

La Grande Evening Observer

VOLUME XII.

LA GRANDE, UNION COUNTY, OREGON,

MONDAY, FEBRUARY 3, 1913.

NUMBER 84

UNITED SHOE COMPANY NOT 'REAL TRUST'

RULE OF REASON APPLIED TO SHOE TRUST BY SUPREME COURT TODAY.

OFFICIALS ESCAPE TRIAL

Indictments Against Officials Are Revoked by Order of the Supreme Court—Trust Controls Leased Machinery Used by 1300 Manufacturers of Shoes Throughout the Country.

Washington, Feb. 3.—The supreme court has handed down a decision to the effect that the United Shoe Machinery company is not an unlawful monopoly in restraint of trade. The charge is, the company controls the patented machinery, which is leased to 1300 manufacturers. Today's decision means that the officials will escape criminal prosecution. Applying the "rule of reason" clause, the supreme court members affirmed the decree of Federal Judge Putnam of Boston, dismissing the criminal indictments against five officers of the company charged with violating the Sherman law.

Today's decision followed the indictment for criminal prosecution under the Sherman anti-trust law of five officers of the United Shoe Machinery company on Sept. 19, 1911. President Sidney W. Winslow, of Orleans, Mass.; Vice President Edward P. Hurd, of Newton, Mass.; Vice President George W. Brown, of Newton; Vice President William Barbour of New York and Director Elmer P. Howe, of Boston.

District Judge Putnam dismissed the indictments at Boston on March 2, 1912, sustaining demurrers of the defendants. He held that under the "rule of reason" outlined by the supreme court in the Standard Oil and tobacco trust cases the mere bigness of the company and operation of its patents did not constitute an unlawful monopoly or conspiracy, as defined by the Sherman law.

Two distinct charges were made against the defendants. One charged that, by merger of four formerly independent shoe machinery manufacturing companies into the United company, the defendants controlled 80 per cent of interstate commerce in machinery. The second charge was that by that so-called "tying clauses" of its contracts leasing machinery to shoe manufacturers, the defendants had conspired to restrain trade.

It was charged that the "trust" controls patented machinery leased to 10 per cent of lasting machinery.

Before the United company was organized in New Jersey in 1899 with \$25,000,000 capital it was alleged that the defendants controlled the Consolidated & McKay Lasting Machinery, the Goodyear Shoe Machinery and other similar companies, merging all into the United. The mere formation of the United company alone constituted a violation of the law, the government contended—by its size and domination of the trade.

The government also held that the "tying clause" of the leases of machinery to manufacturers forced "every patron to secure a machine from the combine and agree not to use any other machine—even if of a totally different character, made by 'independents,' and to use only the machinery made by the combine."

Most, if not all, of its machinery, the government asserted, was leased under the iron-clad tying clauses, declared to be an oppression of manu-

facturers and an unlawful competition against the "independence." The government insisted the system "expands the monopoly unlawfully and oppressively."

The defendants declared that they made no effort to fix prices or limit production, and that the leases were not properly before the court as an evidence of alleged conspiracy.

The United company asserted that it resorted to no unfair practices, and although large and dominant, was mere a "normal combination" and in furtherance, rather than restraint, of trade. It contended that mere size did not make it unlawful and that all kinds of machinery was not manufactured by the company.

That its patents gave it lawful domination of its part of the shoe machinery output was insisted upon by the defendants.

Reformatory Under Fire. Olympia, Feb. 3.—The house has passed the senate resolution for a joint investigation by the house and senate of the Monroe reformatory.

SERUM FROM PIG A CURE

AMERICAN DISCOVERS RIVAL TO TURTLE SERUM.

Healthy Pig Serum Injected to Strengthen Body's Cells.

Minneapolis, Feb. 3.—After 13 years of research, Dr. J. H. Burgan has discovered a cure which the Daily News claims to rival Friedman's cure. A healthy pig is used in obtaining the serum. This serum is injected in such a way that it strengthens the resistance of cells in the body. He asserts the real cause of the disease is weak resistance of the body and he insists the only cure is to strengthen the resistance power of the cells so that the germs cannot live.

QUEEN HEAVILY GUARDED

Fear of Indian Bomb Throwers Causes Precaution With Royalty.

London, Feb. 3.—Ostensibly to protect the queen from suffragette activities but in reality to guard from expected attempts at assassination by Indian malcontents, a heavy detachment of soldiers and police surrounded the royal carriage today when the queen took her drive. The journey was without incident.

Gaynor Assailant Dead.

Trenton, N. J., Feb. 3.—James Gallagher who shot and wounded Mayor Gaynor in August, 1910, died in the state asylum today. He attempted to kill the mayor as the latter was about to leave for Europe. He was once a municipal employe and when discharged said Gaynor was responsible.

