

The Tillamook Headlight

Fred C. Baker, Publisher.

Want Peddling Stopped.

Every year itinerant peddlers infest Clatsop county and sell to the farmers wagons, implements, ranges and other necessities, for which the farmers pay a big price and invariably get bilked. All of the goods sold by these peddlers are of the cheapest kind and soon wear out. Two years ago a peddler sold a number of ranges to people in the Nehalem valley and not one of them lasted a year. In order to put a stop to this kind of swindling, the last legislature passed a law requiring the county court to place a license of not less than \$20 nor more than \$500 for peddling. R. M. Gaston has been circulating a petition the past week which has been numerously signed asking the county court to fix the license at \$500 a year and there is no doubt but the county court will fix the license at that price at its next meeting. If these goods are bought of the Astoria merchant and prove defective, the purchaser can come back on the merchant, but when they buy of the Portland swindlers they have no recourse. Clatsop county has more suckers to the square inch than any other bailiwick in the world. There is no trouble to sell gold bricks, stock in oil wells, gold mines or trout farms, or cash anybody's check. Astorians grab at it like a sucker does at a chunk of liver, and although they get bit every time, they get up early in the morning to bite again.—Astoria Herald.

A Tragic Breakdown.

Any one that looks at the map of northern Manchuria and eastern Siberia can see at a glance why it is impossible for the Russian army to take up a new position that will cover vital points in the situation that has been created by the terrible defeat sustained at Mukden. An army with only one railway as a line of supply must cover it by placing its main lines at right angles with the railway. In that position the center is across the road and the wings also serve to protect it. Cut with the army paralleling the railway and breach in the formation pierces the line of communication and a flank movement can easily break it up at some important point. By retreating west and taking a strong position the Russians can eventually offer fresh resistance, but to keep their railway open along its entire length has become a simple impossibility.

A fact so clear and undeniable should tend to hasten peace proposals on the part of Russia. After its Siberian railway is held by the Japanese at any point the terms of peace will be decidedly more disadvantageous for the czar. The Japanese advance is steadily in progress, and there is nothing in sight that can seriously dispute it. Heavy guns and ammunition must be scarce on the Russian side, and the organization of the Russian army is greatly shaken. A series of retreats is all that remain to it, and the condition of feeling at home makes its re-enforcement unlikely. It is plainly to Russia's interest to broach the subject of peace quickly, for the campaign on land has reached a phase of deadly certainty in Japan's favor.

Hopeful Outlook.

Seldom have conditions at this season of the year been more favorable for farmers and stock growers than at the present time. It is true that in most sections a severe winter was experienced but advices all seem to show that there was plenty of food for man and beast, and consequently there was very little suffering and the loss sustained by stock growers was reduced to a minimum. That was true in both the range and farming communities, and unless an exceptionally cold and late spring should be experienced stock will go onto grass in better condition than usual.

In the winter wheat belt present indications are that as a general thing the blanket of snow was sufficient to protect the crop from the severe weather, so that the prospects for a bountiful crop are very encouraging. The snow has also put the ground in excellent conditions for spring work, and with normal weather from this time on the work of plowing and seeding should progress at a rapid rate.

Of all seasons of the year spring is the most enjoyable to the farmer, and especially is that the case when there is a general feeling of hopefulness such as exist at the present time. Conditions are now right for the production of good crops, and as a result everyone feels that they will continue favorable, so that while spring brings with it a vast amount of hard labor, it also brings in this case the hope of good crops, remunerative prices and increased wealth. Under such circumstances the work does not seem half so hard as when weather conditions are unfavorable, crops stunted and prices low.

Taking all things into consideration farmers have small cause for complaint so far this year, and should they harvest good crops at the end of the season the wealth thus created will make them the most independent class of men in the world.

Mr. Bryan says the Democratic party can stand one more defeat. Well, the defeat is ready whenever the party is.

THE RAILROADS AND THE PEOPLE.

