

THE CAPITAL JOURNAL

E. HOFER, Editor and Proprietor. R. M. HOFER, Manager

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FULL LEASED WIRE TELEGRAPH REPORT



THE OPEN FORUM

The Capital Journal invites Public Discussion in This Department—Let Both Sides of All Matters Be Fully Brought Out—It Is Not the Purpose of This Newspaper to do the Thinking for Its Readers.

Salem, Or., Aug. 30. To the Editor Capital Journal, Governor West's remarks at Astoria concerning the speech of Mr. Farrar will doubtless be hailed by the people of Oregon as a good omen. However, he seems to do the subject less than justice. He is quoted as saying, in part: "The Oregon laws are lame in not restricting corporations from issuing watered stock, and in other ways also."

While the issuance of watered stock is wrong in practice, and should be prohibited, it is not the source of as much harm as the people usually presume. Water in stock is not entitled to any interest or dividend returns, and, consequently, no burden to the patron, though a great many people think it is.

In the regulation of our public service companies we need only permit a reasonable interest or dividend return on the actual value of the property alone, and we have a perfect right to exclude all water in stock, and make such rates for service on our railway lines, and for all companies serving the public as public utilities, as will give these companies a reasonable return on the actual value, exclusive of water in stock. This being the case, water in stock is not of very great importance. But the people of Oregon are in many instances paying ten to twenty times as much as a reasonable rate for such services. One of the most flagrant instances of this character is noted in the so-called Portland rate case, decided by the Railway Commission of Oregon when Governor West was a member of that commission.

Complaint was filed in this case before the commission by Portland's jobbers and reasonable rates were asked for on shipments out of Portland on the O. R. & N. lines from Portland to other points in Oregon. The owners of this line were receiving on the main line from Portland to Huntington and for all service performed in the transportation of freight between these points about 150 per cent per year on the capital employed in this service.

To illustrate this fully we will take the rates from Portland to La Grande. The lowest carload class rate from Portland to La Grande at time complaint was filed, 26c per 100, and was paying its proportion of 66.24 per cent a year to stockholders of the line. The commission reduced this rate three cents per 100, since which time it has only returned 54.48 per cent a year.

The highest railroad rate was 64c per 100, and was returning its portion of 210 per cent a year to the owners of the property. The commission reduced the rate to 58c, which will return its proportion in the future 192.18 per cent a year to stockholders. There was six of these carload class rates returning to the owners of the property about an average of 150 per cent a year. When this case was tried, and the Railroad Commission of Oregon reduced them to an extent that the average return in future will only be 127.26 per cent a year.

This is too extreme for credence, but the matter can be verified by any one who will take the trouble to examine into the fact.

This company is not entitled to 127 per cent a year for their capital employed, but six per cent is held to be ample. Consequently they are getting more than twenty times as much interest return as they are entitled to for this service. Hundreds of instances of this kind can be found in many parts of the state, and their prevalence is not due to stock watering, faulty laws or the need of any new laws, but to the neglect of our officers in not enforcing the laws we have.

It may be of some importance to prohibit watering stock, but it is a thousand times more important to prevail upon our state administration to properly enforce the laws. It may be good of our governor to advise us as to our lame laws, and suggest improvement, but what about the 127 per cent a year paid by many of the poorest people of the state to among the richest (people of the world) Why have we been sold into slavery to these people? Whenever the people of Oregon get wise enough to stop corrupt political deals between corporations and politicians, who are more ambitious than judicious, such abuses will be stopped.

Very truly yours,
F. W. GAINS.

Salem, Ore., Sept. 4. Ed. Journal: I noticed in Sunday's Statesman a communication from Mayor Lachmund in reply to an article in the Journal, suggesting that the council was taking a hand in the game between Harriman and Hill and that the forfeiture of the Welch franchise was part of the game. I want to express confidence in the mayor, for I believe he is honestly trying to give the city the best administration possible. At the same time, the Journal's suggestion looks good to me.

If it is not a game, why the sudden interest in forfeiting that particular franchise and no other? It is known to everybody that practically every franchise in the

city is a dead letter, so far as its observance by the company operating under it is concerned—that is, all except the P. R. L. & P. Co. The latter company has a franchise so worded that the only way it can violate it is by not running cars once every half hour on its lines except the Yew Park line which must maintain a 12-minute schedule. Outside of that everything else is so arranged that if the company does not do its duty, the city is permitted to do it for it. Besides this, the company is also given the right to build bridges for the city in spite of the council and make the city pay for them, too, which is nice for the company.

Besides this, the city council has seen fit to make it a misdemeanor to talk in an unbecoming manner to any of the companies' employees, or to speak disrespectfully of the company or its business or management within hearing distance of its modest and diligent ears.

The Salem Water company is woefully derelict in the performance of the things required of it by its franchise, but it is, in a measure at least, excusable for it has been held up by a hot air deal the city has given it in relation to the purchase of its plant, and so kept from making needed and necessary improvements.

The telephone company is another that is not injuring its eyesight watching its franchise. And in fact, practically every company doing business in the city is doing it as best suits its own convenience regardless of franchisees. I am not kicking at them, but mention the fact, just to show that peculiar action of the council in jumping onto Welch. It's none of my pie. Welch is a promoter, an exploiter of public utilities, from the nature of his business somewhat of a gambler and he should therefore be a good loser and not squeal. Besides there seems to be little doubt but that he has not played fair and kept his contract.

