

Grangers of Benton Follow the Action of Linn ON CAR SHORTAGE AND LUMBER RATES

Good Roads and the Transportation Problem Discussed—Liberal Policies of the Past in Railroad Management

Many Shippers Suffered From Lack of Cars—On Top of This Lumber Rates Advanced—Oregon Has Treated the Corporations Fairly—The McBride Bill—Provisions of the Hearst Bill

Fairmount grange, Benton county, held a most interesting meeting Saturday, March 19, and a fine dinner was served by the ladies. Afternoon was devoted to open meeting and discussion of transportation questions. W. Denham, county superintendent of schools, and T. T. Vincent, county recorder from Corvallis, were present. Mr. Leeper, of Albany, was one of the leaders in debate for the Brownlow bill. Mr. and Mrs. M. S. Durbin, formerly of Howell prairie, were chosen delegates to the state grange, and take a live interest in grange organization. Colonel E. Hofer, of Salem, was present by invitation of the grange and addressed the audience on the subject of transportation problems in general.

A Great Problem.

The speaker said the transportation problem was the greatest problem before the American people, and it was one that was just as hard for the managers of the great corporations as for the shippers, and he asked the utmost consideration for the differences they had to deal with. The rapid development of the country was almost outstripping the railroad equipment. The Southern Pacific lines in Oregon not only needed more cars and engines, but heavier tracks and bridges and it was doubtful if the best railroad management would not at times fall behind the demands of the shippers and producers. But he felt the people had a right to demand better service, as the railroads were in the nature of things a monopoly. If one farming implement trust had the monopoly of harnessing all the plows and wagons for the Willamette valley, and the people could not get half enough to handle their farms with and open new lands they would have just cause to complain of the service. After 20 years of service in Western Oregon the railroads should have enough rolling stock here to handle the crops in the fall.

Good Roads a Remedy.

Mr. Hofer made a plea for better roads so that the farmer could take his products to market at any time in the year. The four cents a bushel now paid each year for storing grain in the towns along the railroads would build and maintain good roads. Free rural mail, farm telephones, better schools and good roads would revolutionize farm life so far as social advantages went, and break up the isolation of the rural population. The value of the grange was a tremendous factor in the education of the people, and if all the women in the state were educated up to the standard of the women who are active members of the grange the speaker said he would not be afraid to trust them with the ballot on equal terms with the men. The construction of the Panama canal was going to be a great object lesson for the people, and he believed there were persons in the audience who would live to see a double-track railroad built, owned and operated from the Atlantic to the Pacific by the federal government, as it was just as legitimate as a government canal, and would be far more useful. Cheaper transportation would enrich and civilize the masses more than any other influence. With good roads all would keep better teams and take more pleasure out of living in the country and property 10 miles from a town would not be one-quarter as far away as it was with bad roads, such as prevail too much now.

Rates Must Be Reasonable.

If one corporation owned all the railroad and steamboat lines in Western Oregon, rates must still be fair and reasonable. That was the verdict of the supreme court in the Canger case in the '70s, and these decisions went farther and said that a railroad company did not haul

passengers and freights at just and reasonable rates under which the farmer and the industries could live, the state had a right to enact just and reasonable rates by law. No power could defeat this, and the recent decision of the supreme court that mergers were unlawful settled the power of the government in that respect. Oregon had gone a step farther than most states in repealing its commission law and had relied on the railroad managers for fair treatment, and the people had no complaint to make until last fall when the car shortage grew too restrictive on all business, and the lumber rates that went into effect in January really had prostrated the sawmills of the interior of the state in a manner that was ruinous to their business and property.

Liberal Policies Prevailed.

For many years liberal policies had prevailed on the part of the Southern Pacific and other railroads operating in Western Oregon. The first steps were taken by Traffic Manager C. H. Markham, and his splendid work in developing our industries was ably followed up by Traffic Managers Miller and Coman, the present managers of freight on Oregon lines of the S. P. Co. These gentlemen had, by establishing an industrial department, and by meeting the demands of the communities and by establishing new industries, developed business and made the operation of these railroad lines very popular and profitable. The Portland officials had done their utmost to secure favorable rates for the interior and were in no way to blame for the car shortage nor for the advance in lumber rates. In fact, the speaker had positive knowledge that they had done all in their power to avert the establishment of such rates, but that they had been overruled by higher authority and the rate was established against the protest of the largest shippers.

The Car Shortage.

