



## GREAT MERGER IS PLANNED BY HILL

Great Northern to Own All of Burlington.

## NEW BOND ISSUE IS MEANS

Debt of Both Roads Funded, N. P. Interest Bought.

## EXTENSIONS TO BE MADE

By Authorizing \$600,000,000 in Bonds, Hill System Has Large Margin for Extensions—Northern Pacific Has New Ally.

**FIGURES ON THE MERGER.**  
Burlington—Mileage, 10,000; stocks, \$110,000,000; bonds, \$222,000,000.  
Great Northern—Mileage, 10,000; stocks, \$120,000,000; bonds, \$100,000,000.  
Total—Mileage, 17,000; stocks, \$230,000,000; bonds, \$322,000,000.  
Total capitalization—\$552,000,000.

CHICAGO, May 31.—(Special.)—One of the biggest railway mergers of recent years, involving the Great Northern and Chicago, Burlington & Quincy Railroads, a total of 17,000 miles of line, was reported as being in prospect yesterday. The report came as a result of an announcement by James J. Hill in St. Paul of the execution of a \$600,000,000 first and refunding mortgage covering the bond issues of the two roads.

Although President Darius Miller and other officials of the Burlington declined to confirm the report, the announcement is construed in many quarters as the first step in a plan which has been under discussion in railway circles for some time. It has been predicted that the Great Northern will take over the Northern Pacific's half interest in the joint control of the Burlington by the two companies.

### Status of Burlington Shown.

Ninety-seven per cent of the Burlington's capital stock, or \$105,813,000, was acquired jointly in 1901 by the Great Northern and Northern Pacific at \$100 a share and deposited with the Standard Trust Company of New York as collateral for an issue of \$100,000,000 4 per cent bonds, the \$25 and guaranteed jointly by the two companies.

Mr. Hill's statement declares that of the \$100,000,000, \$25,000,000 is to be used for refunding a like amount of outstanding obligations of the company, which would include the Great Northern's bond issue of \$100,000,000 and the Burlington issue also.

### N. P. and Northwestern to Join.

The rumor that the Great Northern proposed to take over the Northern Pacific's interest in the Burlington was ascribed in some quarters as the reason for spectacular rises of as much as eight points in the Northern Pacific stock in December and is also said to be connected with recent reports of negotiations between the Northwestern and Northern Pacific for through passenger car service to the Pacific Coast. The Northern Pacific's through train route between Chicago and St. Paul over the tracks of the Burlington.

C. W. Dunn, general counsel of the Northern Pacific at St. Paul, was in conference with President Miller and the Burlington attorneys during the day at Mr. Miller's office here and Howard Elliott, president of the Northern Pacific, was a visitor here on his return from New York on Saturday. Mr. Miller, however, declined to entertain the reports of a merger.

### Burlington Deal Pays.

The purchase of the Burlington by the two roads in 1901 actually paid for itself, as the Burlington stock was acquired at \$200 a share and exchanged for double the amount of collateral trust bonds paying 4 per cent, while the Burlington stock has paid 8 per cent. The bonds are subject to call at 105 and interest on any July 1 or January 1. In the transfer, \$1,574,135 out of a total of 1,198,381 shares were exchanged.

The statement of Mr. Hill announcing the bond issue follows:

"The Great Northern Railroad Company, as of date May 1, 1911, has executed its first and refunding mortgage, securing a total authorized issue of \$600,000,000 bonds.

"The size of the mortgage is explained by the fact that the outstanding obligations of the company, which are to be refunded amount approximately to \$230,000,000. Included, however, in the figures last named are the direct and contingent obligations of the company on the Burlington joint four, maturing in 1921 and aggregating \$222,000,000.

"Covering a future of 50 years, approximately \$270,000,000 in bonds therefore will be available for general corporate purposes, double-tracking and additional mileage. Since its beginning 32 years ago, the Great Northern has expended between \$250,000,000 and \$400,000,000 out of capital and earnings. The provision made for the future, in consideration of the rapidly-growing territory which Great Northern lines serve, would seem intelligently conservative.

