

COURT AGREES TO "UNMERGING" PLAN

Federal Judges, by Unexpected Action, Make Dissolution of Railways Complete.

PLEA FOR DELAY UNHEARD

Provision Made That Union Pacific Shall Exchange \$38,000,000 of Its Holdings for Pennsylvania's Baltimore & Ohio Stock.

ST. PAUL, Minn., June 30.—Federal Judges Walter H. Sanborn, William T. Hook and Walter I. Smith, sitting as the District Court of the United States for the District of Utah, late today approved the plans agreed upon by Attorney-General McReynolds and Attorneys for the Union Pacific road, and the famous Union Pacific-Southern Pacific merger, known as the Harbortan combine, practically came to an end.

The decree signed today will become effective with its filing in the Federal Court at Salt Lake City, Utah, which probably will take place next Wednesday or Thursday. The suit was filed in that court in 1908.

The decision today came as a surprise. There was a brief hearing this morning at which the Government was represented by G. Carroll Todd, special assistant to the Attorney-General, and the Union Pacific by N. H. Loomis and H. W. Clarke. Then the court took the case under advisement. There was no hint that a decree would be given.

One Exception Taken.

Shortly before 4 o'clock Judge Sanborn presiding, called in the respective attorneys and announced that the court had decided to enter a final decree, approving the plan as presented by the Attorney-General and the Union Pacific counsel, with practically but one exception.

This was the naming of Louis C. Krauthor, of New York, as a commissioner of the court to see to it that the letter and spirit of the plan is carried out. The court also directed him to report to it from time to time.

In brief the plan, which had the approval of President Wilson, presented by the Attorney-General and the Union Pacific, provided that the Union Pacific shall exchange \$38,000,000 of its \$135,000,000 holdings in the Southern Pacific for the Pennsylvania Railroad's entire holdings in the Baltimore & Ohio—virtually an equal amount; that the remaining \$38,000,000 shall be sold to the general public through the Central Trust Company of New York; that no present stockholders in the Union Pacific should, as such, buy any of the Southern Pacific stock so sold; that the transaction should begin November 1, 1913, and if not complete by January 1, 1914, the court should direct the disposition of any Southern Pacific stock remaining unsold.

Court Refuses to Delay.

By the decision today, the court disregarded the desire of the attorney-general that final decision be withheld for the interposing of objections by interested parties, to which portion of the Attorney-General's plan, Mr. Loomis made objection at the hearing today as unfair to the road. The Attorney-General also had asked that the court make a decree of dissolution of the plan as to the American Tobacco Company case, calling the attention of interested parties that the stock of the company, but this also was overruled by the handing down of the decree by the court.

"We deem a decree of dissolution more necessary at the present time than any other action," said Judge Sanborn after announcing the decree.

The Government, however, in the plan presented today and approved by the court, expressly stipulates that should any illegal conditions arise from the exchange of stock, either under existing or future legislation or future interpretation by the courts of present statutes, the Government would have the right "freely to assail" the arrangement.

In presenting the plan to the court today Mr. Loomis said:

"The previous plans contemplated the completion of the dissolution in five years. By throwing restrictions about the use of the stock certificates, this plan will make it possible to complete the dissolution by January 1, 1914."

The suit of the Government to dissolve the Union Pacific-Southern Pacific was filed in the Federal District Court of Utah for the Eighth judicial district, now on the Supreme Bench, by Mr. Sanborn, St. Paul; William C. Hook, Leavenworth, and Elmer H. Adams, St. Louis, appointed an examiner to take testimony. Witnesses examined in all parts of the United States, the evidence was submitted to the Circuit Court, and in October, 1910, the case was argued in St. Paul.

On June 24, 1911, the Circuit Court handed down its decision. The majority of the court held that the case of the Government was not sustained, but Judge Hook filed a dissenting opinion, holding that the merger of the two railway systems was a violation of the Sherman law. The Government appealed the case to the Supreme Court from the decision of the Circuit Court, and in December, 1912, the Supreme Court handed down a decree reversing the lower court, upholding in the main the dissenting opinion of Judge Hook and sending the case back to the Federal Court for the District of Utah for an enforcement of the decree dissolving the merger.

Circuit Court Abolished.

Between the time of the filing of the original suit and the decree of the Supreme Court, Congress had abolished the Circuit Courts and assigned their jurisdiction to district courts, providing that the Circuit Judges, who constitute the Circuit Court, should sit also as District Judges. It is under this law that the Circuit Judge in this case, sat as the District Court of Utah.

