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**M. B. WELLS, Northwest Agent for The Aeolian Company**

1021 Madison St., Portland, Ore.

## COLLAPSE IN STOCKS

Almost a Panic on Wall Street  
Yesterday.

### DUE TO NORTHERN PACIFIC DEAL

This Stock Went to \$1000 a Share  
and Slumped to \$300—Other De-  
clines Almost as  
Great.

NEW YORK, May 9.—Bitter stress developed in Wall street by the second hour of trading on the Stock Exchange today. The violence of the commotion had spent much of its force at least for the time being, when the chairman's gavel fell announcing the close of the day's proceedings. The casualties were great, and the field of battle was strewn with the wounded, and may be with the dying. But of actual fatalities none was recorded of importance during the day. During the height of the panic, rumors of insolvencies were handed about more quickly than they could be reported. But no confirmation could be had of the intimations of financial wreck. Those against whom the rumors pointed refused even to show any signs of distress and professed themselves ready to meet all obligations. In more than one case the answer to the rumors was for a representative of the house to go upon the Stock Exchange and place loans to a large amount, as indicating the abundance of resources at hand.

But notwithstanding these and similar devices for keeping up credit and confidence, the fact was too obvious of the crash of values on the Exchange that credits and borrowing power were shrinking at too prodigious a rate not to leave the mind of the whole financial world in a condition of intense strain. But the indications at the close of the day were strong that the principal damage had been wrought upon the speculative class or upon holders of securities on margin, for whatever purpose. The banks have been so well protected by recent extensions of the margins exacted in the market value of collateral over the amounts of loans placed that they have had little to fear short of an absolute wiping out of market values. The shrinkage of collateral made it necessary for the banks in many cases to exact additional collateral during the day, and this added much to the distress for a time. But in the late dealings the principal banks in the field agreed to form a pool and raise a fund to loan the money rate down to 5 per cent on the Stock Exchange. The bid for money had been run up to 60 per cent, and was threatening to keep alive the panic. The dozen banks which came to an agreement to raise \$10,000,000, with implied willingness to increase the sum if necessary. There were very heavy loans placed in the hands of the banks, ranging in some cases to \$25,000,000 and \$50,000,000. Through the early part of the day bankers exacted the market rate for loans, but with the growing need to succeed in the market, the rate was lowered to 8 per cent. Old customers of the banks time, but when outsiders came in asking for loans, the law of supply and demand was allowed to run its course.

### Excitement in Wall Street.

The state of excitement was very apparent all through the financial district during the period of the panic, but there were few sensational scenes. Now and then a white-faced woman would peer from a cab outside a broker's office and would be driven off in a fainting condition after receiving a message from the interior. Whenever any near approach could be made to a ticker or to a board on which quotations were posted, there were great throngs of excited speculators scrambling for a view of the course of the market. But the real stress of the occasion came upon the men who were shut up in either their private offices or those of brokers or who were struggling and fighting on the floor of the Exchange.

The outside country could obtain little idea of the actual occurrences on the Exchange, as the brokers are remote from the public galleries, their temporary quarters in the Produce Exchange and are half shut off from view by the 16 foot wall. In the brokers' offices many men sat who were reduced to absolute ruin as a result of 15 minutes' fluctuations on the Stock Exchange. Some of these have been made opulent within a few weeks past as a result of the unparalleled rise in price of securities, but their winnings have been replaced all their winnings on new ventures on each turn. Today's drop, therefore, wiped them all out. In many cases, one could see the gambler's fortune with the chances of gain were accepted. But the glittering attraction of this market has brought into it a constantly increasing assortment of more staid and experienced speculators—men and women who have brought long-standing hoards from secret places and from savings bank deposits with the greatest difficulty to make one successful stroke and to retire with the proceeds. The demonstrations from this class, which includes many women speculators, furnished the hysterical scenes and sensations of the day.

