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WHY THEY WANT RATES RAISED.

HERE IS NO ONE so well qualified to speak intelligently on railroad matters and conditions as a man who has been in the business of managing railroads for years. The only trouble with the information from this source is its unreliability. A man once in this business, unless a failure, is always in it, or at least until he gets old enough to be side-tracked. While in the business he is not going to give its inside workings away, hence the information from that source is, as a general thing, absolutely unreliable.

Here is an exception to the rule. William W. Wheatley, who has been in the railroad business since 1879, occupying all kinds of positions from train-dispatcher to president, in an address to the New York Railroad club not long ago, upon the subject of allowing railroads to increase their rates, presented some interesting figures. He showed that it had long been the custom of the railroads to issue long time bonds, so long a time in fact that the material or improvements made with the money are worn out or outgrown before the bonds become due, and that no provisions are made for retiring or meeting them at maturity.

This has resulted in an ever-increasing debt with no increase in assets. Now increased interest charges and piled-up debt are used as a basis for a request for increased freight rates.

Another feature he called attention to was the unbusiness-like methods, or perhaps we should say, the "business-like method" of the railroad managers. He showed the extortionate prices of monopolies in which many individuals prominent in railroad circles and sometimes the corporations themselves are the beneficiaries. He showed that the railroads in 1912 paid for coal between \$85,000,000 and \$100,000,000 in excess of a fair price. He also stated that out of the \$420,000,000 paid for steel in 1912, that \$225,000,000 of the sum was in excess of a fair price.

It will be seen from this that the Goulds, Rockefellers and the gang of corporate financiers and some of the big railroad companies are requesting the government to permit them to increase their freight rates, so they can make the shippers first and the consumers finally, pay the extortionate prices which as steel and coal monopolists, they are charging themselves as railroads.

On top of this is the fact that in the original construction of the railroads the same extortionate prices were paid the same gang that now owns alike steel, coal and railroads, and in all the betterments and extensions of these roads or systems the same double prices were charged. Now these modest and diffident gentlemen come before the authorities at Washington, and ask not

only that they be permitted to collect interest in the way of high charges on these double values, for which the public has long ago paid, but are asking that they be permitted to raise freight rates so the consumer must pay them, as railroads, double prices for the steel and coal they buy of themselves, as monopolists in coal and steel.

The "water" paid for by the railroads last year, and which the roads naturally recoup from the public amount, according to the showing of Mr. Wheatley, to \$325,000,000, and this on coal and steel alone. With even this sum added to the amount on which the public must pay interest yearly, in increased freight rates, it can be seen that the sum the public will have to pay in ten or twenty years from now will amount to practically confiscation. What is needed is to have the water squeezed out of every public utility corporation, and then have its earnings fixed at a fair return on that valuation. When this is done, and the water is squeezed out, that element will be more abundant than when "Herod reigned 40 years in Israel."

THE NEW CURRENCY LAW.

THE EVENING TELEGRAM, in an editorial commenting on the new currency law and the regional bank reserve analyzes the law as follows:

"Banking is a private business engaged in the administration of a public trust and in a considerable measure in the discharge of a public function. Its trust accountability is to business. Business depends upon its facilitation of exchange, upon its regulation of the flow of money and upon its control and guidance of credit. Law tends to prevent banking from impairing its ability to meet its trust obligations. Law demands the bank reserve. It established reserve banks and central reserve banks, and under its provisions, money flows from the banks at the circumference to the banks at the center. The trouble has been that in times of stress it will not flow back again. The reserve banks, and more especially the central reserve banks, are identified with the big industrial and commercial interests of the country; they are in the very center of large financial activity, altogether too much of which is speculative. A catastrophe in speculation or in financial over-activity produces a shock at the center that is immediately communicated to the entire country. Reserves cease to flow in. Demand ensues. The system is individualistic, extremely sensitive, and every institution from the smallest to the largest begins to call in its loans, contract its credits and by a spasm of frugality, with just as much money in the country as there was before disturbance arose, it helps bring on a panic that mobilization of the currency would avoid.

"The chief aim of the new law is to bring the banking interests of the country into co-operation, to unionize them as it were, and in that to provide for that very mobilization, or elasticity of the currency, of which we have thus far been in costly need. The machinery to be provided for this purpose is not so complex. Regional reserve banks are to be established, on the theory that several reservoirs will serve the country better than one, and on the further assumption that a number of centers are less liable to the evils of centralization than one would be. These banks are to be established by capital subscriptions by existent banks in their respective territories. Each bank shall have nine directors, three of whom shall be of government selection, the member-banks appointing the other six. These shall be the reserve institutions of the country in their respective regions, supervised by a reserve board to be appointed by the president. The government will deposit its funds in these banks. Member-banks are entitled to share in the profits of their business up to 6 per cent, all profit above that, after a surplus of 40 per cent is accumulated and maintained, to be turned over to the government. From the reserves on deposit, and from government funds the reserve banks may loan to member-banks only, or may rediscount their promissory notes on commercial security, running not longer than ninety days. If the reserve of member-banks and the government funds are not sufficient to meet the legitimate loan demands of the member-banks, the reserve bank will supply to the reserve board for reserve notes, the issue which is provided for in the new law, tendering there-with an equivalent value of the commercial paper upon which loans have been made to the member-banks. The process of redemption and liquidation will be continuous and rapid, and the shifting of the volume of currency, according to regional needs, will be comparatively easy. Such, in brief, is an outline of the plan embodied in the Glass-Own bill.

