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**PUBLIC MUST AID**  
**Harriman Says Railroads Are Facing a Crisis**  
**Says Mergers Will Be Prevented if Government Will Legalize Traffic Distribution**

Reprinted from New York Times.)  
Responding to a request for a comprehensive statement of the railroad situation of the present agitation over construction rights and their alleged encroachment upon the rights of the public, Edward H. Harriman, who through the Union Pacific-Southern system dominates 25,000 miles of the railways of the United States, has explained to the Times the reasons underlying the recent change of attitude toward the public interest by the government of the United States.  
In so doing Mr. Harriman discussed the situation developed by the railroads and the business interests of the country, their customers, in such a way as to round out the discussion from the railroad point of view more completely perhaps than it has been presented by any one up to this time.  
It happened, curiously enough, when Mr. Harriman received the Times reporter at his home for the interview he was engaged in explaining to an expatriating friend why he had broken his policy of silence of many years' standing and was undertaking to tell the public how the railroads looked at the situation.  
It was a more intimate statement of his theory of the "franker understanding" of which he spoke in recent interviews in Washington and New York, and it was significant of the determination to produce, if possible, some kind of reciprocal feeling between the public, the railroads and the government authority of state and nation, as the medium through which the public will find expression the means of shaping the national views.  
Mr. Harriman was laying down his views with all the persistence which he showed for the interstate commerce commission at one of the recent sessions here to remark:  
"I always have your way, Mr. President."  
The Time to Explain.  
Walking up and down the floor of the library and occasionally pausing to make a statement by bringing his feet on a table or the back of a chair, the president of the Pacific was speaking after this fashion:  
"I tell you, unless we educate the public up to this proposition we will just as well stop trying to do anything in the development of the country. I said in Washington, and now, that there has got to be a reversion on the part of the railroads to the one hand the public and the government on the other. It is the only way in which the matter can be worked out.  
I have tried the other method. I have left it to our lawyers to take advantage of legislation by whatever means might be the most effective to our subordinates to explain to the general public. It has not worked. We have produced a flood of legislation throughout the coun-

try, some of it of doubtful purpose and some the result of misdirected zeal inspired by the national administration, and if we are ever going to extricate the railroads we have got to come out in the open and tell the people the railroads' side of the matter."  
The objecting friend suggested that this might be done by the preparation of a pamphlet, but Mr. Harriman would have none of that.  
"Before a pamphlet was off the press," he said, "there would be a change in the situation and we would be put in the position of trying to explain what he had said before. The only thing to do is to reach the public through the newspapers, and whether or not our attitude may be misunderstood by some people, we will gain by every particle of more accurate knowledge that we may be able to give somebody."  
Then he turned to the reporter:  
"Take the situation when this interstate commerce commission inquiry started. There were pending arrangements between several large corporations and foreign capitalists running into the tens of millions. These arrangements were on very favorable terms. As soon as the foreigners heard that the interstate commerce commission was going after the Union Pacific they came to the conclusion that American corporations in general were in a pretty bad way and the negotiations were broken off.  
"Now if those arrangements had been completed it would have established a standard of credit for all good American enterprises that wanted to raise funds abroad. Moreover, the importance of the gold would have added four times its amount to the banking credits of the country. All that was stopped, for the time being, by the timidity of foreign capital produced by the institution of the inquiry."  
**A New Era in Railroading.**  
Mr. Harriman went on to discuss whether the railroads are now facing a new era in their development, as distinct from that which has gone before as was the period of reorganization from that of rapid expansion which preceded it, or that of tremendous traffic development which has followed in the last seven or eight years.  
"Unquestionably that is the case," he said. "And that is the very reason why I believe it essential that the railroads and the public should reach a common basis of understanding. If the railroads are unable to meet the further development of the country, they become fetters for the country's business interests. We can see the causes of this situation if we go back 15 or 20 years in railroad development.  
"Back of 1893 for a decade there had been a period of rapid construction of railroads, the great period of railroad expansion as the country began to recover from the effects of the Civil war. The railroads in that era unquestionably built beyond the ability of the country to support them. When a reversion of business came in the early nineties, as such things do come from time to time, here was all this railroad construction which there was no corresponding demand. The receivership period was the logical result.  
"Then we had the period of receiverships and reorganizations which was practically contemporaneous with the recovery of the country from the depression of 1893. But in that period practically nothing was done by the railroads to anticipate the future development of the country. They had all they could do holding their own and making two ends meet after what had gone before. Now suddenly the country emerges from the years of business depression into six or eight years of the greatest development it has ever

