

UTAH RATE CASE WELL UNDER WAY

Railroad Witnesses Seem to Think Freight Tariffs Are Fair to State.

MILEAGE A SMALL FACTOR.

They Say Declaring Topography To Cut More Figure When Revenues Are Reckoned.

The testimony of J. A. Monroe, general traffic manager of the Union Pacific railroad, was concluded before Commissioners Prouty and Clark in the rate hearing case in the federal court building yesterday afternoon. The courtroom was, as in the morning session, crowded with interested spectators from this city and surrounding counties and there were people from Idaho and Nevada.

When Mr. Monroe resumed the stand he declined in answer to a question that there was sometimes more money in short hauls than in long hauls on a railroad. Questioned as to the time schedule between Omaha and Ogden, he replied that the time required for the run at present is about 18 hours. He said that at one time an emergency schedule of 63 hours was maintained for a short time, but said that a reasonable time with regularity is better than a quick service poorly maintained. The railroads had been greatly improved in recent years and that it was necessary for a railroad to renew its property every few years.

Mr. Monroe was asked whether his road establishes rates without consulting other roads. He said it is a rule to consult with others, but for each road to retain its own rights. Asked about the trans-Mississippi bureau, with headquarters at Kansas City, he said the bureau simply exists to further matters in a business-like and orderly manner. He said the bureau expenses are paid by the railroads. No notion of the meetings are given to the public, and the meetings are not of a public character, but Mr. Monroe said the public gets information as to what is done.

MILEAGE QUESTION.

During the course of his examination Mr. Monroe was asked by Commissioner Prouty in explain why mileage should not be the basis for freight rates starting from the Missouri river.

We upgrade rates as we move west. We start west from the river with state commissioners and both in Nebraska and Kansas. We adjust our rates to Cheyenne as we carry to Denver. When we get to Cheyenne our higher work commences, and we build up our rates as we move west. Our service over the line west of Cheyenne is very much more expensive than it is over the line east, so that we do all the way through, recognize mileage.

Now as to the rates via Denver to the west, the general basis has been the combination of Denver to the larger part of the territory in Colorado. When we strike Grand Junction we strike the Utah-common-point rate and apply that to the common territory, but mileage has not been lost sight of for a single moment in grading rates west from the Missouri river.

Commissioner Prouty—Your idea is that the line east of the Missouri river ought to be lower than west of the Missouri river?

Mr. Monroe—I think so.

Commissioner Prouty—Assuming that is there any reason why you should recognize the same thing in your through rates which is recognized in making your through rates less than those local rates west of the Missouri river, as well as east of the Missouri river?

Mr. Monroe—I see no reason why a rate in effect, fair and just in itself, should not obtain on through business. I do not know any reason why we should not get as much money for hauling a shipment from Council Bluffs to Salt Lake City or Chicago as we get on a similar shipment from Council Bluffs proper.

Commissioner Prouty—The rate from

New York to Pittsburgh is more than the rate from New York to Chicago?

Mr. Monroe—Undoubtedly.

Commissioner Prouty—Why shouldn't you apply the same principle west of the Mississippi river as you apply east of the Mississippi river?

THE U. P.'S PREROGATIVE.

Mr. Monroe—I think we do, to a reasonable extent. Pittsburgh is substantially half way between New York and Chicago, and, therefore, more than half way, as a matter of fact, Cheyenne is substantially half way between Omaha and Ogden, and we build up west of Cheyenne and get a rate to Utah, which has no relation.

Commissioner Prouty—That is true as to Missouri river, but I am talking now about the rate from Chicago to Salt Lake. Why do you add together the sum of the two halves of the Mississippi river and Missouri river, when we do not anything else?

Mr. Monroe—Simply that I believe that the Union Pacific is entitled to its local revenue west of Omaha.

Commissioner Prouty—When you transport traffic from Omaha to Salt Lake, why aren't you entitled to the sum of the costs from Omaha to Cheyenne and Cheyenne to Salt Lake?

Mr. Monroe—We are entitled to the combination from Cheyenne.

Mr. Monroe testified, in answer to questions by Commissioner Prouty: "Our revenue is being reduced. Our average revenue per ton per mile last year was substantially one cent, all through traffic. Utah was very much less than a cent. We have to approach our rate the best we can. We are on our way to expand and build up, and there is a large additional requests for rate reductions, which are very burdensome indeed to a common carrier, with no practical benefit to the community, and I think this savors of that class."

