

from 21 million bushels in 1904, to 28 million in 1905, 39 million in 1906 and 50 million in 1907.

The steady increasing drain of wheat from the north-west is due to unjust and discriminative rates exacted by the defendants for the transportation of flour between Minneapolis and the Atlantic seaboard, by which the business of the complainants has been greatly diminished; they are thereby prevented from obtaining a reasonable profit upon their products, and their business is becoming unremunerative.

DECREASE OF FLOUR EXPORTS.

Export shipments of flour from the Minneapolis mills have fallen off 50 per cent. since the year 1900. The flour output of Minneapolis mills was the same in 1907 as in 1897, and about 1½ million barrels less than in 1901.

In 1900 Minneapolis exported 31.11 per cent. of the total flour export of the United States; in 1906, 17.54 per cent.; in 1907, 17.19 per cent.

In consequence of the large wheat shipments made to the east, via the lakes, the Minneapolis mills secure less than one-half the amount of spring wheat required to operate their mills at full capacity; in purchasing wheat they are in direct competition with the mills at, and east of Buffalo, drawing wheat from this territory. No system of tariff exists by which the complainants are placed upon an equality with Duluth as to lake-and-rail shipments of wheat and flour.

LAKE AND ALL-RAIL DIFFERENTIAL.

The differential between all-rail, and lake-and-rail transportation of flour between Minneapolis and New York City, is 2c. per 100 lbs. in favor of the latter; the larger part of the output of complainants' mills is shipped lake-and-rail. The cost of shipping wheat from Minneapolis to New York by lake-and-rail is 18c.; the cost of transporting flour between the same points by the same route, is 23c.; the differential of 5c. in favor of wheat, is an inducement to its shipment to eastern mills.

Wheat shipped east for milling is purchased at Duluth, at the same price paid at Minneapolis; its shipment by water from Duluth eliminates the proportional rate between Minneapolis and Duluth. Such proportion of the through rate is 5c.; which, together with the differential between wheat and flour, places the complainants at a disadvantage of 10c. per 100 lbs. as to rates on flour made by eastern mills from northwestern wheat.

By reason of the shipment of wheat to the east via the lakes, the necessity of paying Duluth prices for wheat, and the high rate exacted by the defendants for carrying flour, as compared with the rates charged for carrying wheat over the same route, between the same points, the business of the complainants is decreasing, and their wheat supply is steadily diminishing.

EASTERN MILLS—CHEAP WHEAT.

Cheap transportation of wheat to the east enables eastern millers to sell flour in Atlantic seaboard markets, at prices which are destructive to complainants' business.

Continuance of present transportation rates and conditions will result in irreparable injury to the complainants' business and continual and permanent diminution in the value of their mills, manufacturing plants and investments, and the auxiliary industries dependent thereon, as well as serious and permanent injury to the interests and business of the several cities and towns at which said mills and auxiliary industries are located and operated.

RATES PRIOR TO 1900.

Under the system of rates, tariffs, differentials and transportation charges established and kept in effect by the defendants prior to the year 1900, the business of the complainants was built up, and grew to its present proportions. The average published rate for carrying through shipments of flour from Minneapolis to New York

was, for many years prior to that year, 20c. per 100 lbs.

The average rate actually paid by complainants for such service did not exceed 20c. Prior to March 20, 1900, a differential of 5c. per 100 lbs. between all-rail and lake-and-rail rates between Minneapolis and the Atlantic seaboard was in effect; the all-rail rate was 25c. per 100 lbs.; the lake-and-rail rate 20c.; on that date, the lake-and-rail rate was increased to 22c.; on April 14, 1902, it was increased to 23c. The lake-and-rail rate on flour is 3c. higher than prior to March 20, 1900. Rates for transporting wheat have not proportionately increased; on the contrary, they have decreased.

RAILROADS OPERATE ELEVATORS.

The complainants say on information and belief that the defendant railroads operating lines east of Buffalo and Erie, own and maintain large elevators which they operate in connection with their respective railroads and lake lines. Large quantities of wheat are transported by tramp steamers from Duluth to Buffalo and Erie, for the use of Eastern mills. Such steamers are at times chartered for that service, in the interest of the defendant trunk line carriers.

Wheat is also carried by the lake line defendants in their own vessels, with flour and other package freight. Wheat carried by tramp steamers to such eastern lake ports is elevated by said railroads, having no through rate of traffic agreement with such steamers, without charge, a former elevation charge of 3c. per bushel having been cancelled with the purpose to increase the shipment of wheat to eastern mills.

FREE ELEVATION SERVICE.

Such free elevation service is unjust, unlawful and discriminating against complainants; it relieves such wheat shipments from the payment of just and proper charges, thereby reducing the cost of wheat to complainants' competitors and affording them an undue and unjust preference and advantage.

NO WHEAT TARIFFS.

The defendants have no through tariffs in effect for carrying wheat from Minneapolis or Duluth, to Atlantic seaboard points, but have such tariffs for carrying flour. They have at all times transported wheat by lake-and-rail, under local tariffs, and have purposely established and maintained an unjust and disproportionate rate for flour, as compared with wheat.

Since August, 1906, the defendant trunk line carriers have twice increased the tariff for carrying ex-lake grain east of the great lakes, the purpose and effect being to compel the milling of wheat at eastern lake ports, and to enable the trunk lines to carry flour to the seaboard in lieu of wheat.

The through rate charged by the defendants for carrying flour from Minneapolis to the Atlantic seaboard, by lake-and-rail, is unjust, excessive, unreasonable and discriminative; likewise the proportion of said rate east of Duluth by comparison with the rates at which wheat is carried from Duluth to the same destinations; likewise the proportional rate on flour, from Duluth to Lake Erie by comparison with the rate paid for transporting wheat from Duluth to the same ports.

DIVISION OF EARNINGS.

Divisions of earnings derived from through transportation of flour from Duluth to the Atlantic seaboard are made between the lake carriers east of Erie ports, without reference to the true value of the service rendered by each, but arbitrarily and with the purpose to allow the line steamers such proportion of the through rate as will appear fair by comparison with rates charged for the lake transportation of wheat, the remainder of the rates east of Duluth being retained by the rail carriers east of Lake Erie. Such division of earnings is simply a matter of bookkeeping, the true ownership of the lake lines and

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