

Mr. Greer: Yes, a mill which produces any capacity absolutely must have a railroad.

Examiner Burchmore: Is the competition as close in the hardwood market as in the pine market now?

Mr. Greer: I think it is.

Examiner Burchmore: Can you give us a statement of the tonnage, separating it between that furnished by the Stewart-  
6045 Greer Lumber Company and by others, to check up with the statement you have given?

Mr. Greer: No, I could not do so, it is so very small. I do give this tonnage on that statement on agricultural products.

Examiner Burchmore: Do you make any charge for those agricultural products?

Mr. Greer: Oh, yes, sir.

Examiner Burchmore: How long have you been charging for those?

Mr. Greer: Just this last year.

Examiner Burchmore: I think that is all.

Mr. Greer: I think only part of this last year.

Mr. Brown: Do you have joint commodity rates?

Mr. Greer: Yes.

Mr. Brown: Joint commodity class rates?

Mr. Greer: Yes, sir.

Examiner Burchmore: That seems to be all, Mr. Brown.

6046 *Jefferson & Northwestern Railway Company.*

F. I. CLARK was called as a witness, and having been duly sworn, testified as follows:

Direct examination:

Examiner Burchmore: What is your name?

Mr. Clark: My name is F. I. Clark.

Examiner Burchmore: And you are the sole representative of the Jefferson & Northwestern Railway Company?

Mr. Clark: Yes, sir.

Examiner Burchmore: Mr. Clark, what is your connection with the Jefferson & Northwestern?

Mr. Clark: I am Vice-President and Manager.

Examiner Burchmore: How long have you been employed by this company in that capacity?

Mr. Clark: Well, I have been vice-president for the past ten years. I guess—ten years.

Examiner Burchmore: You are familiar with its operations?

Mr. Clark: Yes.

Examiner Burchmore: Has any other officer or employé of your company been present attending on this hearing?

Mr. Clark: No.

6047 Examiner Burchmore: You are thoroughly familiar with its practices, rates, and so forth?

Mr. Clark: Of the railway company?

Examiner Burchmore: Yes.

Mr. Clark: Yes.

Examiner Burchmore: You are also vice-president and general manager of a lumber company, of the Clark & Boice Lumber Company?

Mr. Clark: Yes.

Examiner Burchmore: How long have you been thus connected with that company?

Mr. Clark: For some time.

Examiner Burchmore: Who is president of the railroad?

Mr. Clark: A. B. Clark.

Examiner Burchmore: Are you in the same family?

Mr. Clark: Yes, he is my father.

Examiner Burchmore: He is also treasurer of the railroad company?

Mr. Clark: Yes, sir.

Examiner Burchmore: And occupies the same offices with the lumber company named?

Mr. Clark: Yes, sir.

6048 Examiner Burchmore: Who is secretary of this railroad?

Mr. Clark: C. E. Bancker.

Examiner Burchmore: And also secretary of the lumber company?

Mr. Clark: Yes, sir.

Examiner Burchmore: Are there any other officers of the railroad?

Mr. Clark: No, there are no others.

Examiner Burchmore: What employés has the railroad?

Mr. Clark: It has a bookkeeper, a roadmaster, master mechanic and trainmen, section men.

Examiner Burchmore: How many train men or how many train crews?

Mr. Clark: Well we always operate one and sometimes two.

Examiner Burchmore: How many section gangs?

Mr. Clark: Three.

Examiner Burchmore: Any other employés of the railroad, any agents?

Mr. Clark: None except that the bookkeeper acts as agent at North Jefferson.

Examiner Burchmore: And that bookkeeper is also employed by the lumber company?

6049 Mr. Clark: Yes, sir.

Examiner Burchmore: What is his pay or salary?

Mr. Clark: Well I would not be sure, but the railroad company pays half and the lumber company half, I think.

Examiner Burchmore: How about the roadmaster and the master mechanic?

Mr. Clark: They are entirely employés of the railroad company.

Examiner Burchmore: Do any of the officers of this railroad receive salaries?

Mr. Clark: Yes, the Secretary, Mr. Bancker, receives a salary.

Examiner Burchmore: His salary is divided between the two companies?

Mr. Clark: Yes, sir, divided.

Examiner Burchmore: What is the total mileage of this railroad?

Mr. Clark: It has now 32 miles of main line and about 3 miles of spur track.

Examiner Burchmore: You refer to the main line. Is that main line permanently located?

Mr. Clark: Permanently located.

6050      Examiner Burchmore: How long has it been permanently located where it is now? Has it ever been changed about any?

Mr. Clark: No, the mileage has always been just as it is.

Examiner Burchmore: But the spur tracks have been moved from time to time?

Mr. Clark: Yes, sir.

Examiner Burchmore: Has the lumber company or has any lumber company any private spur tracks connected with this railroad?

Mr. Clark: No, none whatever.

Examiner Burchmore: Then the private spur tracks that go into the woods which is being logged by this lumber company are owned by the railroad company?

Mr. Clark: Owned and operated by the railroad company, constructed by the railroad company.

Examiner Burchmore: And the lumber companies own the engines or cars?

Mr. Clark: No, sir, none.

6051      Examiner Burchmore: How many has the railroad?

Mr. Clark: The railroad has two locomotives and about twenty-five cars.

Examiner Burchmore: They are equipped with safety appliances?

Mr. Clark: The locomotives are; the cars are logging cars.

Examiner Burchmore: You have no cars that are not logging cars?

Mr. Clark: No.

Examiner Burchmore: Do you transport anything except logs?

