FINDS LIMITS TO FEDERAL POWER

Knox Says Manufactures Cannot Be Controlled as Commerce.

MUCH GOOD ACCOMPLISHED

Power of Government to Regulate Commerce Established by Suits and New Railroad Laws All Valid, Says Senator.

NEW HAVEN, Conn., June 24.—The orator of the day at the senior exercises in the law school of Yale University this afternoon was United States Senator Philander C. Knox, of Pennsylvania, and his subject was "The Development of the Federal Power to Regulate Commerce."

There are no questions before the American people today of greater importance than those relating to the Federal control over commerce. Nothing is of more consequence in our governmental affairs than an accurate understanding of the scope of the National and State powers in respect to commerce and the activities related to commerce, for no effective regulation is possible in either sovereignty if the power of the one could be usurped or obstructed by the other. This will be understood and conceded, except by those who appear to think the Federal Government can constitutionally accomplish everything that seems good for the people and are constantly raising expectations upon this line which cannot possibly be fulfilled.

The fact that the state governments are supreme in state affairs, and the National Government supreme in National affairs does not result in the deduction that there are any affairs which may escape Government control.

Where States Have Failed.

The necessity to exercise the National power over commerce arises largely out of the failure of the states to regulate wisely great corporations created by and under the dominion of the states and engaged in interstate commerce. That failure has led to well-known abuses which affect interstate commerce, and thereby created the necessity for the exercise of Federal regulation to prevent the abuse.

The necessity for the exercise of Federal regulation almost always springs from causes the states could have prevented.

Mr. Knox then referred to the evils of monopoly and railroad discrimination, which made Government regulation necessary.

What Has Been Accomplished.

Mr. Knox then gave a brief statement of how this situation was dealt with by the National Government, saying:

First, the scope of existing laws was tested through a series of suits. These suits had for their main purpose to determine the effectiveness of existing statutes to reach new types of combination to restrain the free-play of the law of competition, and new and subtle discriminatory devices which had sprung from fertile and experienced minds instructed in the interpretations the courts had put upon the existing laws.

The purposes for which this litigation was undertaken were all accomplished. The completeness of the Federal power over commerce was reaffirmed and declared to extend among other things to the holding company.

This device, which had been successfully employed to establish under one control the leading productive industries of the country was declared illegal when utilized to absorb competing systems of interstate railroads, and thereby we escaped a danger to our commerce, our Government and our very liberties, the magnitude of which can scarcely be grasped.

It was likewise judicially determined that a combination between a railroad company and a shipper, to grant the latter an unlawful rebate which results in the establishing of a monopoly, is a violation of the Sherman act, and that a court of equity might restrain the guilty parties at the suit of the Attorney-General of the United States, as well under that act, as under the general jurisdiction in equity. Of almost equal importance was the decision that the operations of a monopolistic combination within a state may be so connected with those between the states as to bring the whole under the regulative power of Congress.

New Laws Remedy Defects.

Mr. Knox then stated the principles of law established by the Elkins act, the rate law and the law to expedite decisions in railroad cases. He continued:

All these laws have been declared constitutional, except the railroad rate act, and as to that act, not yet passed upon by the courts, it is believed by the great weight of legal opinion to be constitutional in respect to the power to fix reasonable rates and practices.

No Panacea for All Ills.

The public satisfaction resulting from the enactment and the enforcement of these statutes regulating commerce has induced some persons to contend that the Congressional power to regulate commerce is a panacea for many other public evils, and it is proposed to utilize that power to accomplish ends not within the National jurisdiction, and having no relation to the subject of the power.

"The power to regulate is the power to prescribe the rule by which commerce is to be governed." These are the words of Chief Justice Marshall in Gibbons vs. Ogden.

Over this subject of commerce among the states and with foreign nations and its instrumentalities, the power of Congress is plenary. It may be exercised in the most general or minute way. For this purpose, Congress possesses all powers which existed in the states before the adoption of the National constitution, and its power when the subject is National is or may be made conclusive. The constitution, laws, corporations and citizens of the states are subject to this paramount authority. Congress can regulate anything, everything, any and every person, natural or artificial, in the sense that it can prohibit or prevent any use or act that will interfere with Congressional control over interstate commerce, or that will injuriously affect such commerce. Congress may likewise prevent the arteries of interstate commerce from being employed as conduits for articles hurtful to the public health, safety or morals, and may remove obstructions from the highways of commerce, whether they be physical or economic, whether they may be sandbars, mobs or monopolies.

Restrictions on Commerce.