"The railway company evidently has made ample financial provision to enable it to keep its facilities and extensions equal to all demands that a rap-

## STORM SCATTERS DEATH ON LAKES

FOUR KILLED AT CLEVELAND AND LORAIN; 2 AT PITTSBURG.

Boats Capsize and Occupants Perish—Girl Drops From Fright. Magnate Among Victims.

CLEVELAND, Ohio, May 31.—Four dead and 20 injured was the toll of the terrific wind and rain storm, which swept over Cleveland and vicinity today. Three lives were lost at Lorain. All of the dead were in rowboats which were capsized by a sudden wind which sprang up out of the calm.

The body of a woman, one of those drowned, was identified as that of Mrs. Ethel Early, who, with David and Thomas Longstreet, her brothers, were out on the lake in a rowboat. Two more empty rowboats were picked up by a tug.

Twenty bathers at Edgewater Park, who took shelter in the beachhouse, were buried when the roof fell. One man had both legs broken when a wagon was blown on him and another was struck by a piece of cornice, blown off an 11-story building. His skull was fractured.

PITTSBURG, Pa., May 31.—With the wind blowing 44 miles an hour and with rain that fell in torrents today, a storm swept over this section of the state, leaving death and destruction in its wake.

A young girl was whirled into the door of her home by the wind and fell dead from fright. George A. Martin, president of the Pittsburgh Tube Company, is lying in a hospital with a fractured skull, caused by a falling sign.

## O. C. RICHES IS DYING

Portland Man Victim of Tubercular Meningitis at Spokane.

SPOKANE, Wash., May 31.—(Special.)—O. C. Riches, of Portland, Acting Postoffice Inspector during the absence in Los Angeles of Inspector James O'Connell, lies in a dying condition at the home of E. J. Bowers, 1205 Thirteenth avenue. At his bedside are Mrs. Riches and daughter and a brother who arrived last night from Turner, Or. The other five children have been sent for and will arrive from Portland tonight.

Mr. Riches arrived in Spokane May 5 and was almost immediately stricken. Two weeks ago he took to his bed and has been sinking slowly. He has been unconscious for five days and is at the point of death, a victim of tubercular meningitis.

Mr. Riches is 40 years old and has been a postoffice inspector for ten years. He has been in the service for almost 20 years and holds an enviable record.

## PAINTINGS ARE LOANED

Press Club and Commercial Club Get Pictures From Louis Hill.

Louis W. Hill, president of the Great Northern Railway, has loaned five oil paintings of scenic points along the line of that road to Portland clubs and other institutions. Although the pictures are "loaned," it is understood that they will remain in their respective places indefinitely so long as they are well cared for.

Probably the most handsome painting is that given to the Portland Press Club. It pictures Lake McDonald, which is acknowledged to be one of the prettiest spots on the American continent. The Commercial Club, was similarly remembered by Mr. Hill. The others have been placed in the Oregon Hotel, the Portland Hotel, and the North Bank ticket office.

The pictures were carried on Mr. Hill's private car for some time and were left in Portland on his last visit.

## OFFICE HELD 35 YEARS

Postmaster at Glimmer Retains Job Longer Than Any in Washington.

HUSUM, Wash., June 1.—(Special.)—The town of Glimmer, six miles north, boasts of retaining its postmaster, George Glimmer, for 35 years, that being the longest continuous service of any postmaster in the State of Washington. The postal inspector on his occasional visits declares that the office is conducted in better shape than the majority of postoffices. White Salmon is said to be the oldest postoffice in the county, while Fulda comes second and Glimmer third.

## FRANZ JOSEF IMPROVES

Austro-Hungarian Emperor Entertains Premier at Luncheon.

GOEDDELOE, Hungary, May 31.—Emperor Franz Josef received in audience Count Khuen von Hederwary, the Hungarian premier, this afternoon and subsequently entertained the Hungarian statesman at luncheon.

