

RAILROADS ABANDON POSITION THAT INITIATIVE FREIGHT RATE BILL ABOLISHES COMMODITY RATES

Brief Filed by Attorney-General Crawford for the people Upholds Intent of Law to Secure Uniformity in Relationship Between Class Rates But Does Not Lay Down Any Rule as to What Ratings Should Be Given—Carload Minimum Established, But No Rule Defining Exact Weight.

Formulas in Initiative Act Declared to Be More Simple Than the Formulas Now Contained in Railroad Tariffs and Classifications—Claims of Confiscation Urged by Railroads Answered and Denied.

The second legal battle over the initiative freight rate act adopted by the people in the general election of November was fought before the federal court on Monday, the 13th.

Counsel for the railroads receded from the original stand on the question involving commodity rates, and practically accepted the state's views that the law does not compel the raising of any rates, and that such articles as live stock, lumber, etc., now provided with special rates which are less than the maximum basis of the law are not affected.

Counsel for the railroads also stated to the court that the views of the interstate commerce commission held that the carload system was the most economical both to the carriers and the public and should be encouraged and enforced to the fullest possible extent, and in this regard, as to the economy of the carload system of transportation, the railroads concurred. Attorney-general Crawford pointed out that this was exactly the position of the state and what it claimed was the intent and effect of the initiative law, therefore all parties were in accord on this point.

Attorney General Crawford in behalf of the state presented his chief argument in the form of a brief of which the following is a brief synopsis:

Synopsis of Brief

The intent of section 1 of the act is to secure uniformity in the relationship between the class rates which are a part of the classification of freight, but section 1 does not lay down any rule, either by mandate or implication, what rating shall be given an article. The ratings of articles is left to the supervision of the railroad commission. Specific rates may be made independent of the classification either by the railroads or the commission so long as the maximum rule of the law is not violated, but lesser rates than the maximum can be established and maintained on any article, either carloads or less-carloads.

The intent of section 2 of the act is to provide a carload minimum for each article which will best suit the public good, but no rule is laid down defining the exact minimum weight that shall be given. This matter is left for negotiation between shipper and the railroads or the judgment of the commission upon complaint and investigation. It does not require that more than one minimum carload weight shall be given each article, but more than one minimum carload may be given if the railroads see fit to fix it or the commission orders it. The minimum carload rules in section 2 are merely the reflection of the present rules of the railroads on this point.

Relations of Shipments

The intent of section 3 of the act is to provide relationship between a less-carload shipment and a carload shipment upon such minimum carload weight as may be given the article either by the railroads or the commission, or in the absence of a minimum fixed by either of these the law prescribes a fixed minimum of 20,000 pounds, which is a rule reproduced from the tariffs of the railroads. While section 3 grades the rate according to the minimum weight given it does not imply nor compel that all the graded minimum weights shall be given to each article, but only one minimum carload weight need be provided. At the option of the railroads or order of the commission two or more minimum carload weights may be given the same article in which event the article would be given two or more rates according to the weight of the carload. Many illustrations were given in connection with this section to show that this practice is now in use by the railroads of carrying two or more rates on the same article at different minimum weights.

Many illustrations were also given to show that the relationship between a less-carload and a carload rate as provided in the law are not arbitrary nor extreme; that the classification, the interstate commerce commission and the tariffs of the railroads carry wider percentages than those prescribed in the law for the same minimum carload weights. The Oregon code now provides a

principle of this relationship and fixed the percentage on basis of a 20,000 pound minimum carload weight of 70 per cent of the less than carload rate, which is the same percentage used in the initiative rate law for a 20,000 pound minimum.

Initiative Formulas Simple

The formulas in the initiative act are declared to be more simple than the formulas now contained in the railroad tariffs and classifications and rates can be computed under the initiative law with far less liability to error than by the railroad formulas. It is stated that there is nothing novel or radical in the formulas of section 3 of the act; that it is merely a gentle step toward uniformity in the making of rates which is the irresistible tendency of rate making by law.

Section 4 of the act merely follows the rules and regulations now carried in the railroad tariffs and classifications regarding mixed carloads and the fixing of carload rates on basis of the lowest rating given the less-carload rating.

The matter is summarized in the following words: "It will be seen by what has been said of the initiative law, and of the citations and illustrations in explanation and support of its provisions, that in its entirety it simply embodies existing laws and tariffs regulation and rules now imposed and established for the regulation of traffic by common carriers, and in no particular does it introduce anything new, novel or radical, neither are its terms uncertain or ambiguous, unless the current laws and tariffs and classifications can neither be understood nor applied, and as they are applied it follows as a logical deduction they are sufficiently clear to be understood by a large and diversified number of persons in the railroad service throughout the nation. And as the rules contained in the initiative law are plain these same persons will experience no difficulty in using them in arriving at the maximum rates prescribed. As to the minimum rates that may be established at will of the railroads or by order of the railroad commission, the specific rules for such specific rates are not subject to the terms of the law, and therefore it cannot be held accountable for such specific rules and rates."

Confiscation Claims

As to the confiscation claim of the railroads the brief points out the rule for the determination of the effect on the revenues of a carrier must be upon the net rate and not the gross rate. Because of the extremely high cost to produce less-carload transportation, especially for long hauls, a diversion of the tonnage from a less-carload movement to a carload movement, which the rate bill will encourage, the same amount of traffic moved in carloads will return a greater net revenue to the railroads than at present where such tonnage is compelled to move at less-carload rates.

The present rate adjustment was fully illustrated and the fact brought out that where the difference between a less-carload and a carload rate was only one class, such as is provided on the principal articles of daily consumption, especially in the grocery line and iron articles, that the business is centered at one point in violation of the law and the principles of correct rate making.