After the first tentative plan of dissolution was presented to the court at St. Paul February 24, 1912, a number of modes of procedure providing for the separation of the interests of the two roads were suggested, to all of which there were objections. The principal point upon which the Government and railroad representatives were unable to agree was the disposal of Union Pacific holdings of Southern Pacific stock, amounting to \$126,000,000. In March, with the change of administration, Attorney-General McReynolds succeeded Attorney-General Wickersham in the case.

Extension Is Granted.

On April 21, 1913, representatives of the Union Pacific made application to Judges Sanborn, Hook and Smith at St. Paul for an extension of time within which to present a plan of dissolution. The judges recommended to the Supreme Court of the United States

PROMINENT ATTORNEY WHO BECOMES PRESIDENT OF PORTLAND RAILWAY, LIGHT & POWER COMPANY TODAY.



—Photo by Grove.
FRANKLIN T. GRIFFITH.

that such an extension be granted, and shortly after the Supreme Court did so, placing as a time limit July 1, 1913. On June 12, 1913, two plans for the dissolution of the roads were presented before Judge Sanborn, Hook and Smith at a hearing in St. Paul at which Attorney-General McReynolds appeared in person for the Government. Objections were made to the plans in part, but out of the suggestion made then that Southern Pacific stock be traded for Pennsylvania holdings of the Baltimore & Ohio came the plan today, agreed to both by the Attorney-General, attorneys for the railroad and finally by the Federal Court.

FAIRBANKS LAUDS NATION

(Continued From First Page.)

To President McKinley, characterizing his policy in the Spanish-American War, when he used all his power to bring about a peaceful adjustment, and his attitude toward the dependencies which came into our hands from that war, as typical of the highest qualities of Christian citizenship.

The precipitation of the Spanish-American war he attributed largely to an element which he said sought to bring about the appropriation of Cuba for commercial exploitation, and declared that this same element is responsible for the most of the war talk that arises from time to time.

During the latter part of Mr. Fairbanks' address considerable annoyance was caused by persons in the audience, most of whom were women, rising from their places and passing up the aisles of the grandstand. On the wooden floor of the big structure the sound of their moving about was magnified until it threatened at times to make it very difficult for others to hear.

Speaker Is Good-Natured.

Mr. Fairbanks took the interruptions good-naturedly and the disorder soon ceased, with the exception of a party of girls and several young men who rose and left the stand shortly before the close of his talk. The same difficulty was experienced in the afternoon session, and the Rev. H. C. Minton, who presided over the session, was twice during the afternoon obliged to remind groups of women and men in the aisles of the grandstand of the courtesies due the speakers.

Dr. John Lamond, who preceded Mr. Fairbanks on the evening programme, spoke of the public character of the Scotch people and the influence that they have had in the development of Christian civilization. He outlined the changes in conditions in Scotland during the past century and declared that he believed the application of the principles of Christianity to social and economic questions will afford a solution of many of the problems which his countrymen now find confronting them.

Chorus Work Magnificent.

At the opening of the programme, Professor W. H. Boyer, directed a conference chorus in a magnificent rendition of the "Hallelujah Chorus," from the "Messiah."

The attendance last night was the largest that has been gathered in the stadium thus far in the conference. The grandstand was well filled and the overflow of the crowd packed the seats in front of the grandstand and about the speakers' stand, while many others were standing on the outskirts of this "beach" crowd.

When the cargo of the Hamburg-American liner Saxonia is out she will be fumigated and then haul down from the North Bank dock to that of the Crown Flour Mill, later going to Albus dock, Montgomery dock No. 2, Oceanic dock and the plant of the Portland Flouring Mills Company.

Georgia must pay off \$3,670,000 in bonds in 1915.

GRIFFITH IN CHARGE

New Head of Great Corporation Takes Office.

ACQUAINTANCE HERE WIDE

B. S. Josselyn, Retiring President of Portland Railway, Light & Power Company, Recipient of Many Good Wishes.

CLUB TO GIVE LUNCHEON.

B. S. Josselyn and F. T. Griffith, successor of Mr. Josselyn in the Portland Railway, Light & Power Company, will be entertained with a complimentary luncheon at the Portland Commercial Club tomorrow noon. Reservations are to be made at the Commercial Club and friends of the guests and business men of the city will be invited to participate in the testimonial luncheon.

A new executive is in charge of the Portland Railway, Light & Power Company's affairs today.