Mr. Clark: Yes, we transport all kinds of commodities.

Examiner Burchmore: What do you carry the other commodities on?

Mr. Clark: We carry them on the cars of the trunk lines.

Examiner Burchmore: But you have no cars of your own that are loaded with anything?

Mr. Clark: We have two flat cars that we operate. we haul merchandise on them, or logs, either one.

Examiner Burchmore: Are those equipped with couplers?

Mr. Clark: No.

6052      Examiner Burchmore: You know the Safety Appliance Act requires common carriers to equip any car and all cars——

Mr. Clark: They are strictly logging cars, that is what they are. They are skeleton built logging cars with a platform in between.

Examiner Burchmore: But the exception in favor of logging cars in the act covering safety appliances concerns only logging cars which are used purely for logging purposes on which no other freight is loaded, so that apparently you need some information on that point. I simply state it for information.

I understand that the stockholders of the Clark & Boyce Lumber Company own the majority of the stock of the Jefferson & Northeastern Railway?

Mr. Clark: The distribution of the stock is the same in both the lumber company and the railroad company.

Examiner Burchmore: Could the Jefferson & Northeastern Railway be profitably operated or could it in fact continue to operate even at a loss—is its financial condition such that it could continue to operate if the traffic supplied by the Clark & Boyce Lumber Company were cut off from it?

Mr. Clark: Well, I think it could, yes. It produces 6053 enough—has enough tonnage to operate it for that tonnage alone, without the Clark & Boyce Lumber Company tonnage.

Examiner Burchmore: How long, in your opinion, has that state of affairs existed?

Mr. Clark: That change in operating the line?

Examiner Burchmore: Yes.

Mr. Clark: Well, I presume that it has continued for some time, a number of years.

Examiner Burchmore: As much as a year?

Mr. Clark: Yes.

Examiner Burchmore: The report on file with the Commission in its bureau of statistics and accounts, by an Examiner of Accounts who visited the property in January, 1910, and who conferred with the officers of your company, reports that the question: "Could the industrial railroad", meaning this railroad, "be profitably operated without the traffic supplied by the controlling interests", was answered by an official of your company: "Not under present conditions". Would you say that that answer was not a correct one?

Mr. Clark: Well, there is some considerable doubt about it. I feel satisfied in my mind that it could run without the business of the lumber company.

6054 Examiner Burchmore: How much business have you—how much revenue have you received during the past year, or during any given period, on revenue that was not supplied by the Clark & Boyce Lumber Company?

Mr. Clark: Well, I have a statement here showing the revenue for the past year, the business for the year 1910, that is, from January 1st to December 31st, 1910.

Examiner Burchmore: This is for the calendar year 1910?

Mr. Clark: Yes, the calendar year.

Examiner Burchmore: Was this statement prepared under your direction?

Mr. Clark: Yes, sir.

Examiner Burchmore: Will you file it as an exhibit?

Mr. Clark: Yes, sir.

The statement so offered and identified, was received in evidence and thereupon marked Clark Exhibit No. 1, received in evidence January 27, 1911, and is attached hereto.

Examiner Burchmore: You have north bound and south bound. In which direction——

Mr. Clark: It means in and out.

Examiner Burchmore: In bound is south bound,—how would you construe it?

6055 Mr. Clark: I don't know; the reason I said that, north and south, I did not know which way that would be meant, in and out.

Examiner Burchmore: Is the south bound business going away from you or coming towards your line?

Mr. Clark: The south bound coming toward the junction point.

Examiner Burchmore: Then the south bound stuff is the stuff that you turn over to the connecting railroad?

Mr. Clark: Yes, sir.

Examiner Burchmore: This shows the total traffic as 46,289 tons, with a total revenue of \$28,889.25, and apparently shows that 86 per cent of revenue and 81 per cent of the tonnage came from the Clark & Boyce Lumber Company?

Mr. Clark: Yes.

Examiner Burchmore: Now, I observe in that statement 23 cars of iron ore. Who furnished that tonnage?

Mr. Clark: To explain that I will have to elaborate a little. This whole country that that road goes through has a large amount of iron ore and at Jefferson there is an iron furnace which was built in 1888.

Examiner Burchmore: Where is that located, I might ask?

6056 Mr. Clark: It is right adjacent to the sawmill of the Clark & Boyce Lumber Company.

Examiner Burchmore: Do you have any interest in it?

Mr. Clark: No, none whatever, and it was operated by three different parties since then, three or four different parties. In 1899, when the Jefferson & Northwestern Railway Company was incorporated, it made a contract with this iron company, which was the Jefferson Iron Company, to furnish all of the wood and ore which it used, and the iron company operated a furnace there for about a year and practically all of its wood—it was a charcoal furnace, and the ore was furnished by the Jefferson & Northwestern Railway Company under a contract.

Examiner Burchmore: Where did you haul it from?

Mr. Clark: From out on the line, various places. Well, the furnace ran for about a year and went out of business.

Examiner Burchmore: During what part of the year 1910 was it running?

Mr. Clark: Well, it did not run during 1910.

Examiner Burchmore: You have got 23 car loads of ore moved in 1910.

6057 Mr. Clark: Well, that particular ore had no connection with the furnace, but I wanted to explain the condition of the ore in that country, the fact that there is ore that has been made into iron, and this particular shipment that is shown on this statement was gotten out and shipped by a company which took leases on all the iron ore land that they could get in the country, and are organizing a company to mine and ship this ore to what ever market they can find. This particular shipment went to Philadelphia, by way of Galveston, and that was gotten out as a sample shipment and went to Philadelphia. They propose to develop that entire country, and as a matter of fact we are negotiating with them to sell them the railroad and operate it at the present time. During 1899, and several periods later, the tonnage of iron ore and wood for this Jefferson Iron Company was at least half, 50 per cent of the—I will take that back,—I mean as great as the tonnage of the Clark & Boyce Lumber Company.