The power of Congress may be exercised by prohibition and by prescription.

The new proposition is this: Congress has the power to regulate commerce, including its instrumentalities, and likewise power to regulate the persons by whom articles of commerce are produced in respect to matters disconnected with commerce.

This addition to the rule finds expression in the suggestion to prohibit the interstate transportation of innocuous articles lawfully made or produced in a state for reasons not affecting interstate commerce.

Let us now consider whether the regulation of the business of producing articles which may in whole or in part go into interstate commerce by denying to the owner the privilege of interstate commerce for reasons not affecting such commerce, is a regulation of commerce. In other words, is the mere production of goods commerce? If it is not, then can Congress regulate such production within a state under the constitutional power to regulate interstate commerce?

It would be difficult to overstate the importance and seriousness of the question thus presented, as upon its ultimate authoritative determination depends, it may be, the autonomy of the states in substantially all matters of internal police.

It is scarcely worth while to discuss the proposition that production is not commerce.

Mr. Knox then quoted a decision of Justice Lamar to the effect that manufacture comes within the jurisdiction of the states and cannot be regulated as commerce by Congress. He continued:

But it is claimed that as the power to regulate commerce is absolute, complete and mainly exclusive in Congress, the right to forbid the shipment in interstate trade of any kind of goods, for any reason, comes within that power. That is to say, under the guise of a commercial regulation, not necessary for the promotion or protection of commerce, a producing regulation, which Congress could not have enacted, may be enforced; or, in other words, Congress can deny a person the right to engage in interstate commerce for doing that which Congress cannot prohibit him from doing. But, as we have seen, Congress cannot regulate production, and Chief Justice Marshall said in McCulloch vs. Maryland:

"Should Congress under the pretext of executing its powers pass laws for the accomplishment of objects not entrusted to the Government, it would become the painful duty of this tribunal, should a case requiring such a decision come before it, to say that such an act was not the law of the land."

In my judgment, the power to regulate commerce between the states does not carry with it the power to prohibit commerce, unless the prohibition has for its purpose the facilitation, safety or protection of commercial intercourse, or the accomplishment of some other National purpose.

The power to regulate interstate commerce does not extend to the laying of an arbitrary embargo upon the lawfully produced, harmless products of a state, nor to the right to defeat the policy of a state as to its own internal affairs.

I concede that the National power to regulate interstate commerce carries with it the right to prohibit commerce in order to secure equality of commercial right, or to prevent restraint of or interference with commerce, but not to prohibit the shipment of the innocuous products of producers within a state who are pursuing a course sanctioned by the laws of the state and in no wise in itself interfering with interstate commerce. If prohibition of interstate trade is within the arbitrary power of Congress, it might be exercised so as to exclude the products of particular states or sections of the country. Congress then might prohibit the shipment of cotton or wheat to promote the interests of wool or corn.

There is no authority for any such proposition. The power of prohibition has never been sustained except as against articles noxious or dangerous in themselves. It is not possible to find even a suggestion that in respect to natural products which are prime necessities, Congress can prohibit commerce in them between the states in order to enforce its conception of what would be a wise police regulation of a state.

Purpose Must Be Constitutional.

The sum of the matter then is this: For the purpose of protecting commerce, Congress may close its channels to those who are injuriously affecting it, but for the purpose of enforcing a more enlightened policy in respect to matters not within the jurisdiction of Congress, it has no such power.

Congress may employ such means as it chooses to accomplish that which is within its power. But the end to be accomplished must be within the scope of its constitutional powers. The legislative discretion extends to the means and not to the ends to be accomplished by use of the means.

The preservation of our constitution is not committed to the Federal judiciary alone. It is the oath-bound obligation of every legislative, judicial and executive officer of the states and Nation, and is the highest duty of private citizenship. The constitution is not to perish at the hands of the impassioned phrase-maker, and its defenders should not be deterred by mistaken or prejudiced clamor from performing their obligation to preserve and defend it.

The power of the Federal Government cannot be increased except by new grants of power through amendment of the constitution. The efficiency, however, of the Federal Government will progressively increase through the application of existing Federal power to the growing complexities of social and commercial conditions.

In the graduate class, of the three honors two are won by Filipinos. Jose Escalar, of Pamanga, takes a magna cum laude honor and Mariano Honorade de Joya, of Bolanzas, takes an honor cum laude.

DEFENSE UNWRITTEN LAW

Rapid Progress in Trial of Ex-Judge Loving in Virginia.