All classes of employees in the Stock Exchange district were under tremendous pressure throughout the day. The impression produced by contact with those who were due to their coolness and nerve under the most trying and exciting circumstances. Brokers, messengers, boys, telephone boys, clerks and the like have learned during the last few weeks to waste little time in demonstrations. They do things in the quickest and shortest manner, and so made things go smoothly today at a period when lack of coolness might have meant disaster to many persons.

There was a strong feeling this morning before proceedings had commenced on the Stock Exchange that a panic could be averted only by the strongest measures and with the greatest difficulty. The fact was apparent that the corner in Northern Pacific was still unbroken. The excited bidding last night to secure the stock for delivery today made that very apparent. The first steps to avert the panic were devoted to circulating reports that the conferences between the contending interests in Northern Pacific, which continued in one form or another throughout the night, had resulted in a compromise which would free the shorts in the stock from their compromised position.

### Movements in Northern Pacific.

These efforts proved utterly ineffective in the face of the first quotations for Northern Pacific on the tape. The price paid for the stock ran quickly up to \$200 per share and then to \$300 and \$400 and then to \$500 per share on regular trading and \$600 on close for each.

cash price paid meant that unfortunate shorts who were unable to borrow the stock last night for delivery today had to pay whatever price the market offered for the corner chose to ask for it. The figures indicated in these opening transactions meant ruin for a large outstanding interest in the stock. The perception of the fact that the principal propelling factor in causing the demoralization in the stock market. The concerted effort to support the market by buying all stock which might be offered, which is always the most effective manner of dissuading persons from selling, and which was undertaken, according to the current belief in Wall street, by some of the most powerful capitalists in the country, was swept away like a whirlpool under the deluge of offerings which came upon the market.

As prices began to go down the disposition to buy decreased and the determination to sell seemed to grow in geometrical ratio as a falling body gains in velocity. The further it falls, such a shoveling out of stocks as occurred during the second hour of today's stock market was never seen before. After a sale had been made at a fixed price it would throw in an additional block at anywhere from five to 10 points lower without stopping to demand any immediate price for the offering. The extent of the decline during the half hour was as great as in some cases has taken weeks to attain on the advance, although all observers have agreed that the rate at which prices have been going up has exceeded any previous experience. The figures alone suffice to indicate the proportions of the drop. In Delaware & Hudson, the extreme decline was 59 points, Manhattan, 35%; Rock Island, 34%; Union Pacific, 38%; Atchafalaya, 34%; Atchafalaya, 34%; St. Paul, 34%; Missouri Pacific, 32%; Southern Pacific, 24%; United States Steel preferred, 24%, while a range of five to 30 points would cover the collapse in nearly every stock in the exchange.

In the outside market, the stress of the demand for funds was shown by the drop in the price of Standard Oil of 17 points over night. The same urgent need was reflected in the bond market, where all grades of bonds were offered on a declining scale. The sacrifices there were naturally much less than in the stock district of the market.

### Turn in the Market.

After the turn in the market came, which it did about noon, some noticeable selling of bonds still continued, and this was explained as being due to a wish to secure funds to buy stocks at the attractive level of prices to which the market had fallen. In fact, the buyers' hunter was on hand and alert, and even in such a scene of disaster as that presented there are those who reap the benefit. The drop in prices carried some of the most valuable properties down to a level at which the current rate of dividends paid upon them is well assured, making them good investments.

It was a very noticeable fact that throughout the most acute period of today's disturbance there was nothing heard to indicate doubt of the sound and prosperous conditions of industry and business at large in the country. The stock market collapse was attributed exclusively to over-speculation and over-extension of credits used in holding stock which it was designed not to keep but to sell at a higher price.