Article by E. Rosewater on the "Credit Mobilier Construction."

Construction companies organized and financed by railway officers for personal gain have been the most pernicious factor in the capitalization of American railroads. Colossal fortunes have been amassed by railway builders with a comparatively small investment under our untrammelled system of railway charting and the failure of national and state legislatures to provide safeguards that would prevent promiscuous stock watering, and frenzied finance construction has caused the building of parallel lines of railway in territory that could have been well served by one railroad and made it possible to secure rates of transportation based on the cost of service and a fair interest on an honest investment. The methods pursued by the promoters of American railroad builders was outlined by Prof. Hadley, now president of Yale college, in his work on the history of American railways as follows:

"An inside ring issues stock certificates to the value of \$1,000,000, on which perhaps \$100,000 is paid in. They then publish their prospectus and place on market \$2,000,000 of bonds, with which road is to be built. They sell the bonds at 80, reimburse themselves the \$100,000, advance by charging the moderate commission of 5 per cent for services in placing the loan and have at their disposal \$1,500,000 in cash.

"These same directors now appear as a construction company and award themselves a contract to pay \$1,500,000 for work which is worth \$1,200,000 only. The road is finished and probably does not pay interest on its bonds. It passes into the hands of a receiver. Possibly the old management may have an influence on his appointment. At the worst, they have got back all the money they put in plus the profits of the construction company—in the case supposed, 300 per cent.

"The bondholders, on the other hand, have paid \$1,600,000 for a \$1,200,000 road, but the troubles of the bondholders and the advantages of the old directors by no means end here. When the receiver takes possession he discovers that valuable terminals necessary for the successful working of the road are not the property of the company, but of the old directors. He finds that the road owns a very inadequate supply of rolling stock and that the deficiency has been made up by the Car Trust, also under the control of old directors. Each of these things and perhaps others must be made the subject of a fight of a complex nature. The latter is almost always the cheaper one. By its terms the ring usually secures hundreds of thousands more at the expense of the actual investors."

As already stated, for the construction of transcontinental lines congress voted vast grants of land with bond subsidies, which were eventually transformed into second mortgages. The aggregate area of the Pacific railroad land grants exceeded a fraction of over 25,000,000 acres, of which the Union Pacific secured 11,399,844 acres, the Kansas Pacific 8,000,000 and nearly 1,000,000 more acres were distributed to branch lines, exclusive, however, of the land grant to the Burlington system west of the Missouri.

The bonded subsidies to the Pacific railroads aggregated nearly \$65,000,000 of which amount the Union Pacific receive \$27,236,515, the Central Pacific \$25,885,120 and the Kansas Pacific \$6,803,000. In addition to this enormous bond subsidy the Pacific railroads issued an equal amount of first mortgage bonds, making in all about \$130,000,000 of bonds. With the assurance of their ability to emit mortgage bonds guaranteed by the United States the promoters of the Union and Central Pacific railroads proceeded to exploit those respective roads through construction companies controlled absolutely by themselves.

The disclosures made by an investigating committee of congress brought out these facts: That the Union Pacific railroad from Omaha to Ogden was constructed under three contracts; that through the intervention of assignments made by the holders of these contracts and through the intervention of a construction company known as the Credit Mobilier of America, the profits from these contracts were secured to the officers and promoters of the Union Pacific railroad themselves. The persons who received these profits determined the amount thereof by their own votes. The result of these three contracts presented these startling figures:

Cost to the railroad company of the road from Omaha to Ogden.....\$93,546,287.28
Cost to the contractors of the road from Omaha to Ogden.....50,720,958.94
Net profit for the Credit Mobilier construction ring.....\$42,825,328.34

To this should be added the amount paid to the Credit Mobilier on account of fifty-eight miles between Ogden and Promontory Point, which was ceded to the Central Pacific railroad, \$1,104,000, making a total construction dividend to officers of the Union Pacific railway \$43,929,328.34. The actual cost of contracts was substantially equivalent to

proceeds of the first mortgage bonds of the company and of the government bonds, which aggregated \$50,863,172.05, while the cost of the whole road to the Credit Mobilier contractors was \$50,720,953.94, leaving a difference between the proceeds of the bonds and the actual cost of the road \$142,213.11.