The emperor, whose appearance belied the recent scares published concerning his health, will leave the royal palace tomorrow for the Austrian capital.

## GOTHAM NOT CONSIDERED

Mrs. Harriman Will Not Establish University in New York.

NEW YORK, May 31.—A report that Mrs. E. H. Harriman contemplated founding a university in New York City has gained widespread circulation.

Mrs. Harriman's office today gave out information that she never has had any idea of such an undertaking.

## HOME RULE LAW NIL IN DRY ZONE

Second Vote Needed Says Supreme Court.

## LOCAL OPTION PARAMOUNT

Decision in Joseph Case Is Affirmed at Salem.

## CITY AND COUNTY UNTIED

Justice Moore Holds That Town Councils Cannot Issue Licenses Until People at New Election Vote "Wet."

SALEM, Or., May 31.—(Special.)—Affirming Judge Knowles, of Wallawa County, in the case of the state against E. T. Schieler, appellant, the Supreme Court, in an opinion written by Justice Moore and concurred in specially by Justice Burnett, held that under the "Home Rule Amendment" an incorporated city or town cannot, without having a favorable election by legal voters, through its city council, pass an ordinance allowing the sale of liquor for beverage purposes when the county within which that city or town is located is "dry."

"Giving to each word of the amendment the importance to which it is entitled," writes Justice Moore, "it will be seen that while the legal voters of every city and town are authorized to license or prohibit the sale of intoxicating liquors therein, but such municipality shall within its limits be subject to the provisions of the local option law of the state; it is a limitation upon the power delegated, whereby it can be exercised only in the manner prescribed in the law referred to."

## Revolving Vote Required.

"We are of the opinion that an employment of the power conferred is subject to all of the consequences that may have resulted from an adoption of the local option law, so that an order of prohibition, made in the county as a whole, cannot be modified or vacated except by subsequent vote of the qualified electors of the incorporated city or town cast against prohibition at an election regularly called for that purpose in the municipality.

"No election of this kind having been held in the City of Joseph, the license issued to defendant is invalid and hence the judgment is affirmed."

In this case the City of Joseph issued a license to Mr. Schieler following an ordinance passed by the City Council purporting to be under the Home Rule amendment. The contention was raised that the Council had no power to pass such an ordinance until after the legal voters of the city had voted to allow

(Continued on Page 4.)

## INDEX TO TODAY'S NEWS

**The Weather.**  
YESTERDAY'S—Maximum temperature, 54 degrees; minimum, 36 degrees.  
TODAY'S—Increased cloudiness, followed by light showers; cooler; southwesterly winds.

**Foreign.**  
In tears, Diaz says good-bye to soldiers and to Mexico. Page 3.  
Paris correspondent tells how Portland Jeweler was robbed of \$2300 by confidence game. In Paris. Page 3.  
Paris correspondent tells how Portland Jeweler was robbed of \$2300. Page 4.

**Domestic.**  
Great merger is planned by Hill. Page 1.  
Dermatologist tells how Portland Jeweler was robbed of \$2300 by confidence game. In Paris. Page 3.  
Storm causes loss of life and much damage at Cleveland. Page 2.  
Associate Judge Harlan to celebrate 78th birthday today. Page 3.

**Sports.**  
Pacific Coast League results yesterday: Portland 3, Oakland 4; San Francisco 1, Los Angeles 1; Sacramento 2, Vernon 2. Page 5.  
Northwestern League results yesterday: Tacoma 3, Portland 1; Victoria 3, Seattle 3; Spokane 4, Vancouver 4. Page 5.  
Many women to compete in swimming championships. Page 5.

**Pacific Northwest.**  
Appropriations amounting to \$4,709,546.06, exclusive of two funds referred, passed by recent Oregon Legislature. Page 1.  
Lockley Hall, hotel at Seaside, is destroyed by fire. Page 6.  
Municipal League of Eugene gives banquet at which prominent speakers discuss interests of University of Oregon. Page 1.  
Southwest Washington Development Association convention to open at Chualar today. Page 5.

