



GIGANTIC MERGER IS PERFECTED

Light, Power and Traction Corporations Are Consolidated.

THIRTY MILLIONS INVOLVED

Every Plant in the Lower Willamette Valley Is in Combination.

TAKES STREET CAR LINES

Portland Railway, O. W. P. and General Electric.

SALEM AND VANCOUVER, TOO

New York and Philadelphia Capitalists Conclude Deal by Which They Take Over Into One Institution These Properties.

BIG CONSOLIDATION EFFECTED.

By an alliance effected yesterday in New York, by the Clark-Spaulding trust interests, all the electric power, light and trolley systems in Portland and the lower Willamette Valley have become consolidated and will in future be operated under one management. The deal involves about \$30,000,000. The properties that have been merged are the Portland General Electric Company, the Portland Railway Company, the Oregon Water Power & Traction Company, the Citizens' Light & Traction Company, of Salem, the Vancouver Light & Traction Company, of Vancouver, Wash., and the Union Light & Power Company, of Silverton, Mount Angel and Woodburn. The entire properties of each company are included in the transaction. The Oregon City Light, owned by the Portland General Electric Company, also change owners. Details of the consolidation and management remain to be worked out. The new concern controls everything in electric lighting power and traction within a radius of 50 miles of Portland.

By a deal involving \$30,000,000, every electric light, power and traction company in the Lower Willamette Valley, including Portland, has been merged into one vast consolidation of interests. Every mile of electric railway and every horsepower of electric energy generated within a radius of 50 miles of Portland have been brought under the same ownership and will be operated by one management. The consolidation of all the various interests in the Lower Valley were merged by financiers in New York yesterday. Telegrams telling of the transaction reached Portland yesterday and were confirmed by H. W. Goode, president of the Portland General Electric Company, and the Oregon Water Power & Traction Company. The owners of the affiliated interests are E. W. Clark & Co., Philadelphia bankers; J. & W. Seligman, bankers of New York City, and Charles Pratt & Co., also New York bankers.

Properties Are Merged.

The properties that will be merged and operated under one management are the Portland General Electric Company, the Portland Railway Company, the Oregon Water Power & Traction Company, the Citizens' Light & Traction Company, of Salem, the Vancouver Light & Traction Company, of Vancouver, Wash., and the Union Light & Power Company, Silverton, Woodburn and Mount Angel. The transaction just effected is perhaps the largest consolidation ever effected on the Pacific Coast and is certainly the greatest attraction in Northwest history. It will mean greater facility and economy of operation, combined with added efficiency. The molding of all electric power, light and traction interests into one great machine will give increased service at a minimum of cost. Details of consolidation and operation remain to be worked out. What name the huge company will operate under, or what name will be used, it cannot yet be known. The change that will be made in the present systems of managing the affairs of the various companies interested, are only now guessed at. It is definitely known that the head offices of the concern will be located in Portland.

Represents Eastern Capital.

Representing as it does an immense investment of Eastern capital, the move means great development along all lines. The pouring of more millions into the country selected by the New York and Philadelphia capitalists for investment in water, power, light and traction, is a move that will be a great boon to the Northwest.

Monarch backers of the concern are satisfied with their previous investments here and that they have great confidence in the future of Portland. It signifies that the present holders of the various properties are here for good. Their past record in effecting improvements presages better service and greater things for Portland in the future.

The value of the various properties merged yesterday is estimated as follows: Portland General Electric Company, \$10,000,000; Portland Railway Company, \$12,000,000; Oregon Water Power & Traction Company, \$5,000,000; Citizens' Light & Traction Company, \$500,000; Vancouver Light & Power Company, \$300,000, and the Union Light & Power Company, \$100,000.

The Interests Consolidated.

The interests which have been consolidated have owned the major part of the properties that have just become affiliated. The action just taken assures that the investments here will be permanent. The owners are practical and conservative men, but their conservatism does not hinder improvements wherever possible. The Portland General Electric Company was organized in 1892, when the Willamette Falls Electric Company was consolidated with the Willamette Transportation & Locks Company, under the new title, H. W. Goode became general manager with the formation of the new company, and continued in that position until four years ago, when he became president.