Examiner Burchmore: I will ask you, Mr. Clark, whether the officers of your company have any passes over trunk line railroads?

Mr. Clark: No, but we have over the M. K. & T. three passes.

Examiner Burchmore: System passes?

6058 Mr. Clark: Well, last year we had one system pass and two Texas passes, I don't know what we have this year.

Examiner Burchmore: What officers of your railroad have such passes?

Mr. Clark: President, vice-president and secretary.

Examiner Burchmore: They use those passes whenever they travel, do they?

Mr. Clark: Yes, sir.

Examiner Burchmore: Do they travel very much on railroad business, purely railroad business?

Mr. Clark: Why, yes, they travel a good deal on railroad business.

Examiner Burchmore: Do you file annual reports with the Interstate Commerce Commission?

Mr. Clark: We have been filing—

Examiner Burchmore: Accident reports?

Mr. Clark: Yes, accident reports.

Examiner Burchmore: Any other reports?

6059 Mr. Clark: I think the annual report we make, and I will say that I have noticed these reports that have been made by other railroads here, and in 1903, I think it was, we were sent a report in that book form, covering those large reports. We wrote to the Commission and told them that we were not prepared to fill out those reports, and they sent a smaller report for us to make. I don't remember just exactly what form that was, in fact I don't remember much about it, except that some form of annual report has been made out covering all of the facts as shown in those large books.

Examiner Burchmore: You did not file any—

Mr. Clark: Since then we have never been requested to make any other kind of a report by the Commission.

Examiner Burchmore: I might say, Mr. Clark, that the act to regulate commerce requires all railroads that are subject to its jurisdic-

diction to make annual reports to the Interstate Commerce Commission, and it is not within the power of the Interstate Commerce Commission to excuse any such carrier, nor is it—

Mr. Clark: You know to what I refer, those smaller reports, giving mileage, or something; I don't remember what they did give.

Examiner Burchmore: The act to regulate commerce, of course speaking for itself, it requires annual reports from carriers showing certain forms of information. Now, I understand that you 6060 made some reports in 1903 or 1904, but have not made any since, what we call annual reports.

Mr. Clark: We did not report in 1903, I don't think we have ever made one of those large book form reports.

Examiner Burchmore: Have you made any other sort of a report except accident reports, year by year?

Mr. Clark: Yes, we have made out a small report of some kind. I don't recall just what was on it; it was some form furnished by the Interstate Commerce Commission.

Examiner Burchmore: I will look into that and see what has been filed.

Mr. Clark: I will say that we can fill out those reports. We keep our books in accordance with the rules of the Interstate Commerce Commission.

Examiner Burchmore: You have got the rules and obey them?

Mr. Clark: Yes.

Examiner Burchmore: Did I ask you about your rates and divisions?

Mr. Clark: No.

Examiner Burchmore: What kind of lumber does the Clark & Boyce Company manufacture?

Mr. Clark: Pine.

6061 Examiner Burchmore: You have joint rates with the Rock Island to interstate destinations?

Mr. Clark: No, the M. K. & T.

Examiner Burchmore: With the M. K. & T., I mean.

Mr. Clark: Yes, sir.

Examiner Burchmore: To interstate destinations. Do you have any with the Texas & Pacific?

Mr. Clark: No.

Examiner Burchmore: Just with the M. K. & T.?

Mr. Clark: That is all.

Examiner Burchmore: Have you ever had any with the Texas & Pacific?

Mr. Clark: Yes, sir, we used to have them.

Examiner Burchmore: When were they cut out?

Mr. Clark: But we never had them interstate with the T. & P. We had intrastate in Texas with the T. & P., up until 1903 or 1904.

Examiner Burchmore: Are you recognized by the State Commission of Texas?

Mr. Clark: Not at the present time, no.

Examiner Burchmore: Have you ever been recognized by them?

6062 Mr. Clark: Yes, sir.

Examiner Burchmore: And they do not recognize you now?

Mr. Clark: No.

Examiner Burchmore: Do you know why they don't, any reason assigned?

Mr. Clark: It is the same, I guess, as most all similar roads in Texas. We have never made any—since 1903 and '4 they cut out us, among a great many logging roads and we never made any application to them to be recognized.

Examiner Burchmore: When was this railroad built?

Mr. Clark: It was started in about 1892.

Examiner Burchmore: Did this same corporation own it then?

Mr. Clark: No.

Examiner Burchmore: Who did own it?

Mr. Clark: It was owned by—the first part of it was built by the Clark & Boyce partnership.

Examiner Burchmore: When was the railroad incorporated?

Mr. Clark: In 1899.

Examiner Burchmore: You were with it then?

Mr. Clark: Yes.

Examiner Burchmore: When was the mill built?

6063 Mr. Clark: The mill was built in 1881.

Examiner Burchmore: They operated for some time without any tram road?

Mr. Clark: Yes, sir, there was a river there, floated logs on the river.

Examiner Burchmore: Is the mill on the river now?

Mr. Clark: Well, it is not the identical mill there now that was there, built in 1881. The mill that is there now is a little way off from the river, but on the same ground that the original mill was.

Examiner Burchmore: Do you get any of your logs down by water?

Mr. Clark: We don't now, no; we did at that time.

