

Study the Sale Hour Glass

MATTERS OF MOMENT AT KILPATRICK'S MONDAY, AUG. 7TH

IN THE BASEMENT, Starting at 8 a. m.
All Day After, If Goods Last.

A big assortment of fine gingham, odd pieces left from various lots and qualities, regular prices from 12½c to 25c. Some Scotch in the lot—all one price Monday—

In the Basement **7½ cents yd**

MAIN FLOOR, Starting at 9 a. m.
Continuing While the Stock Lasts.

All our regular 10c long cloth will be sold at 89c per bolt of 12 yards. These goods on sale at 9 a. m.—

Linen Section, 1st floor **89c for twelve yards.**

MAIN FLOOR, Starting at 10 a. m.
and As Long as Stock Lasts.

A big assortment of ladies' hose and children's socks, broken sizes in some cases, all the left overs from goods which were originally sold up to 50c per pair—

Hosiery Counter, 1st Fl. **At 10c pair**

MAIN FLOOR, Fine Cotton Goods Section, Starting at 11 a. m.
Continuing till the store closes, 5 P. M.

An entire square covered with thousands of yards of fine tissues, dimities, organdies, voiles, poplins, silky cotton fabrics. New goods this season. Sold by us up as high as 50c yard. Positively the best value offered by us this season—

At the Square—Opposite Hosiery Counter **All 10c yd**

MAIN FLOOR, Men's Hour; Noon. This sale starts at 12 O'Clock noon and continues until every pair is sold.

Somewhere about 40 dozen pairs of sox for men, all colors, all sizes and many makes; odd lots from various lines which sold at 25c. No excuse for Sockless Jerrys now—

At the Furnishing Section **All 10c pr.**

MAIN FLOOR, Ribbon Counter Starting at 1 p. m.

and from that time on, as long as any of the lot remains.

Odd lots of all silk fancy printed warp and moire ribbons, 4 inches to 6 inches in width; ribbons which sold by us at 30c per yard in the lot—

These Are at the Ribbon Square **All 9c yard**

At Our Wonderful Handkerchief Square, Starting Promptly at 2 p. m.

and lasting throughout the day if stock is big enough.

All pure linen, plain and initial handkerchiefs, from the biggest purchase of handkerchiefs ever made by us; poorer handkerchiefs sold constantly as high as 10c—

At the Regular Counter **3½c each**

SECOND FLOOR Starts at 3 p. m.

Important to Note the Hour. Muslin Underwear Section

A lot of messaline, taffeta and jersey top silk skirts, colors and blacks, regular values up to \$4.95 each—

At the Undermain Section **At One price \$1.98**

We have a double object in starting each sale at a different hour. First object to give all a chance at a pick each place. Second object, to have a crowded store every hour of the day.

We close at 5 P. M. If you knew as much as we do about the values advertised above you would know that we have started something which will keep business humming all day Monday. Note the time for each sale so that you will not be disappointed. We'll be glad to have you spend the day with us.

THOMAS KILPATRICK & CO.

MAKING RATES FOR RAILROADS

Some History of the Process that Has Been Interrupted.

STRONG ARM METHODS OF PAST
Interesting Review of Transcontinental Transportation History by the Interstate Commerce Commission.

When the Interstate Commerce Commission passed on the Spokane, Reno and other rate cases, the result of which was the determination of the principle of "the long and short haul," and the announcement of a new basis for rate making on shipments between the Atlantic and Pacific coasts, including intermediate points, its written opinion included a very interesting historical review of transportation during the earlier transcontinental lines. A portion of this review, which gives something of an insight as to how the rates from eastern to western points grew, how the opening of new lines made changes in the situation and how the competition by water was finally taken care of, is here reprinted:

The Troublesome Sea.
In 1869, when the Union Pacific and Central Pacific railroads were united at Promontory Point, Utah, there was no such thing as a transcontinental rate, excepting as it was made up of a combination of local. In fact, at that time it was not expected, so Senator Stanford has testified before a senate committee, that there would be any real competition between the transcontinental railroad lines and the ocean carriers. The original purpose of constructing the Central Pacific road, so far as its California promoters were concerned, was to connect the all-rail overland movement of traffic, which did not require special or express service.