HOUSTON, Va., June 24.—The trial of ex-Judge W. G. Loving for the murder of young Theodore Estes, a sequel of a buggy ride which Estes took with Loving's daughter, moved rapidly today and, when court adjourned this afternoon, the prosecution had rested and the defense had begun its case. The progress in the trial was remarkable. Before adjournment of the morning session, a jury had been secured, mostly middle-aged men and all but three of them married, 11 of them being farmers, the lone exception being a merchant.

The taking of testimony began upon the re-convening of the court and late this afternoon the Commonwealth rested its case and Judge Loving, whose defense is the unwritten law, had taken the witness stand in his own behalf.

Backed by the millions of Thomas F. Ryan, of whose Virginia estate he has been overseer for a number of years, and with powerful political influence, everything known to the legal fraternity will be taken advantage of in the efforts to acquit the judge.

The relatives of young Estes, whose family connections extend to the Governor of this state, will exert every effort to clear the memory of the dead man from the stain of wrongdoing.

OVERRIDE SCHMITZ' VETO

Supervisors Pass Budget and Two Desert Convicted Mayor.

SAN FRANCISCO, June 24.—The Board of Supervisors this evening passed the city budget over the veto of Mayor Schmitz. The budget was returned to the Board by the Mayor with six vetoes, four affecting minor appropriations for the District Attorney's office. The others were those appropriating $720,000 for establishing an electric conduit railroad on Geary street and $720,000 for the repairing of streets.

A development of the session was the breaking away of Supervisors Tweitmoe and O'Neil from Schmitz by their action in voting for the budget. Both are union labor men and strongly supported Schmitz in the past.

JAPS TO SUE SAN FRANCISCO

Restaurant Owner Wants to Recover Damages From City.

WASHINGTON, June 24.—According to private advices received here today, the proprietor of the Horseshoe Restaurant, which was attacked during the recent anti-Japanese riots in San Francisco, will tomorrow enter suit in the state courts of California against the city of San Francisco to recover damages done the restaurant property.

District Attorney Devlin, a telegram from San Francisco says, will represent the Japanese plaintiff in the action. It was stated at the Department of Justice today that some time ago Mr. Devlin was instructed to offer his services in case suits were filed.

ELEVEN KILLED BY HEAT

Pittsburg Has Temperature of 82, Causing Many Prostrations.

PITTSBURG, Pa., June 24.—Eleven persons are dead and many prostrated as a direct result of the warm weather experienced in the Pittsburg district within the past 24 hours. The maximum temperature today was 82.

FRENCH YACHTSMEN WIN

Challenger Ar Men Is First Again in Nasty Weather.

KIEL, Germany, June 24.—The French yachtsmen will carry the French cup home with them. The French challenger Ar Men won again today in nasty, squally weather. Time of winner, 3 hours, 40 minutes, 15 seconds.

Novelty Silks

Some of the newest and smartest designs, in taffeta and Louisine; come in stripes, checks, invisible plaids, etc.; regularly $1.00 and $1.25 the yard; special..... 59c

OLDS WORTMAN & KING

FIFTH STREET WASHINGTON STREET SIXTH STREET

LADIES' HOME JOURNAL PATTERNS

SHOWER-PROOF FOULARDS

Fine Silks, Cheney Bros.' make, that sell regularly for $1.25 the yard, without an equal for wear and beauty; very special for Wednesday, the yard..... 98c

$10.98 Buys A Smart Tailored Suit Worth to $48.50 Each

This is the last day of this Suit Sale, and those who fail to take advantage of it, the greatest bargain opportunity of the season will be missed. Stylish, serviceable, smart, snappy suits are selling for $10.98; garments that you would ordinarily have to pay up to $48.50 for. It's a bargain that was made possible by a large purchase we made in New York. Good styles—Eton, Prince Chap and Jacket models. They are handsomely trimmed and superfluously tailored. Suits that any maker in the world would be proud to turn out, and ready cash bought these for much less than ordinary figures. The sale ends today, and those who fail to come while the bargains last will pay from two to three times as much as regular figures. Come and look them over. You'll need one for vacation wear, anyway, and where else could you buy one for this small a price? We took an immense number of them. A large manufacturer had them on his hands and we got them at our own price. Made an offer for the entire lot, and when we told the maker that the offer was CASH, he let us make the price. That's why we took so many at this time of the year—got them for so little that we knew we could sell all we could get.

