

OREGON VERSUS HARRIMAN

An Address to the Producers and Citizens of This State Adopted at the Independence Development Convention June 13, 1905

Fair and Conservative Statement of the Situation of This Commonwealth in Its Struggle for Expansion Against Policies of Non-development

REPORT OF TRANSPORTATION COMMITTEES OF THE STATE DEVELOPMENT LEAGUE AND OF THE WILLAMETTE VALLEY DEVELOPMENT LEAGUE:

It is neither the desire nor the intention of this committee to make any unjust attack upon corporations or transportation companies. We fully recognize that in this age railroads are a vital and essential factor in our country's development, and we favor reasonable encouragement, and equitable regulation of their rates and operation. The people of Oregon have invariably treated corporations with fairness and liberality, and capital invested in them has been at all times accorded complete and impartial protection of our laws. No state in the Union has been more liberal in its treatment of railroads.

YOUR COMMITTEE BELIEVES THE TIME HAS NOW COME WHEN THERE SHOULD BE A DEMAND IN RETURN THAT THE STATE AND ITS COMMERCIAL AND INDUSTRIAL INTERESTS BE TREATED IN THE SAME SPIRIT OF LIBERALITY AND FAIRNESS BY THE RAILROAD MANAGERS.

The Record of Oregon.

This state has never enacted any so-called drastic legislation against the transportation companies. On the other hand it is assessing their lands, rights of way and rolling stock upon less valuation than any state in the West.

There is no law in Oregon taxing their franchises or gross or net earnings, as in many other states.

Ten years ago this state repealed its railroad commission law, and has enacted no rate legislation.

This state has even made it unlawful to deal in cut-rate tickets or to dispose of unused transportation other than to the corporations. We have left the power to fix freight and passenger fares and the legitimate work of extending their lines to meet the needs of the country entirely in the hands of these corporations, trusting to them to treat the people with fairness and equity.

Justice to the Railroads.

In a spirit of justice we give credit for all that has been done by the railroads for the benefit of the state. Under the administration of C. H. Harriman many industries were favored and established in Oregon. The industrial departments of the roads have cooperated with the people, and promoted production of fruit and dairy products. Mr. Harriman's successors have sought to maintain policies of development, but have either been overruled in their decisions or have lacked the authority to initiate so that the movement toward lower rates and extension of markets for Oregon products has recently made little progress.

This state is indebted to the railroads for reducing passenger fares to three cents per mile on their main lines, and for securing low rates to the Lewis and Clark Fair, and to many state and local gatherings. **FOR ALL THESE ADVANTAGES THE PUBLIC IS DULY GRATEFUL, AND JUSTLY BELIEVES THAT EACH CONCESSION RESULTED IN GOOD ALIKE TO THE STATE AND THE RAILROAD MAKING IT.**

Justice to the People.

We believe that railway corporations are creatures of the state, possessing valuable franchises which have come from the people as a gift, as well as vast grants of public lands always becoming more valuable by action of congress, and that they owe a duty to the people which they have not fully performed.

A duty to the state of Oregon is incumbent upon them which grows out of their occupancy of its territory under priceless franchises given them, bestowed and inalienable, and such duty can only be performed to the people of the state by assumption on the part of the companies of their full share in the development of this territory. **THIS CAN BE DONE BY EXPENDING A PORTION OF THEIR EARNINGS WITHIN THE STATE IN THE CONSTRUCTION OF SUCH NEW LINES AND EXTENSIONS AS WILL NOT ONLY MEET THE NEEDS OF THE PEOPLE, BUT AS-**

SIST IN THE DEVELOPMENT OF THE LATENT RESOURCES OF THIS COMMONWEALTH, to the end that acting together this state may advance to that status in population and material wealth which its great resources entitle it.

Oregon Railroads Prosperous.

This committee believes that in no state in the Union are the railroads doing a more profitable business or enjoying more prosperity as financial enterprises than in Oregon. We are informed that the trains on the main lines of the Southern Pacific in Oregon earn more per mile than on any other division of the Harriman system. The earnings of the O. R. & N. Co. for 1903 are reported at about five million dollars, and nearly all this money was made in Oregon. One piece of new railroad in Eastern Oregon, from Biggs to Shaniko, said to be the personal property of Mr. E. H. Harriman, is reported to be paying over twenty per cent annually on its capitalization. As Oregon has no law requiring any reports from these corporations, these figures are not given from public or official records, but are believed to be reliable, and refute the statement that extensions in Oregon would not be profitable until the country is settled up; already in many sections of our state the population and products are far in advance of present railroad facilities.

Protest Against Obstruction

The railroad traffic of Oregon is not only highly profitable within the state, but owing to the fact that the greater part of what we consume of manufactured goods comes from abroad, and the greater part of what we produce must be shipped across the continent, the interstate traffic Oregon furnishes is a very lucrative source of income. In spite of the fact that **THESE CORPORATIONS HAVE BEEN TREATED WITH THE GREATEST LIBERALITY BY THE PEOPLE OF OREGON IN THEIR POLITICAL CAPACITY, AND IN SPITE OF FAILURE TO EXTEND THEIR LINES ADEQUATE TO THE GROWTH OF THE COMMUNITIES, A POLICY OF DELIBERATE OBSTRUCTION HAS RECENTLY BEEN ANNOUNCED ON THEIR PART TOWARD ALL SUCH CONTEMPORATED ENTERPRISES.** The Oregon territory has been set apart as not open to construction of branch lines, no matter how much needed to provide markets for products of lands already under cultivation. In return for the prosperity they enjoy as the result of liberality and fairness on the part of the state, undeveloped Oregon is to be accorded indefinite stagnation and strangulation.

Produces a Spirit of Dissatisfaction.