First Through Rate.
The first through rate published was an open rate of \$9 per 100 pounds, first class. This rate was scaled down, being lower from Pittsburgh, and still lower from Chicago and other points. When competition was begun with the clipper ships out of New York, class rates were reduced to a B scale, and these were graded from the east westerly. Commodity rates were also at this time established in an effort to take from the ships important volumes of business. These open rates, however, were found to be unworkable in developing any considerable amount of transcontinental business, owing to the fact that whatever rates the railroads made were met by the clipper ships. Accordingly in 1867 the Union Pacific and Central Pacific, which worked together in this matter, instituted what is known as the special contract system, un-

der which they published two rate sheets, one known as the "white list" and the other known as the "pink list." The white list contained the open or public rate; the pink list contained the contract rate. Contracts were made with individual shippers that if they would give to the railroad line all of their traffic for a year to the exclusion of ocean carriers they would have a rebate down to the figure fixed in the pink list.
"Driving Ships Off the Sea."
The battle began in earnest at this time between the railroads and the ocean lines. Whatever competition there had been before was insignificant when compared with that which followed the year 1867. At that time the railroad interests evidently determined upon driving the ships from the sea, and they very proudly admit that they succeeded in this effort at least to the extent of nullifying or controlling the water competition. The jobbers of the Pacific coast were individually dealt with; their waybills by the water lines were furnished to the railroad, from which it estimated the volume of traffic and the amount of charges paid thereon by the shipper. Upon this basis a rate was made by adding to the ocean charge an additional allowance for the saving in insurance arising out of movement by rail, the saving in interest upon the value of the freight, and an additional amount for the comparative certainty of delivery and expedition. Different rates apparently were made to different shippers. This secret contract system, by which a rate was made against individual firms or shippers was a logical application of the principle that the carrier should charge what the traffic would bear. For several years this system was successfully pursued with increasing advantage to the railroads; but under the pressure of strong popular agitation, and owing to the fact that the shippers were in many cases found to have broken faith, the railroads determined upon again publishing but one rate. To arrive at this rate they adopted a policy of "harmonization," as it was termed; they averaged the rates upon various commodities which had been charged to various shippers and made a new schedule of rates, from which they varied an emergency might require or expediency advise by the current method of rebating.

Pacific Mail Combine.
Thus far we have taken no account of the Panama route, which had been open and operated since the early days of the rush to the gold fields. This route was in the control of the Pacific Mail Steamship company. In 1871, hardly two years after the opening of the transcontinental rail route, the Union Pacific and Central Pacific railroads entered into agreement to subdivide the territory between the two lines, as agreed upon, and after running the steamships empty. This arrangement was continued until 1881, when the steamship line was turned over to an association known as the transcontinental association, which continued the arrangement until 1883, so that during this period the Panama route offered no serious competition to the rail lines. And to continue the history of this negligible factor in sea competition, it may at this time be said that the Pacific Mail Steamship company is now controlled, through stock ownership, by the Southern Pacific company, and has been since the year 1868.
Throughout this period of competition between ocean and rail lines we find this interesting rate condition to have existed: Class rates to Pacific coast terminals increased with the distance and were higher from Atlantic seaboard points than from interior points; commodity rates, however, which were created to meet special conditions at the seaboard—the wagon facil-

ities for the destruction of the clipper ships—were lower at the ports than at the interior points. In the language of Mr. Luce, of the Southern Pacific:

Commodity rates were scaled up from the seaboard in the first instance, but the class rates were scaled down from the seaboard. There was always a higher class rate from New York than from Chicago, but often a lower commodity rate from New York than from Chicago.
Southern Pacific's Control.
In 1883 a new competitor entered the field—the Sunset-Gulf route, a water line from New York to New Orleans owned by and connecting with the Southern Pacific line from New Orleans to San Francisco. This new line was looked to by the carriers generally to "take care" of water competition, in the significant language of a Southern Pacific official. It entered upon the work with such headiness that before long the Pacific Mail alone kept on its perfunctory way between Panama and the Pacific coast terminals. The clipper ship as a competitor had been destroyed. Pacific Mail had been subsidized, and the transcontinental lines were in control of ocean as well as land transportation.
It is the estimate of the Southern Pacific that of all the traffic moving from the Atlantic seaboard to California from 1883 up to 1891 the Sunset-Gulf route carried from 75 to 90 per cent, and of the balance practically all went to the rail carriers. The policy of the Southern Pacific company in instituting a water line of its own between the Gulf and the Atlantic drove its water competitors out of the field and took from the rail lines all but the most insignificant proportion of transcontinental traffic. Those were the fine free days when "all sorts of rates could be had and all sorts of tariffs could be found."