**State.**  
State Supreme Court holds home rule law is applicable in "dry" towns only when second election held in "wet" column. Page 1.  
Ex-Chief of Police Wapenstein is favored by witnesses for prosecution in opening of trial. Page 1.  
Vancouver Elks dedicate new \$65,000 home. Page 1.  
Gasoline launch in Port Orchard explodes, killing seven girls, all of party. Page 1.

**Commercial and Marine.**  
Hides market firm and prices advancing. Page 2.  
Close of May wheat deal at Chicago. Page 2.  
Tobacco stock drops 82 points on New York. Page 2.  
Portland leads all Puget Sound ports combined in wheat exports. Page 20.

**Portland and Vicinity.**  
Women of Woodcraft hold drill competition at Armory. Page 12.  
John C. Carson, oilman, pioneer, dies. Page 12.  
Mount Scott district to get Bull Run water today. Page 14.  
Specialists expect heavy vote in Portland campaign. Page 12.  
Six injured in explosion at Mount Scott. Page 12.  
Southern and Marlowe present "Romeo and Juliet" at the Regis. Page 12.  
Norman brothers sell their interest in Hotel Portland to Day brothers. Page 5.  
Industrial statistics for May show Portland's continued growth. Page 1.

## MILE LOPPED OFF OCEAN

Jap Steamer Makes 4212 Miles Where Globe Mark Is 4213.

TACOMA, May 31.—Arriving in Tacoma this morning on her maiden voyage and bringing the first shipment of the new tea crop, the steamer Canada Maru, of the Osaka Shosen Kaisha virtually won a race with the composite great circle by one mile and incidentally broke a record in trans-Pacific navigation that will probably stand for many years.

When Captain Hori made his computations en route from Victoria to Tacoma, he found, much to his surprise, that the distance traveled between Yokohama and Victoria had been 4212 miles, whereas the distance by the composite great circle would have been 4213 miles. The nearest any other steamer of the line have come was 22 miles.

## STATE WITNESSES FOR WAPPENSTEIN

Prosecution Puzzled by Turn of Case.

## VICE DISTRICT LAID TO GILL

Two Councilmen Also Blamed for Redlight Taxes.

## POLICE SERGEANTS CALLED

Both Testify Counting Seattle's Fallen Women for Superiors, One Saying List Was for Health Board's Use.

SEATTLE, Wash., May 31.—(Special.)—The prosecution of C. W. Wapenstein, ex-Chief of Police, was dumfounded today, their first witness testifying that Wapenstein was not responsible for the location of the vice district.

J. E. Crichton, City Health Commissioner, declared that Councilmen E. F. Blaine and Max Wardall gave the first word that Seattle's fallen women were to be examined and taxed.

That the state's attorneys were disconcerted was evinced by a hurried consultation and several recurrences to the same question in the hope of getting either a different or a qualifying answer. They were disappointed keenly in this, as well as in attempts to prove by Dr. Crichton and his secretary, A. B. Bramer, that Wapenstein, when Chief of Police, had a hand in establishing the lines of the restricted district. Both witnesses were positive that Mayor Gill had told them that he (the Mayor) had fixed the boundaries.

## Police Sergeants Called.

Wardall, referred to by Dr. Crichton, was Acting Mayor during the absence of Mayor Gill on a fishing trip to Alaska, and ordered the district closed and attempted to remove Wapenstein from his position at the head of the police department. Blaine, also mentioned by Dr. Crichton, was a member of the late Council investigating committee. Blaine was at the time the ranking member of the finance committee. Both are now rival leaders of the purity brigade in the City Council. A. A. Bramer, chief clerk and secretary of the City Health Department, gave the same testimony.

The first testimony connecting Wapenstein with the restricted district was brought out in the examination of Police Sergeant E. L. Hedges, who was placed in charge of the so-called district March 21, the day Wapenstein assumed his duties as Chief of Police.