Mr. Babcock—Do you consider the present class and commodity rates generally to Utah common points reasonable and fair to the people of this state?

Mr. Monroe—We did not consider the people of Utah are entitled to at least as low a rate to and from Mississippi and Missouri river territory as the people of California are given for a much longer haul?

HE THINKS NOT.

Mr. Monroe—No. Conditions in California are different. A large amount of California traffic is surplus business, in the language of railroads, and it is just a question of whether we take it or let it alone. Our taking it helps us, but doesn't injure anybody in Utah, and there is a certain common point between the two from the one hand to Utah and a rate from the east to the coast. It is true, doubtless, that there is some competition between the merchants of Salt Lake on the one hand and the merchants of the coast on the other, and as I understand it, the rates are graded west from Ogden on the same formula as the points on the Southern Pacific as they are from Utah west, and they naturally strike the half-way line. I believe that to be a fair adjustment.

During the Rio Grande rate war we made a rate as low as 25 cents a hundred on grain from all points in Nebraska to all points in Utah, and there was a lot of barley raised up here in Cache valley, and I recall a petition signed by nearly all of the prominent men in Utah at came down to Omaha and said, "stop this rate war; you are bringing eastern grain in here for less money than we are paying for it, and you will dry our country up." That petition was a very prominent factor and the information that followed it. Nothing so important to our mind as keeping these people busy; nothing so important as giving them an export market for their surplus. I do not mean foreign market, but outside market, and we can do more than take the Utah product to the east. We are taking their potatoes, as an illustration, their grain, taking it down to Texas at a differential above Colorado, which is, particularly in my opinion, because we want these people busy. The controversy in the general conference has always been between the railroads on the one hand and the commercial interests on the other, to fairly regulate the rates, but many a man has said to me, "we don't care so much about the rates on merchandise."

A POOL WAS FORMED.

Dry goods men in Salt Lake City have told me that they do not care enough about a difference of 50 cents per hundred on a long line of domestics. They will sell their goods, for instance, in Omaha at Chicago prices, and are glad to do it. I do believe that this whole country depends for its prosperity on its natural resources, agriculture and mining. We have to consider rates as a whole. We can't single out any one article or any one direction of traffic without considering the whole fabric.

Mr. Monroe—I see no reason why a rate in effect, fair and just in itself, should not obtain on through business. I do not know any reason why we should not get as much money for hauling a shipment from Council Bluffs to Salt Lake City or Chicago as we get on a similar shipment from Council Bluffs proper.

Commissioner Prouty—The rate from

rice, and we think that the development out here—there is no city around this part of the country that has built up more rapidly than has Salt Lake in the last two or three years—is shown on every hand. There is an impression that freight rates cut a great deal more of a figure than they really do. I have no doubt that some of these men here in the jobbing of goods, getting what they believe to be a legitimate profit, are getting more money for their services in taking a pool out of a carload of freight received from the east and throwing it into the hands of the consumer than the carrier gets in California, and the whole question is, are we getting freight rates so high as to retard the development of the business and development of the country? It is a matter of history that there is not a common carrier known in the country that makes a profit equal to that which commercial interests return every year.

Mr. Babcock—Mr. Monroe, going back to that period when the Rio Grande first came into Utah that you refer to and following the rats demoralization, a pool was formed immediately after that rate was, was it not?

Mr. Monroe—I think it was.

I did not at that time have much to do with the Utah business and only speak generally from recollection.

Mr. Monroe—Do you remember whether that pool was effective in accomplishing the maintenance of rates or not?

Mr. Monroe—That was in 1882, about two or three years prior to the interstate law of 1887. Why, naturally the object of a pool would be to get a fair return, and no doubt the rates were restored to a reasonable normal basis.

DOES NOT REMEMBER.

Mr. Babcock—Was the pool effective in accomplishing the maintenance, then, of tariff rates?

Mr. Monroe—I don't recall specifically. I would assume that it must have maintained rates for a time, but it was about three or four years prior to the interstate law.

Mr. Babcock—Do you think that the people of Utah are entitled to at least as low a rate to and from Mississippi and Missouri river territory as the people of California are given for a much longer haul?

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