Till tonight at 6, if the suits last that long at this remarkably low price, we'll sell these splendid suits for the lowest price such good suits have ever brought. All good styles; Eton, Prince Chap and Jacket models. All new garments. None on approval, none laid aside on part payment, and none sent out on phone orders. First comers have large assortment to choose from $10.98

BUY ORIENTAL RUGS

Nothing you can put in your home will lend more to richness and refinement than a beautiful, soft-toned Oriental Rug. When you are buying, use care in selecting from a large stock. Choose the pattern that will please permanently, and pay only a reasonable price, which you can do by buying right. Look over this assortment, and the problem is largely solved. The assortment we are telling about here was bought by our buyer, and is one of the most complete collections ever offered for sale on the Pacific Coast. We can't give you prices, as there are too many of them. Lovers of artistic rugs will be well repaid for coming to view the beauties we are offering.

The collection includes rich KIRMANSHAHS, TABRIZ, SAROUKS, FEHREHANS, KHIVAS, KAZAKS, GUANGHES, CABASTANS, DAGHESTANS, SHIRVANS, and all the better weaves of these famous RUGS.

We won't quote you prices on account of the immensity of the assortment—we'll just tell you that we are making special prices on these late arrivals. Lovers of artistic rugs will do well to come and inspect this collection, even if they have no thought of buying. 'Tis a rare treat to the connoisseur to find so rich a collection as this.

Sunbonnets

Our entire stock of Misses' and Ladies' Sunbonnets, made of plain or fancy wash materials and made in very pretty styles, too. Splendid to shield you from the hot Summer sun and prevent freckles and sunburn. Choice at 12c

HOME PHONE IT

Those of our customers who are fortunate enough to have the Secret Service phone installed can now reach us by this service on five different phones. One in the credit department, one in the shoe department, one in the glove department, one at the accommodation desk and one in the advertising and mail order department. Look in your Home phone book and find their numbers. Get the quickest sales possible at the best store in Portland.

Men's and Women's $2.50 Shoes Sell for $1.98

In the Greatest Shoe Sale In the History of the Store

This $1.98 Shoe bargain includes a grand collection of Women's High or Low Shoes, and Men's Shoes in light or medium-weight; the choice of any $2.50 shoe in the store.

In the women's shoes there are values as high as $3 and $3.50. They come in canvas or leather, brown, tan, reseda, green and gray; also plain white. There are the new style four-button or the shoes with the large eyelets for ribbon ties; patent and dull leathers; as pretty a shoe as there is in the market for $2.50 and $3.00 a pair now selling for $1.98. It is a shoe offer that won't be duplicated for many months to come. Come early and get the shoe bargain of the season at $1.98

Then, in addition to this phenomenal special, we offer the following specials while this tremendous shoe sale is one. Today and tomorrow only; come early.

MEN'S SHOES—From well-known makers, lines that we are discontinuing and close out for much less than the regular value. Represented are styles from Slater & Morrill, McDonald & Kiley, J. E. Tibbetts and Florsheim & Co. Shoes in many styles, oxfords and high shoes; come in patent leather or dull finish, and worth to $6.00 the pair; special..... **$3.89**

MEN'S, MAILMEN'S AND POLICEMEN'S SHOES—Seven styles, shoes worth $5.00 at regular times. Special for this sale..... **$3.89**

MEN'S SHOES—In this lot we put all of our regular $3.50 and $4.00 shoes. Select any shoe or oxford in our men's stock that sells regularly for $3.50 or $4.00, and 'twill cost you but..... **$3.19**

This includes tan, patent leather and black leathers, and all sizes and lasts.

MEN'S SHOES—Take in all styles of high or low-cut shoes, patent or dull finish leathers; values that bring $3 to $3.50 regularly; very special for three days..... **$2.69**

WOMEN'S SHOES—Women's popular-price oxfords, in all leathers and styles, regular $3.50 and $4.00 grades. Patent leathers, gunmetal calf, demi-patent and kid leathers. Come in button and lace styles; with light or heavy-weight soles. Garden ties and pumps are also to be found in this lot. There are some pretty colored leather shoes here, too—brown, tan, pink, blue, green and red. There are also canvas shoes of sea island cotton; values to $5 pair. **$3.19**

WOMEN'S SHOES—Gives you choice of any tan or brown high shoe in the store for $3.19. Fine assortment; button or lace; come in brown, tan, champagne, etc.; light or heavy soles; regularly worth $3.50 to $5.00; special sale..... **$3.19**

WOMEN'S SHOE SPECIAL—One thousand pairs of white canvas oxfords, in two different styles; one is in a plain toe, with medium heel and light soles; the other is a Blucher cut, with tip. Any and all sizes, and very popular shoes, worth $1.75 pair, for..... **$1.39**

WOMEN'S SHOES—Divided into two parts—one part the patent leathers, and the other the dull leathers and suede-finish shoes. The patent leathers we sell are making a reputation for us—seldom has a pair come back or a complaint. The dull leathers include gunmetal calf, royal kid, vici kid and demi-patents.