Examiner Burchmore: How long has it been since you brought down any of your logs by water?

Mr. Clark: Not since the railroad was built.

Examiner Burchmore: Not since 1892?

Mr. Clark: About 1892.

Examiner Burchmore: Then this railroad was built originally to get logs down to the mill?

Mr. Clark: Yes.

6064 Examiner Burchmore: Is the mill directly on the M. K. & T. railroad tracks?

Mr. Clark: No, it is not.

Examiner Burchmore: How far away from the M. K. & T.?

Mr. Clark: It is a little over a mile.

Examiner Burchmore: How far is it from the Texas & Pacific?

Mr. Clark: It is very close to the Texas & Pacific.

Examiner Burchmore: A quarter of a mile?

Mr. Clark: Hardly that much.

Examiner Burchmore: Do you have any track running directly from the mill to the T. & P. Railway?

Mr. Clark: Yes, sir.

Examiner Burchmore: I mean any track besides this railroad's track?

Mr. Clark: No, it is the Jefferson & Northwestern has a connection with the T. & P.

Examiner Burchmore: How long have you been receiving divisions on interstate rates?

Mr. Clark: Since 1905.

Examiner Burchmore: Then previous to 1905 you got along without any divisions?

Mr. Clark: No, we had divisions with the intrastate at that time.

6065 Examiner Burchmore: You were shipping lumber previous to 1905 to interstate points?

Mr. Clark: No, very little.

Examiner Burchmore: All state points?

Mr. Clark: All state.

Examiner Burchmore: Then you put in interstate divisions as soon as you began shipping extensively outside of the state?

Mr. Clark: Interstate.

Examiner Burchmore: What are the amounts of your joint rates with the M. K. & T., the same as the rates from the M. K. & T. on their line?

Mr. Clark: Yes, sir.

Examiner Burchmore: No higher?

Mr. Clark: No higher.

Examiner Burchmore: What are your divisions?

Mr. Clark: From two to five cents.

Examiner Burchmore: On what traffic do you get only two cents?

Mr. Clark: Some points on the Rock Island, as low as two cents.

6066 Examiner Burchmore: What is your average, your usual division?

Mr. Clark: It is very near five cents.

Examiner Burchmore: As a matter of fact, that seems to be confirmed by looking at that statement. I notice on 10,200 tons of lumber you get \$9,183.72, which is nearly a dollar a ton. I have not asked you what the name of the junction points with the other railroads are.

Mr. Clark: The junction is Jefferson.

Examiner Burchmore: You join the M. K. & T. at Jefferson?

Mr. Clark: Yes, sir.

Examiner Burchmore: Where do you join the Texas & Pacific?

Mr. Clark: At Jefferson.

Examiner Burchmore: A different part of Jefferson?

Mr. Clark: Yes, sir.

Examiner Burchmore: Is Jefferson much of a town?

Mr. Clark: Yes, about 4,000 people, I guess, four or five.

Examiner Burchville: Is your mill at Jefferson?

Mr. Clark: No, the mill is at North Jefferson.

Examiner Burchmore: What stations are there on your line?

Mr. Clark: There is Lanier and Luana.

6067 Examiner Burchmore: Are there any towns at those places?

Mr. Clark: There is a town at Luana.

Examiner Burchmore: What is the size of that town and what is the character?

Mr. Clark: Just a country village and post office, and a couple of stores and a cotton gin; I suppose 100 people right there. The entire road, however, I should say, the entire 32 miles of the road, 75 per cent of it goes through farms.

Examiner Burchmore: Where is the timber located along the road?

Mr. Clark: The timber is scattered through these farms.

Examiner Burchmore: Is there quite a large body at the far end of the road?

Mr. Clark: Of course during the past twenty years that this road—since the line was built, the timber has been cut off, and the land has been made into farms.

Examiner Burchmore: Clark & Boyce cut over most of that land, didn't they?

Mr. Clark: Yes, sir.

Examiner Burchmore: And they own the timber at the far end of the line?

6068 Mr. Clark: Yes, sir.

Examiner Burchmore: There are private logging spurs at the far end of the line?

Mr. Clark: I don't know what you mean by that. They are owned and operated by the railroad.

Examiner Burchmore: They run into the woods?

Mr. Clark: For the lumber company.

Examiner Burchmore: What is the extent of the timber holdings of the Clark & Boyce Lumber Company in this vicinity? Express it in feet, acres, or any other way.

Mr. Clark: About fifty million feet.

Examiner Burchmore: How long will it take you to cut that out?

Mr. Clark: About four or five years.

Examiner Burchmore: What will you do when that is gone?

Mr. Clark: The mill will be abandoned.

6069 Examiner Burchmore: What about the railroads?

Mr. Clark: The railroads will continue to operate. I will say that we are constructing and building road right along. We are now—the end of the road is now within about twelve miles of the Cotton Belt. We are down in that neighborhood and we are working as fast as we can today to get that line up—

Examiner Burchmore: Do you run through any more timber?

Mr. Clark: No, there is no more timber.

Examiner Burchmore: What is the purpose of making that connection?

Mr. Clark: Simply to have a railroad.

Examiner Burchmore: Might it be suggested that you are building across to the Cotton Belt in order to sell the line you have now, to save it?

Mr. Clark: That is our idea exactly. We have considered it a valuable property and expect to get more than it has cost us out of it in some way, either by the sale of the property or by the operation of the road.

Examiner Burchmore: Are there any other saw mills along your line?

Mr. Clark: There are a number of small saw mills and 6070 shingle mills that ship over our road. The past two or three years, however, have been so hard on lumber people that a great many of these small mills have not been run very extensively. In years past we have handled a great deal more outside lumber than we did in the last year.

