

STATEMENT FOR THE STOCK PRODUCERS

Statement Before Interstate Commerce Commission in Matter of Proposed Freight Rate Increase

In connection with the attempt of the railroads to secure a raise in freight rates of fifteen per cent, a statement was made before the Interstate Commerce Commission, in behalf of the National Live Stock Exchange and the live stock producers and shippers of the country by C. B. Heinemann, Secretary, the National Live Stock Exchange, on June 11th, 1917.

The statement made by Mr. Heinemann was as follows:

General Statement
The producers and shippers of live stock are in this proceeding confronted with the proposal of the carriers to effect a horizontal increase of 15 per cent in all interstate live stock rates. We are informed, thru the public press and by preceding witnesses, that an unprecedented emergency exists so far as the railroads are concerned, and that to afford them relief the men upon whom we depend to supply the world with the food most needed by fighting men—meat—must increase the amount of freight charges paid to the railroads that they (the railroads) may thereby accumulate a greater surplus to the end that the great railroad companies may attain greater prosperity and gain further control over their smaller and less fortunate competitors.

It must be conceded that an emergency exists, and that if our country is to succeed in its avowed and noble intention to "make the world safe for Democracy," then all must share alike in the supreme test, and the cry of "emergency" must not be raised by any particular element merely to insure that element or faction unusual or unjustifiable profits at the expense of the public.

The recent appeal of our President to his fellow-countrymen urging the importance and necessity of the production of adequate food supplies, has not fallen upon deaf and unresponsive ears, so far as the American farmers and live stock producers are concerned; and the result so earnestly urged by our Chief Executive are being undertaken by both and in their concerted action they have shown themselves devoted "to the service, without regard to profit or material advantage and with energy and intelligence."

The live stock producers are laboring under the existing emergency to a greater degree than are the carriers of the country, and regardless of the comparatively high prices being paid for live stock witnesses have shown that the advancing prices of feed stuffs render profitable production of live stock practically impossible under existing conditions.

We are, in this statement, primarily concerned with the transportation of live stock and will address ourselves to that feature, leaving to others the question of the financial affairs of the carriers.

Live Stock traffic, so far as the volume is concerned, is a trainload movement, and the great market centers of the country, receiving as they do, hundreds of thousands of cars each year, receive the stock in solid trains, in which are handled from 20 to 60 and sometimes more cars per train. Manifestly, this is the economical method of handling traffic of any sort, and by consolidation in this manner the unit cost of operating is reduced to the minimum.

In the handling of no other commodity are the carriers able to obtain the efficient utilization of equipment as in the case with live stock. Operating witnesses recently testified, in Docket No. 9239, that live stock trains containing 40 cars were often unloaded in 40 minutes; that the same engine and crew bringing the train to the chutes, awaited the unloading and moved the empty cars back to their terminals, and that the customary method of operation was for the cars arriving in the early morning hours to be ready to be returned to service before the noon of the same day. This same road (the C. & N. W.) has delivered more than one thousand loads of stock at the Chicago market in one day and every car was unloaded before 9 A. M. If other traffic could be handled with such a high rate of efficiency, car shortage would be unknown and car surplus would be the general rule.

The terminal expense of handling live stock has been found by the Commission in every case to be less than the terminal expense of handling other traffic. At all great market centers where live stock is handled in volume, the terminal charge is uniformly a small sum and much lower than that provided by the carriers under what they term their reciprocal terminal arrangement between road haul lines. The switching charge for switching services performed by separate terminal companies at the stock yards range from 75c to \$2.50 per car. In the small localities, the customary switching charge of road haul lines will range from \$4 to \$9 per car for similar service. All of these factors tend to justify the lowest possible rate for the transportation of live stock, and serious consideration should be given to the economic feature before permitting any increase in the present interstate rates, some of which are undoubtedly upon too high a plane and should, therefore, be reduced.

The question of claims has been repeatedly referred to as a factor justifying increased rates, yet a compilation made by the Commission in its 29th Annual Report shows that almost 39 per cent of the claims paid on live stock are chargeable to delay and more than 19 per cent to the rough handling of cars. Both of these causes are avoidable causes, and certainly the shipper should not be compelled to contribute higher rates merely because the operating officials do not see fit to adopt sensible and safe methods of handling the traffic offered. Live stock can be

handled with a minimum of loss, and tests have shown that in the handling of the highest grade of beef cattle used in this country, namely, cattle for kosher killing, moving from western markets to New York abattoirs, the average loss and damage claims paid will approximate but 30c per car.

Only last week 200 head of 1077 pound steers moved by boat from Santa Rosa Island, off the California coast, by water and rail 2,100 miles to Kansas City where they broke all records for prices paid for California cattle. Not an animal was lost and the shipment was handled through in good shape merely because it was accorded intelligent handling.

Some of the western roads, by adopting protective measures and handling their live stock shipments just as they should be handled have reduced their claim payments to a figure much below the average of all freight. One line in particular has effected a reduction during a five-year period of 70 per cent. The greatest difficulty in the handling of live stock has been to have the operating officials recognize the difference between handling that traffic and the handling of coal trains. If we were to put the handling of live stock under intelligent operation the claim factor would cease to exist.