The shock which caused the collapse was the Northern Pacific corner, without doubt. The individual which might result from the Northern Pacific episode was by no means so great in any one's mind as to justify the extent of the collapse in the market. But the delicate situation of the market, due to over-speculation and speculation, made it vulnerable to this shock. The decline, once in force, gained cumulative strength. Speculators' margins were wiped out. The day of the measure for the relief of the shorts and the release in the price of the stock to \$300 allayed the demoralization almost immediately. An-

(Continued on Second Page.)

## SUMMARY OF IMPORTANT NEWS.

**Collapse of Stocks.**  
All shares on the stock exchange suffered in the collapse yesterday. Page 1.  
The slump was due to the effort to control Northern Pacific. Page 1.  
Northern Pacific sold up to \$1000 and declined to \$300. Page 1.  
The principal stocks slumped nearly \$700,000,000. Page 1.  
The Burlington-Northern Pacific deal will go through. Page 2.  
The panic extended to London and Glasgow. Page 2.

**Foreign.**  
The Duke of Cornwall and York opened the first Federal Parliament in Australia. Page 3.  
The House of Commons adopted the civil list. Page 3.  
The indemnity claim was presented to China yesterday. Page 3.

**General.**  
The President reviewed the Los Angeles floral parade. Page 1.  
Shamrock II was damaged in a gale off Southampton. Page 3.  
Winning Northern League teams were Spokane and Seattle. Page 3.

**Pacific Coast.**  
Attempt to refute charges of nepotism against state officials of Washington makes case worse. Page 4.  
Executor of Cooper estate brings suit against Gilbert Bros., ex-Salem bankers. Page 4.  
Quarantine officer at Port Townsend, Wash., declares quarantine against all Alaska ports. Page 4.

**Acts of late Oregon Legislature carrying no emergency clause go into effect May 23.** Page 4.  
Bottlers in Olympia brewery walk out. Page 4.

**Marine.**  
Enormous arrivals of Oregon wheat at United Kingdom this week. Page 10.  
Weather Bureau may equip North Head with a signal station. Page 10.  
German ship Nereus clears with a valuable whale cargo. Page 10.

**Portland and Vicinity.**  
Mayor Rowe appoints women's auxiliary for Presidential reception. Page 12.  
County Auditor refuses to O. K. bills for supplies not under contract. Page 10.  
Up-stream dredging in Columbia River channels produces good results. Page 8.  
Port of Portland Commission discusses advisability of building a new dredge. Page 12.  
Death of Lawrence Molloy, ex-superintendent of Victoria Pacific. Page 6.

## THE BIG DECLINES

Shrinkage of Nearly Seven  
Hundred Millions.

### PARTLY OFFSET BY RECOVERY

A Hopeful View is Taken of the Outlook for Today—Russell Sage Says the Smash Was Inevitable.

NEW YORK, May 9.—A statistical review of the transactions in the stock market today shows that at low-water mark of prices, 41 principal stocks had shrunk the tremendous figures of \$688,338,338.

### WILL ADVISE THE STATE DEPARTMENT



UNITED STATES MINISTER E. H. CONGER.

WASHINGTON, May 9.—United States Minister Conger called at the State Department and paid his respects to Acting Secretary Hill and Assistant Secretary Cridler. It is his preference to spend only a few days in Washington looking over the dispatches that have passed between Washington and Peking since he left the Chinese capital. He will then be in a position to advise the officials here as to any details of the situation which they may have overlooked.

407. This shrinkage, however, is largely offset by the recovery of the market toward the close of the day. Some of the more prominent stocks and applying to them the low-price calculation gives the following showing:

Stock	Out-Pnts.	Depreciation
Amal. Copper...	75,000,000	26
Atchafalaya...	102,000,000	354
Atchafalaya...	114,000,000	286
Ches. & Ohio...	60,533,400	18
St. Paul...	47,148,600	324
Del. & Hudson...	35,000,000	60
Louis. & Nash...	32,900,000	294
Missouri Pacific...	147,507,000	31
N. Y. Central...	115,000,000	134
South. Pacific...	137,832,100	20
U. S. Steel...	95,755,000	27
U. S. Steel...	550,000,000	218
U. S. Steel...	550,000,000	29

### AT THE WALDORF-ASTORIA.

#### Hopeful View Taken of the Outlook for Today.

NEW YORK, May 9.—The lights of the Waldorf-Astoria were the camp fire to-night of hundreds of the soldiers of Wall street who were on the firing line in the cheer and glory they nursed their wounds and a lone one, but the night had more cheer than the preceding one.