He is Franklin T. Griffith, for many years attorney and vice-president of the company, who, a few months ago, was chosen to succeed B. S. Josselyn, who resigned as president.

Mr. Griffith has arranged in the last few weeks to assume the duties and responsibilities of the office now laid down by Mr. Josselyn and this morning will be prepared to take full and active charge. His long association with the company makes it possible for him to go into power without impairing the efficiency of the present organization.

Mr. Griffith is well known throughout the territory served by the Portland Railway, Light & Power Company. Previous to coming to Portland about 20 years ago he was located at Oregon City. It was there that he began his career as a lawyer. Soon after coming here he became associated with the local traction companies as attorney and in that way rose gradually until he became chief legal adviser for the present great public service institution.

Mr. Josselyn's retirement has been the occasion for much regret, both among his associates within the company, as well as among his many friends throughout the Northwest. Mr. Josselyn is personally popular wherever he is known. Many officers and employees of the company called upon him at his office in the Electric building yesterday to bid him farewell.

AGITATORS STILL BUSY

INVESTIGATION OF EAST SIDE PLANT TO BE MADE.

Superintendent of Factory Where Strike Is in Progress Makes Charges Against Police.

Repeated efforts of a gang of industrial workers of the World agitators to break up the operation of a packing plant at East Side and Blum streets, were reported yesterday, and complaints were made that women working in the factory are being intimidated by the agitators. There is no picketing by the striking girls, of whom about 50 walked out last week, without making any demands for increased wages, according to the management.

Meanwhile the Industrial Welfare Commission, at the request of the proprietors of the plant, is making an investigation of the pay and working conditions given the girls in the plant, and will make an early report.

CAUCUS AGREES ON INCOME TAX BILL

Clause Exempting Mutual Life Insurance Companies Is Stricken Out.

DEMOCRATS AVOID TANGLE

Lively Debate as to Amount of Levy on Persons With Families Threatens to Disrupt Party—Committee Report Taken.

WASHINGTON, June 30.—Democrats of the Senate in caucus tonight approved the income tax section of the tariff bill as revised by the majority members of the finance committee, voting, however, to strike out the amendment which would exempt mutual life insurance companies from the tax.

The action of the caucus came in the midst of lively debate which earlier had threatened to be prolonged, there being wide difference in opinions expressed as to the amount of the income exemption. As approved by the caucus, the Senate finance committee amendment stands, excepting income of \$2000 for single persons, with \$1000 additional for a married man or woman, with a taxable income of \$500 for each dependent minor child not to exceed two.

After many suggestions to extend the exemptions for dependents upon a family, the Democrats finally concluded that they were getting into deep water and agreed to the committee change, which reduced the normal exemption as proposed in the House bill from \$4000 to \$2000.

Action to Be Reconsidered.

The action of the caucus in striking out the mutual life insurance company amendment was agreed on just before adjournment and is to be reconsidered. In the House bill mutual life insurance companies were not exempted from terms of the income tax and vigorous protests were made by all the great mutual life insurance companies of the finance committee. It was finally agreed by the committee that mutual companies not conducted for profit should have been exempted from the tax, the earnings being applied for the benefit of policy holders.

Senator Pomerene tonight made the motion to strike out this amendment and it was carried by a vote of 13 to 11. Because the caucus was so slightly attended, members of the committee thought that the matters should be presented to the full Democratic membership and Senator Lewis, of Illinois, who had voted for the Pomerene motion, moved to reconsider the matter. It will be taken up again tomorrow.

Senator Simmons Elated.

Chairman Simmons of the finance committee was elated tonight over the quick action on the income tax section and he does not expect much trouble over the administrative feature of the bill, to be taken up tomorrow. This will complete the entire tariff bill with the exception of a few amendments which the committee has under consideration. The Senate will vote on the bill tomorrow night and that the bill will be reported to the House tomorrow.

Chamberlain Amendment Lost.

Before taking up the income tax, the caucus completed the free list with the exception of the provisions relating to paintings and works of art, which were referred back to the committee for further consideration. An amendment by Senator Chamberlain for countervailing duty on lumber was voted down by the caucus by a large majority.

Senator James Hamilton Lewis, of Illinois, submitted to the finance committee tonight an amendment proposing general countervailing duties in lieu of the single lump sum duties which were stricken from the Underwood bill by the finance committee. The amendment was suggested by the Illinois delegation and the committee has not yet considered it.