While some of the carriers have displayed wisdom and intelligence in the handling of live stock traffic and matters pertaining thereto others make no attempt to handle the traffic except in a haphazard manner and with the apparent intention of ridding their line of it at the earliest possible moment. Neither do these carriers make any attempt to effect economies in operation so far as handling this traffic is concerned. Only recently new rules governing hoof weight deductions were published in the Western Trunk Line territory. These rules constituted such a radical departure from the rules heretofore existing that some of the markets found it impossible to work under them. Take, for example, the situation at Omaha, one of the first markets to adopt the hoof weight system; the Burlington road announced that when the arrangement was installed at that point, due to the discontinuance of the track scaling, it resulted in their saving \$60,000 per year at that point. The promulgation of the burdensome rules has resulted in the cancellation of the Omaha agreement, so that unless corrective measures are immediately adopted, the Burlington, in common with all other Omaha lines, will have to again resort to the expensive method of track scaling their shipments of live stock. In the adoption of the changed rules no attempt was made to confer with those interested in the Omaha market to ascertain what effect the change would have at that point, notwithstanding they had agreed to consult with those people before any change of this kind would be attempted. This is merely given as an illustration to show that instead of trying to effect economies in all directions, some of the railroads are proceeding without rhyme or reason to make the handling of live stock as burdensome and expensive to themselves as possible, and incidentally, instead of encouraging production and shipment of live stock, their every action is apparently devoted to the effort to discourage the producers and harass the shippers.

We submit that the live stock producers and shippers of the country are contributing more than their share to the prosperity of the carriers. While fully recognizing the necessity of efficiency in the operation of the railroads, yet the evidence submitted by witnesses for the carriers show conclusively that their present financial condition is sufficient to tide them over the period of the so-called emergency; and, as the witnesses have admitted, their present returns regardless of the alleged increased operating cost, will enable them to declare their usual dividends and will not cause them to encroach upon their surplus.

The live stock industry is extremely sensitive to adverse conditions, and nothing should be done to discourage these producers in their effort to supply our country and our allies with meat products.

The live stock traffic situation has already been made the subject of special investigation by the Commission under Docket No. 8436. In that proceeding it is proposed to investigate all of the rates, rules and regulations governing the transportation of their commodity. The shippers, through their various organizations have been engaged for many months in the collection and preparation of data for presentation to the Commission. While the carriers have repeatedly expressed their desire to obtain increased rates following the disposal of this case, the indications are that when all of the facts are presented to this Commission reductions will be required of them in many cases, since it will be clearly demonstrated that many of our interstate live stock rates are unjust and unreasonable and not at all in line with the cost of operation.

Let these carriers look about them and put their operation and handling of live stock upon a sensible basis; no greater co-operation will be found than from the live stock shippers.

We, therefore, earnestly urge that the Commission deny these carriers permission to advance the live stock rates of the country or that the entire proceeding, so far as their proposal is concerned with respect to live stock, be joined with Docket No. 8438, so all of the facts may be before the Commission.

Respectfully submitted,
C. B. HEINEMANN, Sec.
National Live Stock Exchange.

TAFT RECOMMENDS CHAUTAUQUAS

Former President William H. Taft has written the following letter intended for general circulation among the chautauqua people:

"I do not see any reason why the chautauquas should not go on this summer as they have in the past. The great body of our people need information on the subject of the war

and need to hear discussions of the issues which the chautauquas present. The withdrawal of a million soldiers, or even two million, will leave a large number of people still in the country."

Sincerely yours,
William H. Taft.

RUSSIAN SOLDIERS WANT TO FIGHT

Goodrich Representative Returns to United States With Interesting Facts on War Countries

Some new interesting viewpoints of the world war were disclosed by Victor van der Linde, Goodrich representative who returned from war-torn Europe, June 19th.

Starting last Christmas, Mr. Van der Linde traveled through Norway, Sweden, Finland and Russia, doing special technical work for the Goodrich Co. He spent considerable time in Moscow and Petrograd. Mr. Van der Linde was in the Russian Capitol when the revolution broke out and witnessed the exciting times attending the abdication of the Czar and the seizing of the Government by the council of soldiers and working men. "I have great confidence in the

new Russian Government doing its share in the struggle against German autocracy," said Mr. Van der Linde. "The new Government is determined to stand shoulder to shoulder with England, France and the United States. The soldiers are over anxious to continue the fight. But the dissensions has been among the working men engaged in manufacturing munitions of war. The workers are virtually on a general strike for higher wages."

"The American Commission headed by Elihu Root have put new confidence into the Russian people. When the workers return to their shops and supply the soldiers with clothing, food and ammunition, Russia will fight as she never has before in her history."

Before Mr. Van der Linde's recent trip, he was associated with the Paris office of the B. F. Goodrich Co. Since the outbreak of the world war, he was in close touch with the Goodrich Factory at Colombes, France. "You have no idea," said Mr. Van der Linde "of how impressed the French people are with the United States joining the Allies. They have a tremendous admiration for everything American. France places utmost confidence in the ability of the United States to sway victory to the Allies."

"Even with the help of America," continued Mr. Van der Linde, "and

a united Russia, it is my opinion the war cannot end under two years time."

WILL EQUAL IF NOT SURPASS OMAHA AND LINCOLN

The big feature of Nebraska's material progress during the next fifty years, in my opinion, will be the reclamation and development of that portion of her territory lying west of the 100th meridian. No prophetic vision is needed to justify this forecast. The movement is already well under way, as all who have visited the sugar beet fields of the North Platte valley, and the potato, alfalfa and pure-bred stock farms of the erstwhile sand hill region, well know. That the potential resources of this section of Nebraska have scarcely been touched is suggested by the recent discovery of potash deposits near Alliance. Long before the time limit covered by this survey is reached I believe the population and wealth of eastern Nebraska will have been overtaken by the "West end" and that Scottsbluff, North Platte, Alliance, Chadron and North Platte will equal in commercial importance, if they do not actually surpass Omaha and Lincoln.—Clark Perkins of Aurora in State Journal.

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