known. The railroads have been obliged to crowd into this period all the new work of providing new facilities that should have been distributed through as many years more preceding. And at the same time they have had to anticipate, so far as possible, future development of the country.  
"It matters little for this broader view of the case whether we are on top of or have passed by the crest of this present wave of prosperity. Every such tide has had its rise and ebb, and one would be living in a fool's paradise who didn't take that into consideration in figuring out his future requirements. The important fact for the railroads is that the country is going to keep right on developing through the next 20 years and the next 50 years and the next hundred years and as far ahead as we may want to look.  
**And We Are Unprepared for It.**  
"Now, how do we find the railroads prepared to meet this national development? I said a few minutes ago that they had been obliged to crowd into the last six or eight years a task of providing facilities that should have been spread over ten years preceding. The result is that they have fairly overlapped the facilities of the country to bring to them, with economy either to shipper or railroad, the goods which are to be carried. This is the all-important point for co-operation between the railroads and the public, for the failure to handle the business economically on the part of the shipper has generally been charged up against the railroads, while the railroads' inability to handle it economically has meant less effective service and a tendency to higher rates.  
"Now, take an example. The other week I went up to Groton, Mass., where my boy is going to school. I lived in my car while I was there, and I couldn't help noticing conditions in the station yard. There were three coal cars and one boxcar on a siding, and unloading the three coal cars were two single horse carts. At one of the cars they were actually screening the coal as they unloaded it.  
"Now, right on the other side of those cars there was a coal shed. If that coal had been unloaded into the shed instead of into the carts, the cars might have been moved out on the road again to carry somebody else's coal. But, no, they had to unload it, a cart at a time, and to tie up three cars for about three times as long as was necessary. On that basis the service of two cars was lost for the entire time that the three cars were allowed to remain at Groton.  
"If you multiply that sort of thing by the number of sidings in all the towns and villages of the country you will see what I mean by saying that the facilities provided by the railroads have overlapped the facilities provided by the shippers. Yet it is put up to the railroads to increase their facilities so as to eliminate the congestion. That is what we are trying to do, but you will not get any correct conception of the magnitude of the task until you consider just for a little while the problem of terminal facilities. That is where we have got to have the co-operation of the public more than anywhere else, for we have reached the limit of providing terminal facilities as the present development goes.  
**Why a Wider Gauge Is Needed.**  
"Take the island of Manhattan for an illustration. The ability of the railroads to render service is absolutely dependent upon the matter of terminal facilities. And those are conditioned, not upon the length of the yards, but the number of tracks and the capacity of the cars.  
"For instance, if you have a hundred cars on a limited number of

tracks and move out somewhere, it is necessary, in practice, to move virtually the entire hundred. But if you have the total amount of freight distributed among fewer cars of larger capacity, or have the hundred cars distributed over a greater number of tracks, there is a proportionate reduction of the number of cars that will have to be moved in order to pick out the 20.  
"You come now against the flat limitations in this matter of terminal facilities. There is only a given amount of space available on all the island of Manhattan that you can cover with tracks, and we have practically reached the limit of carloads on the existing gauge. Right here the question of motive power comes in.  
"The freight car is like a bridge. The trucks are the piers and the body is the roadway. Now, in measure as you lengthen the body to take on more load, you have got to increase the dead weight of the car to be able to carry it, and every such increase in dead weight means a decrease in earning capacity for the car or for the train when a given motive power is applied to move it. It is a matter of practical experience that if we could go on increasing the width of the cars up to a standard that would be permissible on a six-foot gauge, or even a five-foot gauge, we would be able to get a great deal more car capacity for a given increase in dead weight.  
"Furthermore, we would gain in the loading and unloading. If, for instance, by increasing car capacity you put into twenty cars freight which had previously taken up 30 cars, you require less terminal trackage for the handling of the freight, you are able to get in and out with greater speed and you have the other 10 cars out on the line earning something in the meantime. But right here we come up against the matter of motive power, and in that we have reached the limit of development under steam, so long as the present gauge is employed.  
**It's the Only Way Capacity Can Grow**  
"You will see why this is when you remember that there are three ways in which an engine can grow to get more tractive power. It must either be lengthened, be broadened, or be made higher. And in all three directions we have made our engines grow as far as they can on the present standard gauge or four feet eight. Did you ever ride in the cab of one of the modern freight locomotives?  
"Well, you probably noticed the swaying back and forth that accompanied the drive of the pistons. That meant that the center of gravity had crept up just about as high as it could go without having the engine topple over when it got into action. It told you that we had gone as far as we could in building engines up into the air. Now if you will think a minute you will see that there is obviously a limit in length of firebox beyond which it is impossible to fire an engine. And we have reached that limit as well.  
So there you are. If we increase our car capacity we increase the unproductive dead weight that is to be drawn disproportionately to the increase of the load, and in so doing we are making demands upon tractive power that has already reached the limit of its development under present conditions. The obvious relief then would be by widening the gauge to six feet, and I am not sure that the railroads will not come to that in the end.  
"If the country after the Civil war had adopted the six-foot gauge that some of the railroads in the south then employed, or even a five-foot gauge, we would be in much better shape today, for we could increase the height and breadth of our loco-