Owens Electric Power.

The Portland General owns the entire electric power and electric lighting system of Portland and vicinity. The water power at Oregon City is owned by the company, as well as the locks in the Willamette River at that point. The huge power plant of the company at the crest of the Willamette Falls at Oregon City generates 15,000 horsepower, which is transmitted to Portland to light streets and speed street-cars. Additional light and power is used in Oregon City and tributary country, while the company sells water power at the falls to local manufacturing concerns amounting to 18,000 horsepower. The principal steam plant of the company is located on Sherlock avenue and Nicolai street, Portland, and has a capacity of 15,000 horsepower.

The Portland Railway Company was organized in October, 1895, and was the successor to the Portland Consolidated Railway Company, which then passed to the control of the Clarks, of Philadelphia. The Portland Consolidated was the result of the merging of the old City and Suburban Railway Company and the Portland Railway Company, which was accomplished in the summer of 1905. These two companies were the important street-car interests of Portland for years. The Portland Railway Company was the older of the two and occupied Washington street, operated a cable line to Portland Heights and a line to Vancouver.

Growth of Consolidation.

The City and Suburban operated a number of city lines and was owned by the Portland Railway Company, which built and operated a line from Portland to Oregon City along the East Side. The line underwent many vicissitudes, and the builders, which were George A. Steel and a few others, lost all they had put into it. Control of the property was gained by Morris Bros., bankers of Philadelphia, who snapped up the assets of the company at a forced sale. The new owners mapped out larger things for the company and capitalized it at a large amount. Since the Morris interests acquired the O. W. P. the lines have been improved and extended in many directions. A new electric power plant has been begun at Cananda, which, when completed, will give out thousands of horsepower and will prove a powerful factor in supplying "juice" for the many activities of the new consolidation.

Plant at Salem.

The Citizens' Light & Traction Company, of Salem, owns and operates an electric lighting system, a street railway and a gas-lighting plant. The company supplies Salem and vicinity with these three utilities. The Vancouver Light & Power Company, of Vancouver, Wash., has a steam electric light and power plant that supplies the city with electric energy of all kinds. The growing importance of Vancouver as the result of the building of the Portland & Seattle Railway makes it valuable territory for the new alliance of interests. The Union Light & Power Company supplies electric light to Silverton, Mt. Angel and Woodburn. It also owns and operates water plants at Silverton and Woodburn. Details of organizing the immense interests represented in the consolidation into a vast machine with one management remain to be worked out. The benefits of great trolley and lighting systems being the manufacturers of their own power are apparent. Great economies will be effected and reductions in fixed charges can be put into improvements and extensions.

SLAIN BY BROTHER PRIEST

Spanish Jesuit Shot at Altar and Assassin Commits Suicide.

MADRID, May 4.—Word of a tragedy in the Cathedral of Santo Domingo, in the town of Mexico, reached here last night. While the Jesuit priest Morales, known from one end of Spain to the other as one of the most devout and learned members of the order, was conducting mass at the high altar on Thursday, a fellow-priest, Tarbo Martinez, suddenly drew a revolver from his robe and shot Father Morales dead. The murderer turned the revolver upon himself, blowing out his brains and falling across the body of his victim.

Jessup Again Chosen President.

NEW YORK, May 3.—Morris K. Jessup was today re-elected president of the Chamber of Commerce.

FIVE LUMBERMEN ARE ARRESTED

Oshkosh Capitalists Are Indicted.

OREGON LAND FRAUDS CAUSE

Result of Grand Jury Work in Portland.

WARRANTS FOR TWO MORE

Men Are Arraigned and Held Under Two Thousand Dollars Bonds Each by United States Court Commissioner McDonald.

Returns from the first important indictment returned by the grand jury announce the arrest of Leander Choate, Benjamin Doughty, James Bray, Wisconsin capitalists. Joseph Black and August Anderson, of the same state, are also wanted. Sumner J. Parker, of Ashland, has been arrested for complicity in the land frauds and James H. Driscoll is wanted on the same charge. The Wisconsin men are alleged to have acquired 160,000 acres of land in Klamath and Lake Counties, Oregon, by inducing residents near Ashland and Medford to sell them their land, and then to transfer that title was to be transferred as soon as the deal papers should be secured.