CRUSADE BILLS PASS.

Sterilization Bill, However, Is Still Under Discussion.

Salem, Feb. 3.—Two of Governor West's moral crusade bills have passed, but the third, the sterilization bill, is still under discussion. A bill was passed to prohibit dance halls known as hurdy gurdies and one making possession of a federal liquor license prima facie evidence of selling liquor.

Delaware Ratifies Income Tax.

Washington, Feb. 3.—Ratification by Delaware of the constitutional amendment to the tax incomes, was reported to the senate by Senator Richardson who announced receipt of a telegram from the Delaware secretary of state to that effect. It means that congress must act on the ratification by Delaware, making the 36th state to favor the amendment.

PEACE RIFTS MURKY CLOUDS IN WAR ZONE

DISPATCH FROM SOFIA HAS WORD OF HOPE FOR POWERS OPPOSING WAR.

CABINET CONSIDERS IT

Meanwhile, Balkans Will Commence Siege of Adrianople Tonight While Turks Wait for Allies to Fire First Shot and Make First Move—Situation Is Said to Be Improving.

London, Feb. 3.—Peace is in sight in the Balkans according to a news agency dispatch from Sofia, saying Bulgaria is now ready to agree to the powers' proposal that Turkey control the religious part of Adrianople if the rest of the Holy City is ceded to the allies. Reuter's agency says it is reported authoritatively that the powers have submitted to the Bulgarian cabinet a proposal to allow Turkey to appoint a representative rule in the Moslem part, and that the cabinet is considering this move.

In the meantime, the siege of Adrianople is to begin tonight, but Ottoman orders are that the allies must positively make the first move and fire the first shot.

King's Health Poor.

London, Feb. 3.—The king's health is still giving physicians cause for worry. He has been suffering intermittently since Christmas.

WISE BEAST, THE GROUND HOG, AT LARGE; NO MORE COLD SNAPS

No Shadows to Scare Him and He is Out of Hibernation—Hicks Coincides in His Prediction.

Unafraid, but on the contrary shaking the gravel from his eyes and smoothing his whiskers back for a period of forage and frolic, that famous climatic criterion, the ground hog, is at large today. Not a semblance of a shadow greeted his appearance to daylight yesterday, and if the superstitious have their way about it, there will be little or no severe weather for the next forty days. The groundhog may have seen his shadows elsewhere, but yesterday afternoon—the precise hour that the lord of weather did his little exeunt act—there was absolutely none in Union county; none at any time of the day, for that matter.

The groundhog is one of the best-known of the hibernating animals. In spring, summer, and autumn this little animal is known as the wood chuck, and his pelt is highly esteemed by rural gentlemen, who value the skin not so much for its intrinsic worth as for the fact that, when nailed on the woodshed door, it is emblematic of one (1) chuck that will never do any more damage in the garden. In late fall the chuck retires to his cozy sanctuary, where he feasts on his claws and slumbers peacefully, until it is time for him to come out, and dignified by the title of ground hog, to size up the weather situation for an anxious public.

No Cold Snap Predicted. For the eastern section of the state,

SNOW FALL IS HUGGING FIVE-FOOT FIGURES

RECORD ONE-NIGHT FALL IN YEARS SET EARLY THIS MORNING.

FIFTY-ONE INCHES TOTAL

Eastern Oregon Traffic Saved by Lack of Wind Storm on Heels of Big Snowfall That Totals 14 Inches in La Grande in Less than 12 Hours—Union Has Least of All in District.

THE AREA OF SNOWFALL.
Gibson, six inches.
Joseph, Wallowa and Enterprise, one foot.
Union, six inches.
Tulelake, six inches.
Kamela, one foot.
Pleasant Valley, nine inches.
La Grande, one foot by morning, 14 inches at 10 and 15 inches at 2 o'clock.
No section of Eastern Oregon reports winds today.

Five feet of snow in La Grande during the winter of 1912-1913 became a probability last night when more than a foot of snow fell in less than 12 hours. Similar records were retained for Eastern Oregon last night but only on mountain summits is the total snowfall for the year as high as with the storm last night, the snow

which has fallen here this winter, if still on the ground in the form of snow, would measure 51 inches in depth. Government Statistician Worstall announced a record of 14 inches at 10 o'clock this morning established since about 10 o'clock last night. Fortunately there has been no wind thus far and traffic, both rural and rail, has been only impeded and not blocked. Trains are running within an hour of schedule with the aid of extra engines and as yet there has been no occasion to use the snow plow. Gusts of wind in the mountains or on the level would promptly tie up all kinds of traffic.