OBSERVER.

Salem, Or., Sept. 2, 1911.

To the Editor:

Referring to the article which appeared in Friday night's Salem Capital Journal, wherein it is inferred that the city administration is lending its support to the Oregon Electric-Hill interests against the Southern Pacific-Welch-Harriman interests, I desire to go on record in the strongest possible manner possible by saying that there is absolutely no truth, directly or indirectly, in the statement.

The issue between the city of Salem and the Portland, Eugene & East-Orn-Welch interests is limited exclusively to these lines and involves what the city deems a direct violation and breach of franchise, the reasons therefor being set out in the complaint now on file in the records of the circuit court. The time has ceased when any corporation enjoying franchise rights, carrying with it obligations to be performed on its part, can persistently violate the plain terms of its obligation to the city, refuse to carry out an expressed agreement and generally hold the administration in contempt. This franchise was a most iniquitous one, and discredits the officials who lent their assistance which resulted in its passage, and the sooner that Welch and his entire outfit is cleaned out of town the better it will be for Salem. The streets of Salem are a most valuable asset, and it is right and proper that railroads and more railroads should come into our midst to build up the community and add wealth to its people, but all efforts directed towards granting franchise rights to "paper railroads" or "promotion outfits" should, and will, be frowned upon so long as I am at the head of the administration.

The present administration has, so far as I am aware, undertaken to perform its duty, having in mind the best interests of the whole city, and it is pure nonsense and buncombe for any one, whether it be a citizen or a newspaper, to intimate that it is behind any railroad to drive the other out. The administration has undertaken to treat every interest fairly and squarely, and I would not be a party to any other course. The council welcomes new lines of transportation, the more the better, but they must come with the distinct understanding that the provisions of its franchise must be rigidly adhered to. The interests of Salem are, and always should be, paramount to all others, and the administration is undertaking to forcibly impress this fact on the community.

I deem the above explanation is necessary to counteract the possible effect which The Journal's article may have on any who may not be familiar with the attitude of the city's government.

LOUIS LACHMUND,
Mayor.

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* X-RAYS AND SMILES. *

Rev. Dr. Hinson, of Portland, has served notice on Mayor Rushlight that he must clean up the city, or the recall will be invoked on him. But suppose the mayor does not clean up the city, that the recall is invoked, what may the result be? What would the condition of the city be then?

Notices have been posted in Chicago ordering the employees of the Illinois Central to strike at 10 o'clock Tuesday, unless otherwise ordered. The horse editor puts the news under the head of "Smiles" because, so far in the dispute, there has been such an everlasting quantity of laughing gas—or laughable gas—or some other kind.

The old idea that a man who left a cup at the spring for public use was a benefactor, has gone into the discard. It seems, in the light of more recent knowledge, that he was a good hearted old meddler, whose officiousness led to dissemination of all kinds of diseases.

When the modern ideas of sanitary conditions are considered, it seems wonderful, in view of the carelessness of our ancestors, that any of them ever reached an age where they could get into the ancestor class.

It being Labor Day, no one will work today, except printers and others in the class out side the pale of civilization and law.

The robbers who held up the S. P. train near Redding last week seemed to have made good their escape. The sheriff and posse have abandoned pursuit. The hold-up business in that section seems to have arrived at the dignity of an established industry.

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THEY GOT TOO GAY AND ALSO TOO WET

Oregon City, Or., Sept. 3.—"Oh, I hope this never gets into the paper, gasped a half-drowned woman this morning after recovering consciousness from being tossed by the rushing Willamette for 200 yards below Clackamas Rapids.

The woman, with two others and two men, came up from Portland in the launch Olympic this morning. They were boisterous with their Sunday holiday, and passing fishermen anticipated disaster. The boat left the channel below the rapids and grounded, and, after returning to deep water, a pilot was obtained from a fishboat. One woman, who was called "Frankie", and one of the men got into the boat, which was towed upstream behind the launch.

They were riding over the crest of the rapids when the woman, who weighs probably 175 pounds, fell out of the boat and was carried bobbing along down stream. The boat was cut loose and the launch started after the drowning woman, who did not recover consciousness until 30 minutes after she was pulled into the craft. She was hurriedly wrapped in bathrobes and the launch departed for Portland. The members of the party refused to give their names to the fishermen who assisted in the rescue.

Pompador Caps.

Vancouver Barracks, Wash., Sept. 2.—The new style military cap, which must be worn by all officers after July 1, 1912, has already put in an appearance. It resembles a huge pompador.

State of Ohio, City of Toledo Lucas County, ss.

Frank J. Cheney makes oath that he is senior member of the firm of F. J. Cheney & Co., doing business in the city of Toledo, county and state aforesaid, and that said firm will pay the sum of ONE HUNDRED DOLLARS for each and every case of catarrh that cannot be cured by the use of Hall's Catarrh Cure.

FRANK J. CHENEY.
Sworn to before me and subscribed in my presence, this 6th day of December, 1886. A. W. GLEASON,
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Capital Journal