Oshkosh, Wis., May 3.—(Special.)—Five lumbermen and bankers representing an aggregate wealth far in excess of \$1,000,000, were arrested here today by the Federal authorities on the charge of conspiracy to defraud the general Government by means of alleged land frauds in the State of Oregon. The men arrested are: Leander Choate, James Matt Bray, Benjamin Doughty, James Doughty and Thomas Daly.

Bray is the president of the Bray & Choate Lumber Company, and Choate is the treasurer of that company. The Doughtys are retired lumbermen. Daly is cashier of the Commercial National Bank, and all the men are large stockholders in that institution. The men were arrested by a deputy United States Marshal, who was accompanied by Assistant District Attorney Hennings.

Placed Under Bonds.

They were all arraigned before United States Court Commissioner D. S. McDonald, of this city, except Mr. Bray, who is a paralytic and was unable to appear. Each was placed under bonds of \$200, and the hearing adjourned to Friday, May 11. Besides the foregoing defendants, warrants have been issued for August Anderson and Joseph Black, of Shawano.

The charges contained in the Federal grand jury indictment under which the men are being prosecuted is that of conspiracy to defraud the Federal Government by having furnished money to Oregon persons to make entries and buy homesteads in Oregon.

Charges in Indictment.

The indictment describes the land and asserts that the alleged crime was committed between the years of 1900 and 1903. The men indicted maintain that they never owned the lands described in the indictment, never had anything to do with the matter and that they never owned any lands within 40 miles of those in connection with which the fraud is alleged.

The belief here is that the accused have been made the victims of Oregon land sharks. Oshkosh capitalists, including the five named, have dealt largely in Oregon and Washington lands in recent years, but they have always done it through third parties.

HOW LAND WAS ACQUIRED

ASHLAND AND MEDFORD MEN ARE INVOLVED.

James H. Driscoll, former clerk of Klamath County, was accused, and disappears.

as the tools of the Eastern men who are men of wealth and furnished the funds for the operation. He also laid the plans by which it is charged they illegally obtained great tracts of Government acreage.

The Oshkosh men who have been arrested, Leander Choate, James Matt Bray, Benjamin Doughty, James Doughty and Thomas Daly, operated in Southern Oregon as the Oshkosh Land & Timber Company. August Anderson and Joseph Black, of Shawano, are also said to be connected with this corporation. Choate is said to be very wealthy, and the others are all men of wealth and prominence in their home state.

The charge upon which they are arrested is that of obtaining a large tract of timber land east of Klamath by inducing men to file upon it and then turn it over to them for a small consideration. Most of their work is said to have been carried on through representatives in this state, but the principals themselves are said to have been on the ground at various times. Choate, who is reported to have been a leader in the proceedings, is said to have visited the state and to have taken a direct part in buying about some of the fraudulent entries.

It is alleged that the original scheme of the enterprising capitalists was to acquire several immense tracts of valuable land, aggregating nearly 40 sections. The plan did not work out in its entirety, but even the partially completed operations are said to have brought them into control of about 160,000 acres of land. Some of the land is located on Jenny Creek, some on Lone Pine Mountain and a portion east of Klamath. All of the land is in Klamath and Lake Counties.

Connected with the Wisconsin men in the indictment are Sumner J. Parker, of Ashland, who has already been brought into custody at Medford, and a timber cruiser who was arrested at the same time and charged with the same offense. It is alleged that the fraudulent transfers of the land were made by Parker and the timber cruiser. All of the land was taken as homestead claims. Most of those who made the filings were residents in the vicinity of Ashland and Medford, and these persons were used as witnesses before the grand jury.

Sumner J. Parker, now in custody, is understood to have been the selector of the Wisconsin men. Through his agency it is alleged men and women were induced to take up the land with the understanding that they would be paid for the same. The papers were filed with James H. Driscoll at Clatsop Falls. Driscoll is accused of accepting fraudulent proofs of land and being a party to the general scheme to defraud the Government. With all of the wires carefully laid for their operations, it is said that the scheme was carried on smoothly and thousands of acres of Government lands sold before the proceedings against the men were commenced.