Resultant hardships to pedestrians have been quite serious in La Grande. The school population was seriously handicapped as the street cleaning department could not reach all sections of the city before school took up. Clerks in stores and offices marched through snow knee deep from all directions of the city. By noon the sidewalks were fairly well cleared.

HANCOCK CASE NOW SETTLED

AT HOUR THAT CASE IS CALLED, MEN AGREE.

Amount of the Settlement Is Not Made Known Yet, However.

THE GRAND JURY PERSONNEL.

Members of the new grand jury drawn today are:
Chas. Clements, La Grande;
foreman; S. V. Keltz, La Grande;
George McDaniels, Cove; Same
Morris Imbler; Chas. Gekeler;
La Grande; T. J. Meade, Elgin;
S. E. Blevins, North Powder.

Conductor Hancock's suit against the O.W. for personal injuries that came so near being fatal that none held out a ray of hope for his life following the boiler explosion at Hillgard several months ago, has been settled on the very minute almost that it was called for trial. The case was set for trial at 1:30 this afternoon as the introductory case to the present term of court, but between 11:45 and 1:30 today the case was settled between Attorney C. E. Cochran for the O.W. and Attorney Bennett of the firm Bennett & Sinnott and the plaintiff himself. The amount sued for was \$40,000 but the amount of the settlement is not made known but is variously estimated to be between \$20,000 and \$30,000 of which counsel of course must take his fees.

Despite storms, the February term of circuit court was set in motion today. Drawing of a grand jury and launching that inquisitorial institution on its course that will require probably a week's work, and hearing motions for trials occupied the morning session.

Circuit Judge Knowles and Circuit Court Clerk Wright, State's Attorney Ivanhoe, Reporter Hanna, Petit Jury Bailiff Baker, Court Bailiff Hiltz and Grand Jury Bailiff Matott and Sheriff Hug make up the official machinery.

Cases at issue:
Isaac Brunn vs. L. A. Stoop; Dodson vs. Staples; Oliver v. Gassett; Mays v. Beam; Ruby and company vs. C. D. Connelly and wife; Thatcher vs. Wilson; R. A. West vs. Duncan MacDonald; W. R. Yankee vs. C. H. Law; A. M. Rinehart vs. Eastern Oregon Meat company; E. K. Betrum vs. L. S. Kelsey; Peare vs. city.

Noise Absorber Found.

Hartford, Feb. 3.—Through an instrument which can be placed within the source of noise, and near the person affected, Hiram Maxim, the inventor, has announced his hope to make cities noiseless.

STEAM ROLLER TACTICS USED ON GOVERNOR

HOUSE OVERRIDES VETOES WITH SCARCELY A RIPLE OF DISCORD.

FORSSTROM A LAWMAKER

Several Laws of Importance to This District Framed and to Be Introduced by Union County representative—Indications Point to Some Sort of Road Legislation in Final Bills.

Salem, Feb. 3.—(Special to The Observer)—The steam roller is in fine working order and so smoothly does it run that there is hardly a ripple in the house when a vetoed bill comes up for consideration. At the last session of the house on Friday nearly the entire day was put in discussing and passing vetoed bills. The first one up was No. 385 which provides that bulletins concerning the arrival, departure and delay of trains must be posted by the station agents. Senate Bill 179, which was thoroughly discussed, provides that when a director or any other public official in charge of the construction of a building fails to require a surety bond from the contractor, he shall be personally liable for the materials used and the pay of the laborers. In many instances fly by night contractors have erected buildings, secured their money, and left the material, men and laborers to hold the sack.

Hereafter the owners of property, especially farm lands, must keep down all Russian thistles, tumble weeds, Jim Hill mustard and other obnoxious weeds that grow in the roads adjoining their property. A bill to this effect was passed by the house over the governor's veto.

Despite the assurance of Governor West that there would be no deficiencies in his term of office, the house passed the bill providing for an emergency board to consist of the governor, secretary of state, state treasurer, speaker of the house, the president of the senate and chairman of the two ways and means committees. It will be their duty to provide for the various institutions when there is a deficiency in the regular appropriation.

Another bill was passed over the governor which provides that there shall be no expenditure made unless there has first been an appropriation made therefor.

Neither the senate nor the house were in session Saturday, as there were several members who desired to be absent. A large delegation from both bodies went to Pendleton to inspect the new branch hospital and several went to The Dalles and Celilo to inspect the power project there.

The committee appointed by the house and senate, consisting of Senators Ragsdale and Hollis and Representatives Lewelling, Smith and Laughlin, began their work Saturday inspecting and investigating into the affairs of the state penitentiary. It is generally reported here that the governor has used funds for penitentiary purposes that were specifically appropriated for other purposes. This misuse of money will be looked into thoroughly and the whole conduct of the institution made public.

If house bill No. 80 becomes a law (Continued on Page 4)