Sunday afternoon at the E. B. Wattenburger home.

Mr. and Mrs. Marion Finch are spending these cold days by papering their kitchen.

H. E. Young was a Hermiston caller Tuesday.

Jim Ayers spent Monday in Heppner.

Mrs. Isabella Corrigan is staying with her daughter, Mrs. Lucy O'Brien.

Mr. and Mrs. Robert Smith spent Sunday evening at the E. B. Wattenburger home.

C. H. Bartholomew was a business visitor in Hermiston Tuesday.

Lon Knottes left for California Saturday.

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