WOMEN'S SHOES—Women's regular $3.00 Shoes, with several lines of regular $3.50 shoes added. Wide choice as to styles and leathers; light or heavy soles; patent or black leather; also tan leather or white canvas. Oxfords that sell from $3 to $3.50; special... **$2.69**

WOMEN'S SHOES—White Canvas Oxfords—a lot that runs in value to $3.50. Come with light or heavy soles, high or medium heels, and in Gibson, Grecian or blucher cut.

BECOMING REGULAR THING

ROBBER AGAIN AT WORK ON YOSEMITE ROAD.

Two Stages Stopped and Passengers Compelled to Yield Their Possessions to Lone Highwayman.

FRESNO, Cal., June 24.—A dispatch was received at Madera late this afternoon stating that two Yosemite stages were held up this afternoon between Crooms and Grub Gulch, 35 miles from Madera. The holdup is said to have been committed by the same man who held up the stage a few days ago, and who held up stages the two preceding seasons. No particulars were received.

A dispatch received from Berenda tonight stated that the lone highwayman who held up two of the Yosemite stages obtained $150 from the passengers. The two stages were trailing each other, and were both bound for the valley. The robber wore a white mask and had a new rifle. He appeared nervous, and it is not believed that he is the same man who held up the stages near Ahwanee a few days ago.

Voters Recount Measure.

NEW YORK, June 24.—Acting Mayor Patrick F. McGowan vetoed the supplementary recount bill late today. The bill now goes back to the Legislature, which will be asked to pass it over the veto.

THE DAY'S DEATH RECORD

Julius Jacobs, Assistant United States Treasurer.

SAN FRANCISCO, June 24.—Julius Jacobs, Subtreasurer of the United States at San Francisco, died suddenly this morning at his home. He had been in office 12 years.

WASHINGTON, June 24.—The Treasury Department today received a telegram announcing the death of Assistant United States Treasurer Jacobs at San Francisco. Treasurer Treat took direction of the office by wire and, pending his arrival in San Francisco, has designated Cashier Burnes to act as Assistant Treasurer.

TENEMENT FALLS DOWN

New York Building Collapses and Many Persons Killed.

NEW YORK, June 25.—A four-story building at the corner of La Fayette and Walker streets collapsed early this morning. The police announced that 18 people, members of Italian families, were in the building. Seven are known to have escaped, two have been rescued and nine are supposed to be still beneath the ruins.

Tachino, 19 years old, and his sister, Mamie, were taken from the ruins alive, but badly injured. The police fear that most of the nine persons still beneath the ruins are dead. It will be several hours before the work of rescue is completed.

Four persons are positively known to be dead. They are two infants whose bodies can be seen, and a man whose body is known to be in the debris. Another infant, still alive, has been located by its moans. Four members of the Tachino family, father and three young children, are thought to be dead in the ruins. Only one dead body, that of a man, has been recovered.

Keep your ears open! You may hear something to your advantage! If you hear a good old-fashioned, homey expression it may be just the business phrase for which we are offering $100!

CAPTURE 35 MOONSHINERS

Revenue Officers Destroy Illicit Stills in North Carolina.

ASHEVILLE, N. C., June 24.—The party of revenue officers who had a fight with moonshiners in Stokes County on Friday last, returned here today, having captured 35 moonshiners and destroyed 12 illicit stills.

Pulajanism Ended in Island.

MANILA, June 24.—Governor-General Smith has returned from a month's tour of inspection of the northern provinces. He declares that Pulajanism is ended on the islands of Samar and Leyte. He gives the entire credit for the solution of the difficult situation to Governor Curry, of Samar, and Governor Deveyra, of Leyte.

Jewelry, Diamonds, Cut Glass, Novelties, Optical Goods

And hundreds of other useful and beautiful articles in complete lines from the hands of the leading designers and manufacturers. Our stock is so varied and selected with such care that it contains everything worth while shown by the largest Eastern establishments. This is one of the many advantages found in trading where the stock is complete to the slightest detail.

A. & C. Feldenheimer.

Jewelers, Opticians and Diamond Importers.

Corner of Third and Washington Sts. Portland, Or.