The natural effect upon the Union Pacific system of Credit Mobilier construction was that the annual interest rate was vastly greater than it would have been had the road been honestly constructed and financed, and the inability to earn an amount sufficient to meet these fixed charges during the first ten years resulted in an increase of the bonded debt by nearly \$10,000,000, for which the company received less than \$7,000,000.

The construction ring organized by the promoters of the Central Pacific railroad was even more rapacious and conscientious than the syndicate that organized Credit Mobilier. The first thirty-one miles of the Central Pacific, commencing at Sacramento, were constructed between 1862 and 1864 at a cost of \$22,250 per mile in gold, when greenbacks were quoted at a discount of from 40 to 50 per cent and the mountain sections of the road involved an expense of from \$40,000 to \$100,000 a mile, but the average paid by the company per mile, counting the stock at 50 cents on the dollar, was \$109,000 per mile, and counting it at par value, \$178,000 per mile.

For the construction of some portions of the road through the Sierra Nevada the contractors, who also were directors of the corporation, credited themselves with from \$300,000 to \$400,000 per mile. The Crocker contracts, which embraced the greater part of the Central Pacific line, were awarded by the votes of Stanford, Huntington, Hopkins and Crocker, who constituted a majority of the board of directors, and the profits arising out of these contracts were divided among these four persons. This same singular feature pervaded all contracts for construction of branch lines and repairs, for leases of the auxiliary lines, for the express business, for the sale of coal and all other materials, all of which were procured through the intervention of construction companies, express companies, or development companies, in which these four persons were substantially the only stockholders.

According to the report of the Union Pacific Railway commission the mileage of the main line and auxiliaries by the Central Pacific constructions syndicate aggregated 1,341 miles, constructed at a cost of \$58,301,835 for which the bonds, stocks and cash paid aggregated \$120,730,129.69, leaving a net profit to be divided among members of the syndicate of \$62,428,893.4. In addition to the stocks, bonds and cash paid to the contractors for building the Western Pacific railroad, which became part of the Central Pacific, the contractors received the total amount of the land grant, which was also divided among the members of the syndicate.

Within a few years after the Central Pacific had converted half a dozen men of very moderate means into multimillionaires, the Pacific coast syndicate conceived and carried out a plan to scuttle the Central Pacific and at the same time amass another \$50,000,000 by the construction of the Southern Pacific railroad, that was designed not only to compete with the Central and Union Pacific, but to eventually wreck the first overland railroad and place the Southern Pacific construction ring in position to buy under foreclosure. A similar scheme was under contemplation and came very near being carried out by Jay Gould and his associates with regard to the Union Pacific, and it only miscarried after the consolidation of the Kansas Pacific with the Union Pacific, which Gould to rake in several millions and gave him the control of both roads.

It will thus be seen the amount absorbed by the construction syndicates that built the Union Pacific and Central Pacific railroads aggregated \$106,358,226.18. The capitalization of those roads has been padded by that amount and the patrons of the Pacific railroads are compelled now to pay tolls to make good interest to the tune of from \$5,000,000 to \$8,000,000 a year. That the other transcontinental lines that compete with the Union Pacific system have been credit mobilized largely also is a matter of notoriety. How the fraudulent capitalization engendered by Credit Mobilier construction is to be eliminated is a problem that must sooner or later be solved.

Maine's new law that is causing an exodus of liquor dealers from the state authorizes the governor to appoint a commission of three members, with power to exercise anywhere in the state "all the common law and statutory powers of sheriffs in their respective counties in the enforcement of the law against the manufacture and sale of intoxicating liquors." The sheriffs have taken the hint and are stopping the liquor traffic before the commission steps in.