There was no wild scramble for overnight loans of Northern Pacific stock and the new day seemed to be fair in promise. There was intense relief at the promised succor of the Northern Pacific shorts. It was accepted as a fact that Kuhn, Loeb & Co. would settle for \$150, and it was believed that the action of these two great houses would fix the price for everybody. The price was generally agreed, was a fair one. The rumor that J. P. Morgan & Co. and J. H. Hill were after all on top in the fight to control Northern Pacific stirred the crowd, but the chief concern was for the future of the market. As to the latter, a very hopeful view generally prevailed. John W. Gates dispersed cheer.

"The medicine has been hard to take," he said, "but it has done good. There was too much speculation and it had to be checked. There will be heavy buying orders and the market will be buoyant in the plans to delay in printing the clean things up. The banks saved the day and I feel quite sure there will be no failures of any size."

Gates would not discuss his personal losses, but told a dog story that was a young man in Youngstown, he said, "who had a poor yellow pup, so often that he walked sideways. I am walking sideways."

James R. Hill, president of the Great Northern Railway, took dinner with his son at the Metropolitan Club tonight.

When seen concerning the struggle in the stock market, he said:

"When I have spoken at all I have tried to make people understand that I have had nothing at all to do with this market transaction. I have been busy all day long buying locomotives for the road. I have not been in the street and I have neither bought nor sold a share of Northern Pacific."

Russell Sage, when seen tonight at his home and asked his opinion of the stock market, said:

"I have been associated intimately with transactions on Wall street for half a century and I can truly say that the last two days have been the most remarkable I have ever seen. Fictitious and inflated values have prevailed and the smash that was inevitable has come. I knew it would come and predicted it. True, thousands will go to the wall, but that is only an incident in the fight. This whole thing got its origin in an attempt to divert traffic from its natural and central course toward the West in Omaha to the northern route—an unnatural route. Yesterday (Wednesday) was absolutely unprecedented in the history of the financial world. However, I do not anticipate serious results. By tomorrow (Friday) things will have begun to settle and the general common sense of people will put things to rights. The prosperity of the country is too great

## HEADED THE PARADE

President McKinley at Los Angeles' Floral Carnival.

### VISIT TO SOLDIERS' HOME

Address to the Veterans at Santa Monica—A Pickpocket Robbed Two Members of His Party.

LOS ANGELES, Cal., May 8.—From a broad, blue-canopied pavilion, surrounded by the members of his Cabinet, the Governor of Ohio and many notables of many states, President McKinley today reviewed the floral parade of the Los Angeles Carnival. The city was packed to the doors. The population of Los Angeles, according to the census, is over 100,000, but the streets must have held almost twice that number today. Pasadena, Santa Monica and other neighboring towns in Southern California were literally depopulated. The scenes on Broadway, where the reviewing stand was located, resembled Pennsylvania avenue in Washington on the day of an insurance parade; every facing stand with bunting and pampas grass plumes—red, green and orange, the colors of the fiesta, prevailing; terraced stands of people, the windows filled with them, the sidewalks to the roped street packed with them like sardines in a box. Mrs. McKinley did not witness the show, but she drove along Broadway in a motor car, and after saluting the parade just before the procession appeared.