motives to get greater tractive power per engine, and could increase the capacity of our cars without disproportionately increasing the dead weight that has to be drawn in moving a given train load.  
**Electric Power and Its Advantages.**  
"But perhaps it is chimerical to think now of rebuilding the railroads of the entire country and of replacing the entire railroad equipment. If so, what is the next best thing?  
"Obviously electricity. And I believe that the railroads will have to come to that, not only for the purpose of getting a large unit of motive power and of distributing it over the trainload, but on account of the fuel proposition. That brings up another phase of the existing conditions. We have to use up fuel to carry our fuel, and there are certain limitations along this line, just as much as there are in the matter of car capacity or of motive power, particularly when you consider the distribution of the coal-producing regions with respect to the major avenues of traffic.  
"The great saving resulting from the use of electricity is apparent, quite aside from the matter of increasing the tractive power and the trainload, but there is this additional consideration, that when you are operating electricity you are not losing money when you stop your train. That must not be lost sight of. The train makes money when it is going somewhere, when it is carrying something that somebody wants. When it stops it ceases to make money and becomes a losing proposition because it goes right on burning up coal without doing any work. Your electric train when it stops isn't using up any power, and the only fuel waste is that incidental to the maintenance of the system.  
**It All Means Greater Expense.**  
"Now I have gone into these things in detail to show you, first that the railroads in handling the increased volume of traffic under present conditions, or anything approximating them, must do it at an ever-increasing ratio of expense that will tend some day to become prohibitive if present rates are to be maintained or fair returns realized for their shareholders, and, second, that the only relief which can be obtained through economies of physical operation must come through the outlay of enormous amounts of money such as would be involved in a general electrification or a change in gauge.  
"The railroads are now developing their facilities just as fast as conditions allow. The necessity of double tracking the transcontinental lines is recognized universally, and we are all lengthening our sidings and our spur tracks in anticipation of the day when we can joint up the sections and have two-track roads across the country. But, do the best they will, the railroads are face to face with physical conditions, such as I have described in a small part, which make it impossible to handle a larger traffic without a constantly increasing ratio of expense. It is up to them and to the people whom they serve to devise some means of more economical operation if returns are to be continued to their shareholders, or rates even maintained on their present basis.  
"But before we go on to that, there is one other factor of increased cost that the railroads cannot escape from, whatever their economies, and that is the cost of labor, not only directly employed by them, but entering into every item of their new construction, their equipment, or their improved terminal facilities.  
"It is a common saying that a railroad tie costs nothing; it is only the labor that costs the tie. The same thing might be said for the steel rail without stretching the truth, and relatively

it is true of every article that goes into railroad construction or equipment. These increases are continuing ones and enter even into the very undertakings by which the railroads seek to obtain greater economies of operation. They have to be considered in the financing of railroad extension as well as in daily operation, and our economies, whatever they are, have got to be sufficient to offset them before we can figure on any actual reduction in the cost of handling the traffic."  
**The Stock Market.**  
The Henry Clews financial letter of date New York, March 20, has this:  
The stock market during the week was feverish and unsettled. An immense amount, in small lots, of securities has been absorbed by small investment buyers, but the market at large was conspicuously lacking in big pool buying power. This is explained by the fact that very heavy losses have been sustained by previous holders; confidence in pool operation has been badly shaken, besides the floating supply of capital has been practically exhausted by the immense offerings of new securities, and large sums of the latter are still hanging over the market. During January and February nearly \$200,000,000 of short-term railroad notes were offered. Then over \$300,000,000 of new stock of various railroads issued to stockholders of record at par have also had to be financed. These include \$100,000,000 by St. Paul, over \$90,000,000 by the Northern Pacific, \$25,000,000 by Northwest, \$60,000,000 by Great Northern, \$70,000,000 by New York Central and nearly \$30,000,000 by the New York & New Haven. Besides these heavy amounts it is well known that many blocks of new bonds held by various syndicates have been held at first hands for months seeking a resting place in investor's strong boxes. With such a load as this, roughly estimated at \$1,000,000,000, and the buying powers so crippled, it is hardly reasonable to anticipate an extravagant upturn in the market, although there is justification for a reasonable advance in prices after such an immense recession which has taken place.  
**Why**  
Have a torpid liver when Herbine, the only liver regulator will help you? There is no reason why you should suffer from Dyspepsia, Constipation, Chills and Fever or any liver complaints, when Herbine will cure you. F. C. Waite, Westville, Fla., writes: "I was sick for a month with chills and fever, and after taking two bottles of Herbine am well and healthy." Sold by D. J. Fry.  
**Two-Story Brick.**  
Jos. Meyers and the Amos Strong estate will erect a two-story brick on State street, on the site of the old Steiner fish market. It will have 50 feet front, and make two store rooms.  
**Bitten by a Spider.**  
Through blood poisoning caused by a spider bite, John Washington of Boqueville, Tex., would have lost his leg, which became a mass of running sores, had he not been persuaded to try Bucklen's Arnica Salve. He writes: "The first application relieved, and four boxes healed all the sores." Heals every sore. 25c at J. C. Perry's, druggist.

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