Examiner Burchmore: Could you conveniently prepare a list of those other mills, giving the names of the owners, some idea of the capacity, where they are located, is there a station on the line from which they ship, whether they are on your railroad or whether they team their lumber across?

Mr. Clark: Yes, sir.

Examiner Burchmore: Indicating how much they have shipped?

Mr. Clark: Yes, sir.

Examiner Burchmore: And you may give any other information that you want. Are any of these independent mills owned by the Clark & Boyce Lumber Company?

Mr. Clark: No.

Examiner Burchmore: They do not buy any of their timber from you?

Mr. Clark: No, sir.

Examiner Burchmore: What rates do they pay?

6071 Mr. Clark: Just pay the joint rates, unless it is intrastate, in which we have to pay a division of the local.

Examiner Burchmore: Clark and Boyce have a combination of the locals on state business?

Mr. Clark: Yes, but they do not pay them, however.

Examiner Burchmore: Do not ship any?

Mr. Clark: No.

Examiner Burchmore: Let me ask you whether any of these mills have to team their logs to the mill?

Mr. Clark: Yes, they all do.

Examiner Burchmore: Do they have to team their lumber over to the railroads?

Mr. Clark: Yes, sir.

Examiner Burchmore: They bear that cost in addition to the joint rate?

Mr. Clark: Yes.

Examiner Burchmore: Does the railroad haul logs from the woods down to the mill for Clark & Boyce?

Mr. Clark: Yes, sir.

Examiner Burchmore: What compensation do they receive for that?

- Mr. Clark: Five dollars a car.
- 6072 Examiner Burchmore: Clark & Boyce pay five dollars a car?
- Mr. Clark: Five dollars a car.
- Examiner Burchmore: When the lumber is shipped out do you call that a separate transaction entirely?
- Mr. Clark: Absolutely.
- Examiner Burchmore: You do not refund that five dollars?
- Mr. Clark: No, sir.
- Examiner Burchmore: The rates are not on a milling in transit basis?
- Mr. Clark: No.
- Examiner Burchmore: Applied simply from the mill, I mean on such shipments.
- Mr. Clark: Yes, sir.
- Examiner Burchmore: You also issue bills of lading?
- Mr. Clark: Yes, sir.
- Examiner Burchmore: Waybills?
- Mr. Clark: Well, we do not make the waybills; we make expense bills and we issue an expense bill against the M. K. & T. for each shipment, and also against the Clark & Boyce Lumber Company for each shipment, or anybody else, whoever it is.
- Examiner Burchmore: I see.
- 6073 Mr. Clark: There is only one station, that is at North Jefferson, where there is an agent and there is no necessity for way bills.
- Examiner Burchmore: Then the M. K. & T. pays you your proportion?
- Mr. Clark: Yes, sir.
- Examiner Burchmore: Pays you at the time you give them the cars, or monthly?
- Mr. Clark: Monthly, we make a statement monthly, and a settlement covering both inbound and outbound freight, the business that is handled interchangeably between the two lines.
- Examiner Burchmore: You make that statement with the general office of the M. K. & T.?
- Mr. Clark: No, with the agent at Jefferson.
- Examiner Burchmore: You say you pay \$5.00 a car for getting those logs to the mills?
- Mr. Clark: Yes, sir.
- Examiner Burchmore: How long has that been the practice?
- Mr. Clark: We figure that \$2.00 a thousand feet.
- Examiner Burchmore: Logging scale?
- 6074 Mr. Clark: Logging scale.
- Examiner Burchmore: Is that more or less than \$5.00 a car?
- Mr. Clark: It is about the same.
- Examiner Burchmore: It is simply more convenient to pay by the car?
- Mr. Clark: Per car, and it makes a better record of the movement.

Examiner Burchmore: Has the Jefferson and Northwestern Railway Company any contract with the Clark & Boyce Lumber Company?

Mr. Clark: No, sir.

Examiner Burchmore: Of course you have a verbal agreement. I suppose, concerning those logs?

Mr. Clark: Yes, sir.

Examiner Burchmore: Do you publish any tariffs covering the logging charge?

Mr. Clark: No.

Examiner Burchmore: Is there any contract between the Jefferson & Northwestern and the Missouri, Kansas & Texas Railway?

Mr. Clark: Yes, sir.

6075 Examiner Burchmore: I mean the M. K. & T. of Texas.

Mr. Clark: Well, I don't know. I don't think that—I think that contract has expired. There was one made to run a year, and I don't know that another one has been made or not.

Examiner Burchmore: I have a contract dated May 1, 1906, or February 1, 1906.

Mr. Clark: I think that is the last one that we made. We just renewed that from year to year, and finally dropped it.

Examiner Burchmore: What was the essence of that contract?

Mr. Clark: The essence of it was that by the provisions we were to get for business of all kinds which we gave to the M. K. & T. Railway—

Examiner Burchmore: And it also provided that you would give them all of the tonnage, didn't it?

Mr. Clark: I don't think it did. I made that contract and I have not looked at it in so long I have forgotten just what its provisions were.

Examiner Burchmore: As far as practicable, as far as it may be done consistently with the laws of the state of Texas, and  
6076 with existing contracts, the parties hereto agree to interchange business exclusively with each other, and the division of revenue from traffic interchanged between them will be as follows:

Lumber, 5 cents; cotton to Shreveport 50 cents; cotton to Massachusetts, etc., 20 cents per 100 pounds, and so on. I did not read the division concerning the division of rates. Doesn't that article seem to provide for exclusive interchange with them?