The President rode at the head of the parade in an open carriage drawn by six spirited mules, wearing a green velvet suit with much gold braid about his helmet. The carriage was a mass of white carnations and yellow coronas blossoms. A troop of cavalry with yellow horsehair plumes waving above their helmets and wreaths of flowers across their shoulders and blanket rolls of red carnations behind their saddles, headed by a band playing the "Star-Spangled Banner," preceded the carriage of the Chief. The parade was seen on his feet most of the time returning these charming greetings. He apparently enjoyed the experience hugely. Each lady carried a bag of rose leaves for use as confetti, and after saluting the President she threw a handful of the soft to his box. Before the parade was over he was ankle deep in rose leaves.

In the morning previous to the floral parade the President and his party were driven through the residence sections of Los Angeles. This afternoon the ladies of the President's party went to Pasadena and took a drive there, while the President made a trip to the National Soldiers' Home, near Santa Monica. It is 18 miles distant and he made the journey in electric cars. Three thousand of the President's old comrades of the Civil War greeted him there. The old soldiers gave the President a remarkable demonstration. He was introduced by the governor of the Home and spoke as follows:

"My country, very glad to meet you all here in this beautiful Home provided by the Government of the United States, which you served so well in time of war, where you can get peacefully and with repose the later days of your life. There is no relation except that of home and family so close and intimate and sacred as that of comradeship in war. And then remember that you are not alone, old comrades of the Civil War, but that we are serving for one of the noblest causes that ever engaged mankind—that of preserving the Union. There is added sanctity to our relations from '61 to '65. I am here to tell my comrades of '61 that I have only within the last week passed through the battle-fields upon which so many of you fought, and upon which so many of your comrades fell. I am here to tell you that on those battlefields and in the Southern cities and towns through which we passed those who did me warm welcomes, and those associated with me were the men who were your foes 40 years ago—friends now, marching side by side as they did with the Grand Army of the Republic to give me greetings—all now having one faith, one hope, one aspiration, one destiny and all loving the same old flag. (Great applause.) I never meet my comrades that I do not recall how many of them are no longer with us. They sleep today in those silent tents that never are to be opened—the tents that outward swing. Thus our comrades are sleeping—sleeping where they fell, falling for the holiest cause for which men could fight." (Applause.)

Considerable excitement was caused by the discovery after the speaking that a pickpocket, who had been at work in the crowd, had relieved two of the members of the party, Secretary Wilson and Colonel Charles A. Moore, of the pocket-books. Later, the thief was arrested. Several pocketbooks were found on his person, a gold nugget which Mr. Moore's son had obtained at the Congress mine in Arizona, and Secretary Wilson's pocketbook, which contained \$175. The thief proved to be a pickpocket—well known to the police.

Upon his return to Los Angeles late this afternoon the President received Governor Nash and the Ohio congressional delegation at the hotel. There was no public function in the evening. The President and Mrs. McKinley dined at the residence of Homer Laughlin. The President and members of his party retired in their train tonight and will leave at 8 o'clock tomorrow morning for Del Monte, where they will spend Sunday. Stops will be made on the way at Veneta, Santa Barbara and San Luis Obispo.

One of the most notable incidents of the day was a visit paid by President McKinley to Mrs. Jennie Benton Fremont, the aged widow of General John C. Fremont. Mrs. Fremont was injured in an accident about a year ago, since which time she has been an invalid. The President spent a quarter of an hour in conversation with her at her home.

**Ohio Party Goes to San Francisco.**  
LOS ANGELES, Cal., May 9.—The special train carrying Governor Nash, of Ohio, and his party, left tonight for San Francisco.

**Wanamaker's Confidential Secretary.**  
INDIANAPOLIS, May 8.—E. F. Tibbitts, who served General Harrison as private secretary, has been made the confidential secretary of John Wanamaker, of Philadelphia.

**Watch Trust Falls Through.**  
BOSTON, May 9.—A director of the American Watch Company says: "The officers of the American Watch Company have informed the promoter of the proposed watch trust that that company will not become a party to any consolidation of watch companies. Other companies have declined to go into the trust movement, so the \$75,000,000 company has been abandoned."