Santa Fe Enters the Field.
By the year 1885 competition by sea was not more than nominal. In that year, however, the Santa Fe, being completed to Los Angeles, came into the field claiming its share of transcontinental business destined to its new terminal, California. Up to its coming, and for some years prior, commodity rates had been graded up from New York; that is to say, the rates from Pittsburgh territory to California, and from Chicago to California, were higher than from New York. The theory of railroad carriers was that they should meet the competition at the point where the competition actually existed—at the seaboard. But the Santa Fe had its eastern terminus in Chicago. It found the Sunset-Gulf route carrying practically all of the Atlantic seaboard business at rates below the all-rail rates—at any rate that it chose to fix. In its view it was all well enough for the Southern Pacific to send out from the Gulf its own boats that would drive all rivals from the ocean, but because it had done this service to the rail carriers it was not to follow that all the traffic was to remain in the possession of the Southern Pacific. Whatever rates, therefore, the Sunset Gulf route chose to make at New York the Union Pacific and Santa Fe declared they would make from Chicago.

This determination of railroad policy was given the name of "market competition." It was said that the great middle west was building up and should have its opportunity to compete with the Atlantic seaboard for the developing trade of California. The Santa Fe did not reach New York, the Southern Pacific did; the Santa Fe would give to Chicago and to St. Louis and to Kansas City the same opportunity to feed and clothe the people of California that the Southern Pacific gave to the people of New York and Boston. Thus followed an interesting rate war, which culminated in 1891 in the installation of a new set of graded rates, this time scaling lower as they receded from the Atlantic seaboard.
We find then with the first tariffs that

were filed with the commission a \$5 first class rate from New York to San Francisco, a lower rate obtaining from Pittsburgh, a still lower rate from Cincinnati, and so by steps to the Missouri river. These graded rates remained in effect until 1899 when we find the first evidence of competition which the railroads met by water was that of the Southern Pacific line from New York which apparently applied from the New York piers without the all-rail rates were from Chicago. Of course during this period, or any other period, until recently it is impossible to say just what the rates actually paid were. We are dealing, however, with the "paper rates."
A Merchant's Line.
Live ocean competition being out of the way, and the railroads having come to an understanding as between each other, matters went smoothly until the San Francisco merchants, in 1892, being roused to activity by a recent increase in the transcontinental rates, instituted a boat line of their own. This brought on another rate war, in which the merchants lost heavily, and rates were reduced by the rail lines to absurdly low figures. The lines east of Chicago and those west of it ever after, to a division of the joint through rates, and for a time there were no joint through rates extending from points farther east than Chicago, and blanket rates were made by the western carriers from Chicago, Mississippi river, and Missouri river points. After the railroads had been under railroad control. When an attempt was made to re-establish this route as a vital competition, the railroads used their own ocean-and-rail line to eliminate it from the field. So that for several years there has been but one ocean line which apparently has no railroad connection, that of the American-Hawaiian Steamship company; and this line lives upon surffiance, its rate being made with the knowledge of the railroad company and with a more or less definite relation to the transcontinental rail rates. Within the past few months another water competitor has entered the field, the California-Atlantic line, which has done an extensive business both east-bound and west-bound for the short time that it has been in existence, but the prophecy made by the railroad witnesses is that it will not last long.

Consideration Due Water Competition.
In the light of this history it is not to be gainsaid that the transcontinental lines must give consideration to sea competition. For thirty years and more their effort has been to "neutralize and control" such competition, in the phrase of Mr. Stubbe, vice president of the Southern Pacific office. While they have subsidized, bought, and controlled the water carriers, there has always been present to the mind of the traffic manager of the transcontinental railroad the existence of the ocean and the possibility of its use. Without a ship upon the ocean has the power to restrain, in some degree, the upward tendency of rail rates. A railroad may not safely indulge its desire to impose all the traffic will bear between two ocean ports, and it may truly be said that the least possible of railroad traffic managers never looks upon the ocean without a sense of awe.
The railroads, moreover, must soon meet with a competition by water more intense than any that they have heretofore suffered. For within three years another route, one more important, searching, and determinative in its effect upon railroad rates than any other will be opened—a route, all water, by way of the Panama canal. The cutting of this canal will in effect bring

tonnage of approximately the normal increase in west-bound transcontinental freight for a single year. In giving this figure we are allowing to the American-Hawaiian line all the advantage of the accumulated business of the six years preceding 1906, in which it had in operation its steamship line through the Straits of Magellan. Considering that this carrier has reduced its time of movement between the Atlantic and Pacific to an average of a little more than twenty-five days and gives a service that never before has been equaled by an ocean line, the slight increase in its tonnage either evidences that all-rail rates are more attractive for the great volume of business or that the water rates are maintained at a figure so nearly approximating those extended by the rail lines as not to overcome the difference in the service.