Mr. Clark: I do not understand it so.

Examiner Burchmore: The parties hereto agree to interchange business exclusively?

Mr. Clark: At any rate it has not been adhered to, because we give some business to the T. & P.

Examiner Burchmore: That contract is on file with the Commission?

Mr. Clark: That contract is on file with the Commission.

Examiner Burchmore: I have not read it carefully.

Mr. Clark: There is one question that may come in your mind on looking over that contract. I call your attention to one clause in there which may bother you and I want to explain. This provides

that the M. K. & T. engines shall do the switching.

6077 Examiner Burchmore: To and from the mill?

Mr. Clark: To and from the mill. At the time that the contract was made the Jefferson & Northwestern was narrow gauge.

Examiner Burchmore: When was it made standard gauge?

Mr. Clark: It was made standard gauge about three years ago, and the Jefferson and Northwestern had no engines with which to do switching, but ever since they have been—the Jefferson & Northwestern has changed its gauge, it has been doing its own switching and turning its cars over to the M. K. & T. at Jefferson, and the contract connection which was contemplated in that contract was built by the Jefferson & Northwestern a little over a mile, and has been operated and kept up by them since.

Examiner Burchmore: I am glad you undertook to explain that. I have another contract here which looks like the same kind of a contract made May 4, 1908, looks like the same contract.

Mr. Clark: I guess that is a repetition. Those were made from year to year, I think.

Examiner Burchmore: No, it is different. This is a trackage right to your company to operate its engines from Jefferson  
6078 to Clark's Spur, for the purpose of hauling logs to your mill. Have you that trackage right still?

Mr. Clark: I don't know whether it is still in effect or not. We have not used it. We used it at that time and discontinued it.

Examiner Burchmore: To get out all your lumber?

Mr. Clark: Yes.

Examiner Burchmore: What did you charge for going up there and getting logs for them?

Mr. Clark: For the lumber company?

Examiner Burchmore: Yes, do you remember what you charged them, the same charge, \$2.00 per car?

Mr. Clark: Just the same, \$5.00 or \$2.00 a car.

Examiner Burchmore: \$2.00 a car?

Mr. Clark: Yes, sir, at that time it was \$2.00 a car and afterwards it was changed, as I said, to \$5.00 per car. If I am not mistaken that provides for a charge to the M. K. & T. for \$2.00 per car.

Examiner Burchmore: Who paid that?

Mr. Clark: The railroad company.

Examiner Burchmore: And you paid how much, \$2.00 per car and received approximately \$5.00?

6079 Mr. Clark: But the railroad company operated the entire service aside from furnishing the track.

Examiner Burchmore: I mean the Jefferson & Northwestern got \$3.00 for the service it performed?

Mr. Clark: Yes.

Examiner Burchmore: Approximately \$3.00?

Mr. Clark: Yes.

Examiner Burchmore: There are two large tie camps near the road?

Mr. Clark: Yes, sir.

Examiner Burchmore: You got \$3.00 for the haul from your road?

Mr. Clark: Yes, sir.

Examiner Burchmore: Do you handle any other traffic for them up there?

Mr. Clark: Yes, sir, we handle a good deal.

Examiner Burchmore: Who are Hussey & Whelan?

Mr. Clark: They are tie contractors. They also have a mill on our line which they use for cutting bolts.

Examiner Burchmore: You have a contract with them dated July 30, 1909, but I don't seem to have a copy of that contract.

6080 Mr. Clark: Yes, sir.

Examiner Burchmore: Are you hauling ties for them under that contract?

Mr. Clark: Yes, sir.

Examiner Burchmore: What do you charge them?

Mr. Clark: Ten dollars a car.

Examiner Burchmore: From where to where?

Mr. Clark: From as far as Lanier, I think, possibly a little further.

Examiner Burchmore: What distance is that?

Mr. Clark: I have forgotten the distance. It only provides for a certain distance out on the line. It does not cover the entire line at that rate.

Examiner Burchmore: It shows between Jefferson and Luana.

Mr. Clark: Yes.

Examiner Burchmore: It does not give the distance.

Mr. Clark: No, Luana is eighteen miles.

Examiner Burchmore: Who furnishes the cars for those movements?

Mr. Clark: Whatever line it goes out over.

Examiner Burchmore: Have you any tariff to cover that ten dollar charge?

6081 Mr. Clark: Get that contract.

Examiner Burchmore: Is that sufficient compensation to you for that service?

Mr. Clark: Yes, sir.

Examiner Burchmore: You do not regard it as entirely inadequate?

Mr. Clark: No.

Examiner Burchmore: I have here what seems to be a copy of a letter filed by Mr. Barr, under date of January 7, 1909, to the National Lumber Cross Tie Company of Texarkana, wherein he quotes a rate of \$10 a car on hewn gum, pine, cross-ties, poles, and stulles from any point on the Jefferson & Northwestern less than 18 miles out into Jefferson, prescribing the maximum load. Do you know whether they have been shipping anything under that?

Mr. Clark: Yes.

Examiner Burchmore: Are they still shipping?

Mr. Clark: Yes, sir.

Examiner Burchmore: And you are charging them ten dollars?

Mr. Clark: Yes, they ship—they have a large amount of those ties.

6082 Examiner Burchmore: I will ask you whether the ten dollar charge is a sufficient compensation for hauling those cars ten miles?

6083 Mr. Clark: I think so, that is, we are satisfied with it.

Examiner Burchmore: Can you give me a statement supplementing that you have placed in evidence, showing the amount of freight taken to and from each station on your line, by stations? Can you readily make up such a statement?