The speaker read extracts from shippers and mill men to the Salem Commercial Club, of which he was president, showing that the car shortage was a standing complaint in the fall shipping season for the past five or six years, and that many produce shippers and flouring mills had been compelled to withdraw from the best markets on account of failure to get cars. Was this good railroading? Did not the producer finally have to stand the loss? Was not the shipper and the producer entitled to have the benefit of access to the best market? Was there no way to protect the shipper against such losses, which according to their own statements, by the score, ranged from \$50 up to \$10,000, in single instances in absolute loss of established trade in many instances? He reviewed the efforts of members of the legislature to get consideration for a bill to remedy the car shortage and their failure. A Portland newspaper had shown for months the terrible losses of the shippers from car shortage, and on the day the bill came up for passage it called the car shortage a mere bugaboo. Another Portland newspaper absolutely championed the advance in lumber rates as right.

The Sawmills Paralyzed.

There had been a depression in the lumber business the past year and on top of this came the car shortage in the fall, cutting down the supply of cars from, where 10 were needed to one or two cars per day. From August to November the situation got worse. The car shortage has practically ruined some of the best sawmills in the state. They were compelled to close down their mills and logging camps. Their trade is gone. Their contracts could not be fulfilled. They lost the good will of their customers,

and in some instances have been held for damages for non-fulfillment of contracts. The blow struck the large as well as the small concerns. Lumber piled up in the yards and deliveries were impossible. Orders were cancelled and the state lost the sale of thousands of carloads of lumber per month which will naturally be supplied from elsewhere. The sawmill men gave up trying to get cars and settle down into despair. Then some long-distance traffic manager in a sky-scraper somewhere conceived the brilliant idea of raising rates so

that the demand for cars would fall off, and actually stated that as a remedy in a newspaper interview. Like burning down a house to get rid of a tenant.

The Rates Advanced.

The plea of the traffic managers was that lumber was being hauled at a loss. The advance in rates in January was a more terrible blow to the lumbering industry in the interior than the car shortage had been. It has been a deathblow to many sections of our state, whose material prosperity is largely based on the payrolls of the sawmills and logging camps. Some of the sawmill men wrote to the Commercial Club that the advance in rates was equivalent to 60 per cent—an advance both unjust and unreasonable and indefensible. The speaker took the ground that where a common carrier had made a rate and for a long period had done business under that rate, and the industry had become dependent upon that rate, they had no right to arbitrarily advance that rate, especially when the earning of the corporation had shown an increase in spite of its alleged low rate. He quoted from the provision of the Hearst bill introduced in congress to require railroad companies and all common carriers to prove to a competent tribunal their right to make such an advance over former rates. The Hearst bill also aimed to cure car shortage and was to be commended in these respects.

No Relief Offered.

All efforts to get relief had failed so far. Meetings of traffic managers had been promised, but no action had been taken. In the mean time the in-

dustries languished. He read letters from one group of 16 sawmills in one part of the state that were offered sawing of bridge timbers from San Francisco, but the large firm at the bay was just as powerless to get cars as the little mills were. These little sawmills were closed down. Their proprietors were thrown out of business and naturally became enemies of all corporations. They would, if driven to desperation, with business ruined and value of their plants destroyed, become enemies of all law and order. Such a policy was dangerous to all interests as well as those of the corporations themselves. If it was a fact that shipments of lumber by thousands of carloads have ceased to go from Oregon, and scores of interior sawmills and logging camps were shut down, the people had a right to know if there was no relief coming from the managers of the corporations, the people would ask for the intervention of the courts and the strong arm of the lawmaking power. Our industries have a right to live. Oregon had treated the corporations fairly. Taxes were light. There was no legislative interference. They were unwisely defying favorable conditions for their existence.

There Is No Protection.

The speaker said there was now no legal protection against any injustice suffered by the shipper. He commented on the utterance of ex-Governor Geer to the effect that the Oregon railroad commission law was "one of the greatest of useless and expensive luxuries." Yet the supreme court had upheld it in all its powers. The ex-governor also said:

"For six years we not only have had no railroad commission but we have no legislation regulating in any manner either the freight or passenger rates of our railroad lines."

The McBride bill was now before the people of Washington. That bill was radically different from the old Oregon railroad law. The Oregon law compelled every shipper to go into the courts and prove his claim or establish that the rates were unjust and unreasonable. This gave the railroads all the advantage as they were better prepared to litigate. But the McBride law made the railroad company go into court and establish the justice and reasonableness of its rates. That was exactly the reverse of the old Oregon commission law. It was a club in the hands of the shippers that had given great advantages to the shippers and industries of the state of Washington and they were organized and demanding a 40 cent rate to all Missouri river points. The shippers of Oregon should organize.

The Remedy Suggested.

The speaker did not advocate legislation of any kind in particular. He deplored that there should be any cause for complaint among the business men of the state, and urged that the greatest consideration and the utmost conciliation be employed. The Commercial Club had only acted as an intermediary to give an opportunity for the compilation of the facts and there had been no attempt to make improper use of these communications or injure or alarm the corporations. But these facts should come

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