The Ocean "Neutralized."
We have thus traced the history of this protracted struggle between the ocean and the land carriers that we might clearly appreciate the strategy of the railroads and its effect upon the ocean-borne traffic. One water route after another has been rendered innocuous. To meet the competition of the railroads the tendency of the ocean carriers has been to shorten the time consumed in passing by water from coast to coast. The clipper ship has been forced to give way to the steamship and the steamship has been compelled to transship by rail a portion of the distance. The routes by way of Cape Horn and the Straits of Magellan have been virtually abandoned. For nearly forty years the Panama route has been under railroad control. When an attempt was made to re-establish this route as a vital competition, the railroads used their own ocean-and-rail line to eliminate it from the field. So that for several years there has been but one ocean line which apparently has no railroad connection, that of the American-Hawaiian Steamship company; and this line lives upon surffiance, its rate being made with the knowledge of the railroad company and with a more or less definite relation to the transcontinental rail rates. Within the past few months another water competitor has entered the field, the California-Atlantic line, which has done an extensive business both east-bound and west-bound for the short time that it has been in existence, but the prophecy made by the railroad witnesses is that it will not last long.
Mexico in the Game.
In 1906 another step forward was made in the matter of water competition by the opening of the Tehuantepec route. The American-Hawaiian company, under an arrangement made with the Mexican government and with the sugar planters in the Hawaiian Islands, instituted the most satisfactory service which up to that time had obtained between the Atlantic and Pacific seaboard by water. Eastbound tonnage was furnished by Hawaiian sugar, and west-bound tonnage was gathered at the Atlantic seaboard.
In 1907 the volume of west-bound business satisfactory to Pacific coast terminals by this route was 115,256 tons; in 1908, 117,282 tons; in 1909, 204,000 tons; in 1910, 223,500 tons. The total volume of transcontinental tonnage was, two years ago, estimated by the carriers at 2,900,000 tons per annum, while the total water-borne traffic is about 19 per cent of this figure. Inasmuch as the traffic of the country increases at the rate of nearly 19 per cent per year, it would appear that in nearly four years ocean competition of the transcontinental rail lines has been enabled to secure a total

of no joint through rates in effect from any point east of Chicago. On July 15, 1894, the rate from Chicago to the Pacific terminals was reduced from \$3.40 to \$2.40, which was the blanket rate from Chicago, Mississippi river, and Missouri river territories. Three years later came an adjustment with the eastern carriers, by which they put in from New York, Pittsburgh and Detroit, a \$2.40 scale, and thus for the year, June, 1897, to June, 1900, the \$2.40 scale from all points east of the Missouri river territories, the increase being effected by the Missouri river to the Atlantic seaboard. Ritherto the rates had been graded up to New York, the more distant point, carrying the higher rate as to class traffic. However, on June 25, 1896, a \$3 scale covering the same territory went into effect. Not yet, however, was the blanket perfect, for neither in the scale of 1897 nor in that of 1898 were the same rates carried from points west of Chicago that were carried from Chicago and points east thereof. This was remedied, however, on January 15, 1900, six years later, when the rates on the lower classes from the Missouri river and the Mississippi river were raised to equal those of Chicago. For five years this condition continued until on January 1, 1905, a further increase in the lower classes was made, but this time as to New York and Boston territories, the increase being effected by eliminating the blanket rates as to all classes below fifth.

BITING DOG IS TO BE SHOT
C. W. McKusick Must Bring His Dog to the Station for the Police to Kill.
C. W. McKusick's bulldog was found guilty of biting Frank Doney, a neighbor, in the leg and sentenced to death by Judge Crawford in police court Saturday morning. The dog was given until Monday to "set his house in order" and prepare to be blown to that bourne whence no dog returns. McKusick, who was brought into court on a charge of harboring a vicious dog, promised to bring the canine to the police and let them use him in target practice Monday morning.
The Bee is "The Home" newspaper.

Advertisers can cover Omaha with one newspaper.

Advertisement for a property at 28th Ave. between Capitol Ave. and Davenport Street, featuring the slogan "Do your customers live here" and listing nearby streets: DAVENPORT STREET, CAPITOL AVENUE.