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TILLMAN GRILLS FEDERAL JUDGES

Gives Reasons For Limiting Power.

HITS SPOONER ON TENDER SPOT

Angry Words About Strike Injunction Case.

TALKS OF JUDICIAL TYRANNY

Cites Many Instances of Misconduct as Reasons for Not Giving Lower Federal Courts Power to Suspend the Rates.

MAJORITY FOR COMPROMISE. WASHINGTON, May 3.—(Special.)—The long contest over the form of the judicial review amendment to the Hepburn railroad rate bill is believed to have ended. It is claimed with what appears to be warranted confidence that 54 Republican votes have been secured to the compromise provision. The present intention among the leaders is to adjourn tomorrow afternoon over Saturday, so that Mr. Allison, who has engineered the compromise, can be present and bind the agreement. He was confined to his home today.

WASHINGTON, May 3.—This was the last day for general debate in the Senate on the railroad rate bill, and it was fully occupied. Following a brief speech by Nelson, Tillman spoke at length in an effort to show by criticism of individual judges that the power of granting temporary injunctions by inferior United States Courts should be taken from them in Interstate Commerce Commission cases and be followed by Bacon, Bailey, Teller and Foraker in speeches at some length.

Tillman's speech consisted mainly of quotations reflecting upon the conduct of Federal Judges in different parts of the country. While he was speaking, he engaged in a controversy with Spooner, in which the Wisconsin Senator characterized his adversary's reference to him as "indecent" and during which Tillman ordered Spooner to take his seat.

Difference Between Democrats.

Bacon criticized the course of Tillman as calculated to produce a false impression on the country and was in turn censured by Bailey, who held that, while the office of Judge is entitled to the greatest respect, there should be no reverence for Judges as men.

The Army appropriation bill carrying an appropriation of about \$74,000,000 was passed.

When the Senate met, Tillman again asked for the postponement of his resolution for the investigation of the conviction of Mrs. Minor Morris from the "White House last Winter. He asked that the measure lie on the table until he might desire to take it up.

The railroad rate bill was then laid before the Senate and Nelson addressed the Senate in opposition to Bailey's amendment depriving inferior United States Courts of the power of suspending orders of the Interstate Commerce Commission.

Tillman Grills Federal Judges.

Tillman rose to express regret that the country's faith in the Federal Courts was not firm. He referred to the decision of the Supreme Court in the income tax cases, saying that in that case one of the Judges had changed his mind.

"Thus," he said, "the practice of a century was reversed and the country submitted, merely because of the plea that the highest court in the country must be sustained."

He could not accept the idea that there was anything holy about a Judge and said: "When we see how the highest Judges differ or change their minds, possibly because something gets the matter with their stomachs or they sleep badly, we cannot be blamed if we can see that they are not infallible." He therefore saw no reason why a non-suspension provision should not be "tied on."

Judge McPherson at Banquet.

He also cited other cases in other courts, intended to show that some Judges are "not only not infallible, but not incorruptible." The first of the references was to Judge Smith McPherson, of Iowa, who was represented as a man article in the New York World of March 30, as having appeared at a banquet to Governor Cummins at Cornish Bluffs in such a condition as "not to be able to stand up without clinging to the table."

Carter defended Judge McPherson as a man of great learning and of probity of character. If in participating in the banquet he had entered into the spirit of the occasion, he had merely shown himself a good fellow. He criticized the course of the man who had given out the occurrence of the banquet. He had never heard any one intimate that Judge McPherson was guilty of an excess in the use of intoxicants.

Bailey and Perkins also defended Judge McPherson, Perkins declaring that

having been at the same hotel with Judge Perkins four years, he knew him to be a teetotaler. Doolittle said that the Judge had never been charged with a want of judicial fairness.

Railroads Give Judges Picnic.