This condition of things is certain to produce a spirit of resentment on the part of the people towards these corporations, a result that is to be deplored. We regret that necessity has ever arisen for calling attention to such a state of affairs, for we believe that the local officials of these corporations have done all in their power between the corporations and the people **THE RESIDENT DIRECTORS OF THESE RAILROADS AT PORTLAND HAVE LEFT NOTHING UNDONE TO INDUCE THE CONSTRUCTION OF BRANCH LINES INTO THE INTERIOR BUT HAVE BEEN OVERTHROWN BY HOSTILE INFLUENCES OUTSIDE THE STATE.** Having exhausted all friendly efforts to bring about policies of expansion they will be forced to unite with the people of the great undeveloped coast and interior and demand a decided change in prevailing policies. The people of Oregon will and should resent the proposed interference with the natural and orderly development of their state. The published combination between high railroad officials in St. Paul and New York, by which alliance territory is parcelled out and an indefinite suspension of railroad construction in this section of the Northwest arranged, if carried out **MEANS PARALYSIS TO GROWTH ALIKE OF** We must regard a compact by which managers of railroad corporations in possession of productive territory, or having easy access thereto, agree to

keep further lines of railroad out of such territory, as an agreement in restraint of commerce. It is in violation at least of the spirit of the Sherman anti-trust law, and in effect constitutes a crime against the community which is held in bondage thereby.

The Remedy of the People.

OUR GOVERNMENT HAS BEEN A MERE AUXILIARY TO THE CORPORATIONS LONG ENOUGH. THE TIME HAS COME FOR THIS STATE TO DEMAND AND RECEIVE IN RETURN GREATER APPRECIATION OF CORPORATE OPPORTUNITIES TO ASSIST IN THE HIGHER DEVELOPMENT OF OUR COMMONWEALTH, or to invoke the immediate application of the powers vested in the legislature and the people for corporation regulation and control. The people possess legitimate means under the constitution to bring about more equitable conditions and more just relations for the benefit of all.

A Few Facts About Taxation.

This committee has not had time to gather all the facts touching taxation of railroad property as compared with other property in this state, or railroad property in other states. But we believe the managers of railroads themselves will admit that they have not been treated unfairly. Investigation will show that on some forms of taxation they have been exempted entirely, while compared with some Western states Oregon has only placed nominal values on their property. The following statistics show the amount of taxes paid per mile by these corporations in the four Pacific Coast states:

Oregon	\$156.00
Washington	215.00
Idaho	244.00
California	247.00

Compared with the taxes collected from these corporations in some states, the difference in favor of Oregon's exemption of corporate property, lands and franchises would amount to enough to build railroads into undeveloped interior inside of ten years.

Facts About Construction.

Our contention is that while Oregon has favored these corporations by legislative and taxation policies, they in return have not favored Oregon in according a fair share of construction of branch lines. While this committee have not yet been able to secure complete statistics of construction, they beg leave to call attention to the record of railway mileage for the four coast states from 1900 to 1902 inclusive:

Coast States	Mileage 1900	Mileage 1902
Oregon	1724	1686
Washington	2903	3157
Idaho	1261	1446
California	5741	5979

All the other coast states show a forty miles by shortening lines and abandoning track. Oregon's percentage of mileage of railroads to the hundred square miles of territory in 1901 was 1.78 and the same in 1902 Idaho increased from 1.58 in 1901 to 1.72 in 1902. Washington from 4.49 to 4.72. California from 3.74 to 3.83. Consider that Washington has been a state only about fifteen years while Oregon's life approaches the half century.

We find that eleven counties of Oregon having a territory of 54,455 square miles are without any railroad communication with the outer world. These counties comprise more than half the state, maintain county governments, have industries, banks and prosperous, thriving cities and towns. Many of the other counties have railroads only along their border **MORE THAN THREE-FOURTHS OF THE STATE AREA IS WITHOUT RAILROADS.** While the people of the whole state are putting forth a mighty effort to develop and populate this great interior, some of the railroad managers insist that no railroad into the interior can be made to pay, and the **NON-RESIDENT OWNERSHIP DECREE A POLICY OF NON-CONSTRUCTION UNDER ANY CIRCUMSTANCES.**

Failure to Keep Promises.

It has been publicly charged that the present management of these cor-

porations has not kept faith with the commercial interests of Oregon. The committee does not consider that it is required to go into any particular investigation of these matters, but when the people of this state are spending over a million dollars to hold an exposition for the development of the Oregon country, they have a right to expect that the promise of a one-fare rate to all who attend to visit the interior of the state shall be kept. In asking for that reduction so important to settlement and investigation, the State Development League was assured that the request was reasonable, and virtually what had been already decided upon. The president of that convention, Hon. E. L. Smith, was authorized by the officials representing the Oregon lines, who were present, to announce that this concession had been granted, and the announcement was received with great applause. But when the rate was announced by these same officials, though the press, it was found limited to persons holding tickets to Portland from points east of the Rocky Mountains, and otherwise restricted so that it will be of little practical value to Oregon. The convention asked a one-fare rate flat to all exposition visitors from outside of this state. That was what was understood by all present and certainly there has been failure to do as agreed. We do not censure or hold responsible the local railroad management or consider that they are personally responsible, but somebody is at fault because limiting the one-fare rate to visitors from east of the Rockies will preclude many of those coming from the British possessions, Alaska, foreign countries, and all states and territories west of the Rocky mountains from viewing the great state, and will do them as well as our own people a grave injustice. Presumably the legislature expected in making the appropriation for the fair that the visitors to the Lewis and Clark exposition who might also come to see Oregon, would be accorded by the transportation companies opportunity to see the undeveloped parts of this state. We trust there may be a

prompt reconsideration on the part of the railroad people.
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