The brief states, "the relief sought in the initiative rate bill is for no particular locality, shipper, or article but its intent is to secure equality for all. No other form of a law will accomplish uniform and universal justice and equality than upon the principles embodied in the measure and in the manner of the application of its rules."

Development Dwarfed

It is argued under the present system maintained by the railroads the development of Oregon is dwarfed. Under the people's system no injury will be done legitimate business. The manufacturer will ship his goods in such form best suitable to the needs of the people and the community. If the consuming territory still desires small quantities at less-carload rates the business will so move; if the community desires shipments in carloads, the business will so move. In the degree the people elect to move

AMBASSADOR TO GERMANY IS ILL



JOHN G. LEISHMAN
The United States Ambassador to Germany, John G. Leishman, is again ill at his Berlin home. His friends are very much worried over his continued illness. It was because of Mr. Leishman's indisposition that the Embassy abandoned its usual New Year's celebration.

shipments in car lots to that extent the carrier will increase his net rate and to that extent the consumer will decrease his transportation cost.

The brief states in conclusion that "while the people's system is a departure from present methods it is not destructively so to any property interests. It is simply a change in the method of transportation where the traffic is diverted from the movement in small quantities to the carload system so far as the country is prepared to use it on basis of volume of consumption. If the people do not desire to ship in car lots, not one pound of traffic will be diverted from the present method. Such Portland interests who are now doing business on a job lot scale can still continue to do business on this scale where the people demand it, and in addition do business on the wholesale scale in the consolidated volume of the carload where the people demand it, but it is neither the right of the carrier nor the privilege of any business interest to say to the people in what exact form they shall buy their supplies of transportation and by collusion of such carriers and interests compel the people to trade at any given point.

People's System Supported

"It has been shown herein that the people's system is supported by statute, by legal decree; its operation defined and explained, the workings of which will accrue to the benefit of the greatest number, therefore it is for the public good; it will eliminate waste in transportation and thereby increase the efficiency and capacity of the carrier and produce transportation at the lowest cost to the consumer and not impair the profit of the carrier, but rather increase it. A system so beneficial should not be suppressed; it should be encouraged and given the broadest test and be allowed to operate without restraint."

The brief covered every phase of the question and presents the people's side of the controversy plainly and in detail. The court allowed the railroads thirty days in which to make reply to the argument of the state.

ASSERTS ST. CLAIR PRACTICED FORGERY HERDING SHEEP

PORTLAND, Jan. 18.—That he used to sit in a clump of bushes watching his sheep and practicing the forging of names to blank checks and that he has been a criminal so long that he can't remember when he started, were the statements made by John St. Clair, alias John Torgetson, alias John Allison, this morning, when he confessed to 15 robberies in Oregon, three in California and to having shot James Miller, a ranch hand, to death on the streets of Vina, Cal., December 4.

Without a sign of remorse, St. Clair told how he shot Miller and then escaped, leaving his partner, A. E. Dietz, to bear the blame. He told how, when Dietz had been arrested for the crime, he, St. Clair, had committed, he had induced Dietz's wife to come to him at Redding, Cal., bringing with her her two children and how under the guise of a respectable man of family he carried on his robberies.

St. Clair's accomplice, Mrs. Dietz, told how the man with whom she cast her lot sat in a Southern Pacific train calmly smoking a cigar while United States secret service operatives and railway officials were searching the cars for the robber, of whom they had a description. Safe in his role as respectable man with family, he leaned back in the seat and surveyed the proceedings coldly.

"No man ever adopted a cleverer way of fooling authorities than did this man St. Clair," said Postoffice Inspector Morse this morning. "Even at Roseburg we nearly passed him by

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because we were not looking for a family man. Surely, we reasoned, this man with a wife and two children cannot be the fellow for whom we are searching. If he had been traveling alone he would have been arrested long ago.

"St. Clair is clever and one of the most dangerous men with whom I ever dealt. He has nerves of iron. He will kill you as quick as he would look at you."

U. S. Attorney McCourt said this morning that he would turn the man over to California authorities and let them prosecute him on the murder charge instead of holding him here on the robbery counts.

Mrs. Dietz has been sent to the Louise Home.

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Medford is a mighty good town, worthy of the best of everything. That's why we have joined the American Drug and Press association and offer to our people the Meritol line of goods, guaranteed in every way, with preparations, made by the association and sold only through its members. There is nothing like these goods, guaranteed in every way, without an equal, made by experts. We want Medford people to have the best there is, so we offer you this line. Ask to see Meritol goods at Haskins' Drug Store.

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FAVOR APPROPRIATION FOR STATE UNIVERSITY

At the meeting held Friday of the Parent-Teachers' association, the following resolutions were adopted after an address by Miss Emma Wold of Portland:

"Whereas, in view of the rapid industrial, political and social changes taking place in the United States—especially in Oregon—it is indispensable that schools and colleges should march with the general movement; and, since of all societies, a democracy like ours most needs the guidance of trained thought; and, "Whereas, Oregon stands unenviably at the foot of the list among

the northern states in the support of its institutions of higher education; and,

"Whereas, the people voted down on the fifth of November, under a mistaken impulse of economy, a rational proposal, in the millage bill, not merely for the support of higher education, but for the harmonizing and unifying of its forces in the state; therefore be it

"Resolved, That we of the Parent-Teachers' association of Medford, representing the parents and teachers of Medford, do hereby petition the members of the Oregon state legislature to make adequate provision for the support of its state university and to provide deliberative machinery for the just and sound solution of the problems of the relations of the different institutions of higher education."

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