Tillman next referred to a pleasure trip to Tampon given by three railroads to Federal Judges McPherson, Phillips and Pollock. The account was condensed from the Kansas City papers, and showed that the Judges had been provided with a special car and were accompanied by the general solicitors of the roads giving the excursion. Tillman said that Judge Phillips had been especially commended by the President in connection with the Paul Morton case, and he contrasted the President's course in this case with his course in criticizing Judge Humphrey in the beef packers' case. He would have Judges keep themselves above suspicion, like Caesar would have had his wife. He would have them in such a position that they would not be subject to the reflections of any "dirty newspapers."

The Senator also called attention to a railroad case at Sherman, Texas, in which he declared Circuit Judge McCormick had declined for six years to allow an unprejudiced Judge to sit. He said that the matter had been brought to the attention of Congress by petition, and declared that with such a Judge sitting in a given case complainants would have to "whistle for relief." He would stop judicial tyrants from denying justice.

Makes Spooner Jump.

He next called attention to the Northern Pacific receivership, in which Judge James S. Jenkins, of the seventh circuit, figured in 1893, and in which an injunction against strikers was granted. Commenting on these facts, Tillman said that Jenkins had recently retired, "therefore," he added, "he can do no more devilment like that."

"I believe it has come to be considered good law to issue injunctions against strikers," said Tillman, and added: "If it is not, the Senator from Wisconsin (Spooner) will correct." The manner of this appeal to him evidently angered Spooner, who, as attorney for the receivers, obtained the injunction in question. He rose and replied sharply, saying: "The Senator from South Carolina forgets what is decent when he challenges me in that manner."

Judicial Tyranny in South.

When the tiff between him and Spooner had drawn to a harmless close, Tillman returned to his strictures on certain Federal Judges. He considered the case of Editor Joseph Daniels, of the Raleigh (N. C.) News and Observer, who, he said, had been thrown into prison for criticizing the appointment of a receiver for the Atlantic & North Carolina Railway by Judge Purnell. Tillman said he could review instances in his own state of acts of tyranny and indecency, but the Judge committing them is dead and had settled his accounts elsewhere.

The Senator said he also knew of some cases in Georgia, but that he would take up the case of Circuit Judge Pardee in enjoining the Florida Railroad Commission from instituting suit to compel the Louisville & Nashville Railroad to reduce its fares from 4 to 3 cents a mile. He charged that Pardee ought to be impeached for his course. If impeachment proceedings were brought to the Senate, Tillman predicted that there would not be votes enough to impeach, although the Judge were proved guilty of violating his oath of office.

Situation Needs Physics.

Tillman next paid his respects to the case of Judge Charles Swayne, of Florida, whom the Senate refused last session to impeach. Tillman then closed with an apology, explaining that the situation was such as to require the administering of some "physics." He would not allow the Senators to "room up and down the land, doing whatever the railroads want and refusing to grant relief to the people."

Bacon said the same Judge that would issue an interlocutory decree must in the end pass upon any case before the court, and asked what remedy there was if there were so many Judges guilty of reprehensible conduct.

Tillman replied that he would depend upon the Supreme Court.

Bailey also replied that, in case a temporary injunction was granted in a given case, it would be held up indefinitely, whereas it would be expedient if there should be no injunction. These declarations led to a controversy over the right of appeal in injunction cases, in which Bailey, Spooner, Bacon and Culberson participated.

Puts Question to Bacon.

Tillman asked Bacon if he did not believe it proper to call the attention of the country to the derelictions of Judges, as there was no way of punishing them except by impeachment. Bacon responded that the Senate had no right to originate charges, and that for it to do so was to usurp the power of the House and in a measure disqualify Senators from conducting impeachment proceedings. He admitted that he had voted for the impeachment of Judge Swayne, and said that he was sorry Swayne had not been found guilty.

Tillman declared that he had not intended to censure the entire judiciary, but contended that, so long as there were such men as McCormick, Pardee and Swayne on the bench, the criticism of individual members of the judiciary was justified.

Teller Defends Judges.

Teller praised the judiciary of the United States as the most exemplary in the history of the world. He said he had known of many individuals who departed from the high standard of the great body. He announced himself as favorable to the rate bill as it passed the House, with the addition of the Bailey amendment, including the provision for a court review.