## Intent to Segregate Told.

Hedges testified that the only disorderly house operating the night of March 21 in the King-street district was the Midway, the house that Wapenstein is charged with promoting.

(Continued on Page 2.)

## LAUNCH EXPLODES, 7 GIRLS RESCUED

MAN DIVES OFF 30-FOOT DOCK, SAVES ONE WHO JUMPED.

Helmsman on Port Orchard Craft Quells Six Panicky Young Women Who Hang to Wreck.

PORT ORCHARD, Wash., May 31.—(Special.)—Peter F. Norcey, Jr., and Gilbert McNeil, the former in charge of a gasoline launch, with seven young women as guests, the latter casually walking along the shore, became heroes and saved seven lives when the launch exploded early this evening.

Without any warning there was a deafening detonation which almost demolished the craft. That it did not kill some of the party is miraculous. The shock of the explosion, with its deafening noise, paralyzed the young women with fear and they collapsed. There was one exception. One of the passengers became hysterical for a few minutes, then sprang wildly into the water. This performance drove the other girls into a panic, but young Norcey managed to convince them that they would drown if they did not stick by the remnant of the vessel, meantime assuring them that the danger was over.

Gilbert McNeil chanced to be looking at the launch from ashore when it blew up. He stripped off his outer clothing quickly, made a run, sprang from the wharf in a 30-foot dive and swam 50 yards to where the young woman was managing to keep afloat. By a heroic effort he seized her and swam ashore without difficulty.

## JOHNSON BUYS 'GLAD RAGS'

Chicago Tailors Busy Making Coronation Wardrobe for Champion.

CHICAGO, May 31.—(Special.)—Chicago tailoring establishments will be pushed to their capacity this week. The reason is—Jack Johnson, the champion, unexpectedly and unheralded, arrived in town tonight to make final preparations for his trip to England, where he expects to join in the coronation festivities.

Naturally, he wishes to be properly attired, and has placed orders for 20 suits and a startling number of hats and caps of various styles and colors. On his last visit to Chicago the big fellow superintended the construction of an assortment of wearing apparel. Consequently, when he starts across the water his trunks will be burdened with at least 50 suits of clothing.

On his Eastern trip Johnson signed several theatrical contracts. He has completed arrangements for an automobile trip from New York to St. Louis via Chicago. He will appear at theaters in big towns along the route. His remuneration for this work will be \$1750 per week and 65 per cent of the theatrical receipts.

## HAMMOND QUILTS YALE

Rich Engineer Leaves Sheffield Faculty When Hutton Resigns.

NEW HAVEN, Conn., May 31.—(Special.)—Trouble in the faculty of Sheffield Scientific School, Yale, which recently resulted in the resignation of Professor Louis D. Hutton, has been followed by the withdrawal of John Hays Hammond from the faculty and consequent loss of his financial support.

Mr. Hammond gave the school his metallurgical laboratory, the largest of any American university and founded its school of mining. He was at the head for a time, but later brought about the appointment of Professor Hutton for that position.

Several weeks ago there arose a difference of opinion between Professor Hutton and Professor Russell H. Chittenden, director of the school, and Professor Hutton's resignation from Sheffield faculty was tendered and accepted.

Mr. Hammond has taken Professor Hutton's part and has finally followed Professor Hutton in severing all connection with the institution.

## BUTTER "BRANDS" FARCES

Product All Alike, Bought in Bulk and Then Given Different Labels.

KANSAS CITY, May 31.—It is useless for the consumer to tell the grocer to send a certain brand of butter and no other. Practically all the butter sold by the retailers is purchased in tubs in carload lots, taken to the place of business of the big distributors and there molded into packages and branded. Little of the butter distributed by any one company with a particular brand is manufactured by that company.

This was the testimony of Walter L. Grubb, a produce dealer, today before Judge A. F. Evans, special commissioner here in a suit to dissolve the Kansas City Fruit and Produce Exchange on the ground that it is an illegal combination.