"The reserve notes do not partake of the nature of inflation currency. They constitute a relief currency, the utility of which is measured by the value of the commercial paper on which they are loaned. Their service is fitted to

the need which the presentation of that paper makes manifest, and they do not go into circulation except to meet that need. They will constitute sound money, because besides the government's promise to pay, there will be back of them an equivalent of commercial paper maturing within ninety days; the credit of the payee; the endorsement of the member-bank; the balance of the member-bank's reserve; the double liability of the stockholders in that bank; the stock which that bank holds in the reserve bank; the surplus and earning power of the reserve bank, and finally 33 1/3 per cent of gold reserve.

"The plain and honest intent has been to create a system of banking and currency that is safe and flexible; to get away from the money monopoly that we have and to avoid that which we might have. Whether or not these purposes will be achieved, we do not undertake to say; but that they are sincerely attempted, there can be no doubt."

THE ROUND-UP.

A carload of mail destined for Baker, La Grande and Joseph was burned a few days before Christmas in Wyoming. It was loaded with newspapers and packages, and some one is shy Christmas presents in consequence.

Anyway, Copperfield did not get Sheriff Rand in its Christmas stocking.

William M. Colvig, of Medford, has been appointed head of the tax and right of way department of the Southern Pacific, to succeed the late Col. J. B. Eddy. He begins work with the new year.

Baker City had during 1913, up to Christmas, 159 births and only 71 deaths.

Anson Rogers, aged 84, and a pioneer of Coos county, died at his home on Coos river Christmas day.

A snowstorm that has continued for a week ended Christmas night at Baker City. The snow is deep and is being drifted by the high winds so that railroad traffic may be interfered with. The thermometer is down to 10 above.

The British ship Invercauld that sailed from Callao, Peru, for Astoria October 4, is so long overdue that it is feared she is lost.

Darius Fish, for 20 years an engineer on the S. P., dropped dead on the streets in Portland Christmas night while on his way home after passing the day with his sister.

The Forest Grove News Times admonishes its local readers to "resolve to keep 'the Prettiest Town in Oregon' still prettier in 1914."

The Beaverton Owl says that bank

GIRL BEATING HER WAY FROM EL PASO TO BUTTE

[UNITED PRESS LEASED WIRE.]

Sacramento, Cal., Dec. 29.—Riding the brakebeams of box cars in real hobo fashion, pretty Lucile Adams, aged 23 years, arrived in this city from her home in El Paso, Texas, bound for Butte, Mont., where, according to her story to Matron Phillips, of the Travelers' Aid society, she has a position as stenographer waiting her arrival.

"A girl friend of mine and myself left our homes in El Paso several weeks ago to beat our way to Butte, Mont.," the girl said. "We dressed as boys and when we arrived at a city we would remove the trousers and put on a plain skirt."

"All went well until we arrived in Los Angeles, where my companion became separated from me. I came to Sacramento, expectin to locate her."

When she arrived here Miss Adams wore a flannel shirt, a plain blue skirt and a boy's cap. After a few hours' stay here she resumed her novel journey.

JOURNAL WANT ADS. bring results.

LADD & BUSH, Bankers

TRANSACTS A GENERAL BANKING BUSINESS. SAFETY DEPOSIT BOXES. TRAVELERS' CHECKS.

House of Half Million Bargains

Come and see the biggest wonder in the history of Salem. You will find in our place the biggest accumulation of articles, from a hairpin to a threshing machine, ever seen. Feather beds, bed springs, crockery, dishes, latest style new and second-hand pictures, clothing for men and women, shoes, suit cases, show cases, vacuum cleaners, books, all kinds of new and second-hand machinery, construction and all kinds of tools. Steam and water pumps, gasoline engines. We buy and sell everything from a needle to a piece of gold. We pay the highest cash price for everything. The House of a Half Million Bargains.

H. Steinbock Junk Co.

233 State Street. Salem, Oregon. Phone Main 224

Our Annual Clearing Sale Started This Morning

And will be kept in full blast until further notice. This sale will be a genuine clean-up sale, for profits throughout the big store will not be considered. We have done the biggest business in the history of our store the past year; so if we

sell goods at cost, and in many cases less, for the month of January, we don't have to worry. The best and lowest price you can get in Salem we are ready and willing to beat during this sale.

OUR BARGAIN WINDOWS TELL THE TALE COME AND SEE THE LOW PRICES WE QUOTE

The Goods Slated for Our Annual Clean-up Are the Following

Ladies' Suits and Coats, Furs, Dress Skirts, Kimonos, One-Piece Dresses in Silk and Wool, Silk Petticoats, Ladies' Shirt Waists, Sweaters, House Dresses, Silks and Dress Goods. Odd lots of Hosiery and Underwear for Man, Woman or Child. Men's and Boys' Clothing—Odd lots of Millinery—Odd lots of Shoes, Blankets and Comforts. Slightly soiled corsets and hundreds of other great bargains.

See the prices in our windows which is the convincing proof



EXTRA SPECIAL

Ladies' 12 1-2c fast black cotton hose, good and heavy, 4 pair for

25c

SALEM OREGON

CHICAGO STORE

THE STORE THAT SAVES YOU MONEY

EXTRA SPECIAL

Ladies' 75c black Mercerized Sateen Petticoats

25c