Bailey opposed Tillman's contention that the judiciary should not be criticized on the floor of the Senate. Consideration of the Army appropriation bill was resumed and after further amendment it was passed.

Atlantic Fleet at New York.

NEW YORK, May 3.—The first division of the Atlantic fleet, consisting of the Maine, Missouri, Kearsarge and Kentucky, arrived here today from Guantanamo, Cuba.

NEW APPEAL FOR HELP OF NATION

Phelan Says It May Be Necessary.

TELLS TAFT CITY'S SAD PLIGHT

Only Eleven Days' Rations Remain for Homeless.

STILL FEEDING 300,000

Chairman of San Francisco Paints

Telling Picture in Few Words.

Greely Suggests New Call for Nation's Aid.

APPEAL AGAIN TO NATION. WASHINGTON, May 3.—In a telegram to the War Department today, General Greely reported a general improvement in conditions at San Francisco and vicinity. He calls attention to the fact, however, that scarcely ten days' relief rations are in sight and that further appeal to the generosity of the American people is possible. Reporting over night, Edward T. Devine, representing the Red Cross, says that 300,000 were fed on May 1. Relief plans, he said, must be continued for several weeks. He reports present little need of relief at Santa Rosa, but says that great need will be in San Francisco, Oakland and immediate suburbs.

SAN FRANCISCO, May 3.—When the finance committee met this afternoon, Chairman James D. Phelan read a telegram which was later sent to Secretary Taft. Any rumors of lack of harmony between the local citizens' committee and the War Department because of the disposition of the funds appropriated by Congress were dispelled by this message, which read as follows:

"Telegram May 3 received. Finance committee directs me to acknowledge the same and to state that it fully understands the situation with which you are confronted and your authority in the premises. We have only to renew our thanks for the prompt manner in which you met our needs without even waiting for the action of Congress, and we plainly see that no disbursement of funds can be made except through the regular Government channels. The only advice we previously received was that Congress had voted large sums of money for San Francisco, and the impression was abroad that it would be disbursed by local authorities.

Valuable Aid of Army.

"The Army organization under General Greely has given us inestimable aid and has co-operated in systematizing the work of relief. We are under great obligations to the Army and desire to express our acknowledgments. There is perfect harmony of co-operation between the Governor, the Mayor, this committee, the Army and the Red Cross. We will communicate with you from time to time as to the supplies most needed. We suggest the fund be credited with the articles not needed, as these are of great value to the Army and that so far as practicable you expend funds in California, to avoid transportation cost and to circulate the money where it is most needed for rehabilitation of business.

"Cash on hand, less than \$500,000, with drafts in process of collection of which we will report further. Will also advise you as to respective use of money at earliest possible moment.

Period of Privation Near.

"Meanwhile desire to say that we are entering on a period of unprecedented privation. The assessable value of the city's property will be reduced by about \$200,000,000, and the ability of the city government to maintain its institutions will be accordingly decreased. Charitable institutions and hospitals depending upon private contributions, paid patients and like sources of revenue are in absolute need, and those which have no endowment will be charged on us. In many institutions their buildings are destroyed. The poor, the old and young create a dependent class which is augmented by the unemployed and certain classes of persons doing clerical work and engaged in domestic services. They will have to wait for the restoration of business houses and homes. The city, with all its agencies, has been destroyed and its manifold activities paralyzed.

"By limiting rations to women and children as a measure of restoring business, the men will be required to seek work, of which there is much of a rough character in cleaning up the city and preparing it for reconstruction. Apart from shelter, food and clothing, efforts will be made to restore the worthy to their employment.

"Dr. Devine and the committee are so engaged in the important work of systematizing relief that these questions, becoming more necessary of solution every day, have not as yet been carefully worked out. We will be pleased to keep you fully advised in order that you may wisely direct the expenditure of the fund in your keeping."

Only Eleven Days' Rations.

General Greely made a brief speech on the food situation, saying: "I don't like to be an alarmist, but I want

(Continued on Page 4.)