Mr. Clark: Covering what period?

Examiner Burchmore: Covering the calendar year 1910.

Mr. Clark: Yes, I can do that.

Examiner Burchmore: If you will, please.

Mr. Clark: Let me make a note of that.

Examiner Burchmore: Submit a statement of tonnage, station by station, in and out. I would also like a second statement containing more figures than the one you have put in evidence, or at least some final figures showing in one column Clark & Boyce traffic, and in the other column public traffic.

Mr. Clark: Yes.

Examiner Burchmore: You have not separated it on the basis of the statement herewith, you have just separated it in a footnote. Will you also furnish us with a map of your line showing mills, and so forth, into which—

6084 Mr. Clark: I heard you describe the kind of a map that you wanted.

Examiner Burchmore: What is the average amount of money that you receive on a carload of lumber that comes from the Clark & Boyce Lumber Company mill and moves out over the M. K. & T.? What is your average division on a car?

Mr. Clark: About \$22.

Examiner Burchmore: What service do you perform for that division?

Mr. Clark: We bring in the empties from Jefferson and place them at the loading platform and carry the loads back, that is, we would haul the logs in from the woods and deliver them.

Examiner Burchmore: I thought you had already been paid for hauling the logs \$5 a car?

Mr. Clark: We are, but that might not be sufficient if the other was not taken into consideration; in fact it shows that it would not.

Examiner Burchmore: Your mill is three or four miles from the M. K. & T.?

Mr. Clark: A little over a mile.

Examiner Burchmore: A mile?

Mr. Clark: Yes, sir.

6085 Examiner Burchmore: Suppose this railroad was taken up, suppose there was not any railroad between *the* your line and the M. K. & T., how long could your mill keep going? How long could you continue to sell lumber and team it across?

Mr. Clark: We could not do it at all.

Examiner Burchmore: So that that railroad across there is absolutely essential, of course for your operation?

Mr. Clark: It is.

Examiner Burchmore: It is just as essential as the M. K. & T. itself, is it?

Mr. Clark: Yes, sir.

Examiner Burchmore: Is it practical to team your logs to the mills from the woods?

Mr. Clark: It is impossible.

Examiner Burchmore: How far are your woods from the mill?

Mr. Clark: Thirty-two miles.

Examiner Burchmore: Then you have got to have a railroad from the woods down to the mill?

Mr. Clark: Yes, sir.

Examiner Burchmore: And that railroad is about as necessary as the other railroad, isn't it?

Mr. Clark: Yes, sir.

Examiner Burchmore: Both the railroad in and the rail-  
6086 road out?

Mr. Clark: Yes, sir.

Examiner Burchmore: They are both essential to the operation of the mill?

Mr. Clark: Yes, sir.

Examiner Burchmore: You say these little mills that are out along your line do manage to continue in business with the short team haul that they have?

Mr. Clark: Yes, a very small business, however.

Examiner Burchmore: They, however, come under interstate shipments?

Mr. Clark: Yes, their shipments are all interstate; that is, if they get the benefit of the through rate. Occasionally they will ship intrastate or with a combination of local rates, but they do just exactly the same as the Clark & Boyce Lumber Company does, they sell their lumber outside of the state so as to get the benefit of lower rates and use their published rate.

Examiner Burchmore: Is there any other statement that you care to make, Mr. Clark?

Mr. Clark: Why—

Examiner Burchmore: I have no further questions.

6087 Mr. Clark: I do not know of anything except things that have occurred to me in connection with the questions which have been asked that I have heard of some of the others, and that is in regard to the discrimination against the mill that did not get a division for its line of railroad. I say that we own and operate a mill on the Texas & Pacific, I think about twenty-five miles north of Jefferson which gets no tap line division.

Examiner Burchmore: They have a branch logging line?

Mr. Clark: They have a logging road.

Examiner Burchmore: Is it incorporated?

Mr. Clark: Not incorporated.

Examiner Burchmore: What is the name of it?

Mr. Clark: It has no name, and that that mill operated on the road as an expense department of the mill makes its lumber cheaper than the mill in Jefferson.

Examiner Burchmore: Well, it does not haul its logs in 32 miles.

Mr. Clark: No, it does not, and that is why I say that a mill that is not incorporated does not get anything, is not discriminated against.

Examiner Burchmore: As a matter of fact in that particular case it is not, but what distance do they haul their logs?

Mr. Clark: About five miles.

Examiner Burchmore: How big a railroad have you got?

Mr. Clark: That is the extent of the railroad.

Examiner Burchmore: Good condition, light rail?

Mr. Clark: Light rail, not anything like the same kind of a road that the Jefferson & Northwestern is.

Examiner Burchmore: Are there any other mills on that private road up there?

Mr. Clark: No, one at this place—

Examiner Burchmore: Yes or no.

Mr. Clark: No, sir.

Examiner Burchmore: Will you tell me where that mill is?

Mr. Clark: This was Kildare. Bancker is the name of the place. the post-office of Kildare, and the capacity of that mill is 40,000 feet a day.

Examiner Burchmore: And your other mill is how much?

Mr. Clark: Fifty.

Examiner Burchmore: You have a private logging road up there?

Mr. Clark: Yes, sir.

Examiner Burchmore: Is there anybody else in the vicinity of that logging road that uses it for any purpose?

Mr. Clark: No, sir.

Examiner Burchmore: It is just used as a part of the mill?