Dr. P. J. Sharp, the experienced dentist is located in Dr. Wise's dental parlors, and is prepared to do nothing but first class work and give the best of satisfaction. If your teeth need fixing call upon him.

Safe From Sea.

SAN PEDRO, Cal., March 29.—The captain and crew of the schooner C. A. Klose, which was abandoned at sea in a waterlogged condition, were picked up by the schooner Polaris, which arrived here today. All hands are reported well. The C. A. Klose, after her abandonment was sighted by the steam schooner Chehalis, which tried to tug her to port. The line parted and darkness and rough weather prevented any further attempt to save the derelict. The tug Dauntless was sent out in search of the Klose, but soon after the Dauntless started word was received that the Klose had turned turtle and had been thrown by the sea on the Washington shore.

The C. A. Klose was abandoned on March 26 ten miles off the Oregon shore. She was bound for Vancouver, Wash., for this port. Shortly after leaving the Columbia River she sprung a leak, filled rapidly and soon became waterlogged and unmanageable. The crew took to the rigging and remained there for a day and a night. The Polaris, from Port Land, was sighted, and in response to signals ran alongside the C. A. Klose, launched a boat in the heavy sea, and after many efforts succeeded in taking off the derelict's crew. Captain Wagner and the eight men who were with him on the Klose are said to be none the worse for their experience. Their sufferings, they say, were very mild under the circumstances.

The Gentle Cynic.

Trust to luck—if you want to go hungry.

It's hard to be a "good fellow" and a model husband, too.

The less a man has to say, the greater is his reputation for wisdom.

A floating debt is a poor thing to keep a man's head above water.

It's a sure sign that a man is growing old when he begins to tell you that he feels as young as he ever did.

It doesn't take a headstrong fellow to butt in.

Charity begins at home, but reform begins with our neighbors.

The trouble with an idle rumor is that it is always so industrious.

The winds of adversity have caused many a love match to flicker out.

We can forget half we hear and not lose much.

Idleness kills more people than work.

An idea sometimes strikes a man when he is down.

Some people have a lot of good in them but the trouble is they don't let it out.

An optimist is a man who is married and glad of it.

The truthful man always catches the smallest fish.

Love is a thing that people write novels and plays about.

The Standard Oil people say that it will cost the state of Kansas \$20,000,000 to start in the oil business right. This paltry sum hardly equals the capital stock of an ordinary Kansas gusher.

The Standard Oil company has been allowed to have its own way in Ohio and Pennsylvania. It never encountered the real fighting spirit until it undertook to dictate to the Kansas producers.

Russia's lack of money is said to be the only obstruction to the movement for peace in the Orient. It is a hard situation to be thoroughly whipped and then made to pay all the expenses and a good sound bonus to the victor.

If Cuba had not extracted so much easy money and so many sentimental favors from the United States the disposition to make trouble on the part of San Domingo and Venezuela would be less pronounced.

One of the most important works of the present administration is the protection of Government lands for actual settlers. The Republican party ever since its formation has been the friend of the poor man who wants to acquire a homestead for himself and family, and is willing to apply his industry on the unoccupied lands to be found especially in the new states and territories. Every new home strengthens the government and adds to its wealth, as well as provides comfort and independence for brave and estimable toilers. Anything that can deprive the people of this opportunity, one that is unknown in the nations of Europe, is a wrong of peculiar baseness, and should be stamped out with a resolute purpose and a vigorous hand.

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This is to certify, that I have this 27th day of December, 1904, inspected and examined the Nursery Stock of Mr. E. P. Smith, of The Eastwood Nurseries, Gresham, Oregon, and so far as I am able to ascertain, have found it in good, marketable condition and clear of any serious insect pest or disease. Their methods of handling and growing stock are first class.

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- Ladies' " " - 40c.
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