## LINER BEACHED, ALL SAFE

C. P. Steamer Amur Hits Wrangle Narrows, Finds Haven.

VICTORIA, B. C., May 31.—The Canadian Pacific steamer Amur struck a rock on Wrangle Narrows late today. She floated off in a short time and was run ashore on a sandy beach at North-flat. There was no danger to passengers or crew.

The steamer Princess May, now on her way from Skagway from the south, will reach there tonight. The extent of the damage to the Amur is not known.

## BUILDING MAKES BIG GAIN IN MAY

Exports of Flour Also Break Record.

## BANK BALANCES INCREASE

Month's Statistics Show Continued Growth of City.

## GRAIN SHIPMENTS LARGE

Export of Flour and Cereals by Portland Larger Than Total of Any Month for Two Years and Exceeded Sound by 50 Per Cent.

Maintaining its position as one of the most prosperous cities in the United States, Portland advanced to first place in flour and grain shipments for the month of May and made a correspondingly strong showing in postal receipts, bank clearings and building permits. The flour and cereal export business was larger than the total of any month for two years and exceeded by 50 per cent the total from Puget Sound ports.

One of the surprising features of the month was the increase in the number of building permits over the totals for May last year. During the month just closed 677 permits were issued, for buildings costing a total of \$1,868,130, compared with 598 permits and a total of \$1,803,445 for May, 1910. The percentage for the month was increased largely with yesterday's volume of business, when 29 permits were issued for buildings of a total value of \$152,450.

## Building Record Noteworthy.

Taking into consideration the situation of the money market throughout the country and the general retrenchment of building operations, Portland's record is considered noteworthy. It is believed that no city in the United States will show as great a percentage of increase in building permits.

In postal receipts the gain was so marked that there remains no doubt as to the sustained and steady growth of the city. At the close of business Tuesday night the receipts for the month amounted to \$76,095.47. On account of the mailing of campaign literature yesterday, the receipts for the day were unusually large, amounting to approximately \$4000, making the total receipts for the month in round figures \$80,000. The receipts for the corresponding month of last year were \$68,850. The gain of more than 18 per cent is one of the largest increases in the history of the Postoffice.

## City Financially Sound.

Evidence of the sound financial situation in Portland is shown in the substantial increase in bank clearings for the month. At the close of business at noon yesterday, the totals for May reached \$4,518,677.47. In May, 1910, the totals were \$4,195,362.13. The increase is 7.5 per cent. Balances for the month were \$2,214,423.89, compared with \$4,707,440.84 for May of last year. The total for the five months of this year is \$22,739,839, as against \$20,654,694 for the same period in 1910, an increase of more than 13 per cent.

One of the noteworthy records for May was made in foreign cargo shipments of flour and cereals. The largest gain was made in flour shipments, 115,890 barrels having left this port, as compared with 114,547 barrels in May, 1910. Foreign lumber shipments showed little change, while coastwise shipping exceeded that for May of last year by a good margin.

## Real Estate Still Active.

Activity of the realty market was satisfactory, there having been more transfers than in May of last year, though the total was slightly smaller. The total valuations represented in the 1638 transfers amounted to \$2,641,950. For May of last year there were 1663 transfers and \$2,594,142 as the total valuations.

In addition to the healthy business and industrial conditions of Portland, a large amount of municipal improvement work is in progress in all parts of the city, including street paving, extension of sewer systems and park improvements.

## MRS. TOY TO GIVE BOND

Portland Chinese Woman Finds Australian Exclusion Law Strict.

SAN FRANCISCO, May 31.—(Special.)—An interesting passenger on the British steamer Maori, which left this morning for Australia and New Zealand, was Mrs. Lucy Toy, a Chinese woman, who makes her home in Portland, where she is a teacher.

Although Mrs. Toy has a perfect English education and considers herself a citizen of the States, she was compelled to put up a bond of \$1000 to guarantee that she did not intend to remain in the British colonies, where the Asiatic exclusion laws are very strict. Mrs. Toy will visit her brother in Sydney, who went to that country before the prohibition.