Mr. Clark: Part of the mill proper. It is entirely different from the service performed by the Jefferson & Northwestern road, the circumstances are entirely different.

Examiner Burchmore: What is the difference in circumstances?

Mr. Clark: The fact that their road is not incorporated as a common carrier, performs no service for outside parties, and the haul is short. It is not incorporated, it can operate so much more cheaply than the Jefferson & Northwestern can afford to operate the same service for the Clark & Boyce Lumber Company.

Examiner Burchmore: Would it be to their advantage if it was incorporated to get divisions?

Mr. Clark: Well, we have not considered it. I doubt very much if it will. It will never haul logs very far, and I hardly think that it will perform much service for outsiders.

Examiner Burchmore: You have got about as much of a railroad up there for your movement as some of these other railroads you have heard about the last few days, five miles long?

6090 Mr. Clark: Well, I have heard of some that were rather short. I have not heard of any that were quite as short as five miles since I have been here.

Examiner Burchmore: Are there mills in that vicinity, in the vicinity of this other property, which have incorporated their roads?

Mr. Clark: No, sir. There is one other statement I would like to make.

Examiner Burchmore: Certainly.

Mr. Clark: That is in connection with the—it seems that discrimination has been claimed on account of so-called tap lines on the Santa Fe that do not get their divisions. We also have a mill in Oklahoma—

Examiner Burchmore: On the Santa Fe?

Mr. Clark: No, on the Frisco, where we get no divisions, but under the Oklahoma Corporation Commission, the rates from that mill—

Examiner Burchmore: Is that an incorporated railroad?

Mr. Clark: No, sir. Up until last June there were through rates between all railroads in Oklahoma which enabled us from our mill on the Frisco to ship to points on the Santa Fe. We always found that we could get from 50 cents to \$1.00 a thousand more for our lumber on the Santa Fe than we could in other places in Oklahoma.

Examiner Burchmore: I suppose you mean to refer to the fact that the Santa Fe Local markets are closed to outside mills?

Mr. Clark: Absolutely, yes, but that arrangement enabled us to get there when nobody else could.

Examiner Burchmore: Are there any other saw mills in Oklahoma?

Mr. Clark: About four of them.

Examiner Burchmore: You have got one of them?

Mr. Clark: Yes.

Examiner Burchmore: And they all do a fine business in Oklahoma, don't they?

Mr. Clark: Well, not exactly, no. Under the present conditions they are at a great disadvantage.

Examiner Burchmore: In what way?

Mr. Clark: On account of the fact that these commission rates have been enjoined by the railroads, and we have no joint rates at all.

Examiner Burchmore: No joint rates?

6092 Mr. Clark: In Oklahoma.

Examiner Burchmore: Between trunk lines?

Mr. Clark: Between trunk lines.

Examiner Burchmore: Does that extend the rate from the mill down in Texas and Louisiana?

Mr. Clark: Yes, we cannot get farther than about five miles off of the Frisco railroad on any other except a few of the smaller lines.

Examiner Burchmore: I presume if you want to make a sale of lumber in southern Oklahoma on the Rock Island system, you can ship cheaper from your Texas mill than you can from Oklahoma?

Mr. Clark: Yes, sir.

Examiner Burchmore: What is the capacity of your Oklahoma mill?

Mr. Clark: It is 60,000.

Examiner Burchmore: Where is that located?

Mr. Clark: Bokhoma.

Examiner Burchmore: Is there anything further, Mr. Clark?

Mr. Clark: I don't think of anything except these statements which I will file for the other shippers on the Jefferson & Northwestern. I will make it as complete as I can. I will say 6093 that the country along the road is developing and they are encouraging the settlement by farmers. The lumber company owns about 30,000 or 20,000 acres of cut-over land which it is trying to colonize and to some extent is succeeding, for the farming country is good and the production of farm products is increasing. and this railroad is a large factor in the development of that country.

6094 *Natchez, Ball & Shreveport Railway Company.*

F. R. PIERCE was called as a witness and having been duly sworn, testified as follows:

Direct examination:

Mr. Brown: Mr. Pierce, you are auditor of the Natchez, Ball & Shreveport Railway Company?

Mr. Pierce: I am.

Mr. Brown: What is the length of that line of road, Mr. Pierce?

Mr. Pierce: Thirty-four miles of main line.

Mr. Brown: What is your main line connection?

Mr. Pierce: The main line of the Rock Island, the L. & A. Railway and the Iron Mountain.

Mr. Brown: What point does it connect with the Iron Mountain?

Mr. Pierce: At Ball and at Pollock, Louisiana.

Mr. Brown: Do you cross the other lines that you mentioned?

Mr. Pierce: We do, the L. & A. and the Rock Island using the same tracks, the same rails.

Mr. Brown: Does the Rock Island come down over the L. & A. rails, or the L. & A. over the Rock Island rails, which 6095 way is it?

Mr. Pierce: The Rock Island over the L. & A. rails, I think the track belongs to the L. & A.

Mr. Brown: And you have a junction with them at that point of crossing?

Mr. Pierce: Yes, sir.

Mr. Brown: This is a standard gauge road?

Mr. Pierce: It is.

Mr. Brown: What sort of a line is it as to construction? Weight of rail, ballast and so forth?

Mr. Pierce: Fourteen miles of the track is 35 pound rails, 3,000 ties to the mile. The other, the balance of the road, is 56 pound steel, 3,000 ties to the mile, and all dirt road.

Mr. Brown: What equipment have you?

Mr. Pierce: Four locomotives, 65 to 70 flat cars, two cabooses.

Mr. Brown: Are these standard flat cars or logging cars?