HOLMES WILL TEST COAL

Director of Federal Bureau of Mines Goes to Alaska.

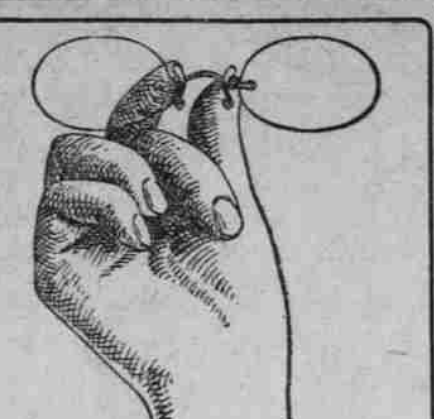
WASHINGTON, June 29.—Dr. Joseph A. Holmes, director of the Federal Bureau of Mines, left today for Seattle, Wash., to take personal charge of the expedition which is to sail from that city July 5 for Alaska to get 1000 tons of coal from the Matanuska field to be tested by the Navy.

The trip will be made on the steamer Admiral Sampson with 20 men, heavy and mining equipment under the direct charge of George W. Evans and John T. Ryan, mining engineers. Arriving at Kuliak in the south central part of Alaska, the party will proceed by pack trail 60 miles to Chickaloon in the vicinity of the coal field. It is expected that the desired quantity of coal will be obtained by Fall. It will be taken over the ice next winter to tide water and be given a thorough test on the cruiser Maryland, now in Alaskan waters.

Eight hundred tons of coal taken from the Bering River coal field a year ago is now at Sitka and will be taken to the Navy.

The Commission held a conference with about a dozen of the strikers yesterday, at which the girls said that their demand is for increased wages and shorter hours. They had been receiving 10 cents for picking the stems and grading about 40 pounds of cherries. They were able to earn from \$1 to \$2.50 a day of 10 hours at this work.

The superintendent of the plant declares that girls reported to him that policemen had not only encouraged the industrial workers of the World members to interfere with the girls who were working but had themselves tried to dissuade the girls from continuing their employment.



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be taken from the Bering River within the next two months. This coal also will be tested on the Maryland.

MORE TIME IS WANTED

HOUSE TO THINK OVER CURRENCY BILL FOR WEEK.

Speed of Legislative Machinery Slowed by Majority Members of Committee.

WASHINGTON, June 30.—The speed of the smoothly geared legislative machinery planned to rush the Administration currency bill through the House with dispatch was reduced today at a conference of the Democratic members of the House banking and currency committee. The majority members decided to allow themselves a week to think the bill over. They will meet again next Monday.

Meantime, Chairman Glass was authorized to select an expert to advise with the committee. H. Parker Willis, of New York, may be the expert.

Some Democratic members thought today a little more time for consideration of the bill would be advisable, but others evinced a willingness to vote at once.

"There is no disposition on the part of any member of the banking and currency committee to delay consideration of the bill," said Representative Wingo, of Arkansas, a new Democratic member of the committee.

On the Senate side, members of the banking and currency committee said they expected to begin work on the bill within two weeks, although no definite plans would be made until the House committee had begun consideration of the measure.

BULGARS ASSAIL GREEKS

(Continued From First Page.)

Arms immediately. This stage step has been taken in consequence of the Bulgarians attacking the Greeks along the whole line. Without formally declaring war, the Greek government has decided to address a vigorous protest to the Bulgarian government.

The Greek fleet was instructed today to sail forthwith to Tazegani, a small port near the Gulf of Saloniki. King Constantine of Greece started today for Saloniki.

Attack Opened in Night.

The Bulgarian troops opened their attack at 2 o'clock this morning on the Serbian advanced posts before Istip and a couple of hours later their artillery was brought into action.

The Bulgarians appeared intent upon seizing the railroad.

According to a later message the Bulgarians also attacked the Greek troops along their whole front. Large masses of troops participated in the fighting, which was of a very bloody nature.

Heavy fighting is reported in progress in Macedonia between Serbians and Bulgarians near Istip and between Greeks and Bulgarians near Dramat.

Bulgars Gain Strategic Point.

It is reported that the Bulgarians have occupied Guevghehli at the point of the bayonet. This is an important strategic position where the Greeks and Serbians lines join.

It is understood that Bulgarian strategy aims to hinder co-operation between the Greek and Serbian forces and to prevent Serbian communication with Saloniki.

A Saloniki dispatch says: "It is thought here that the Bulgarian

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R. M. GRAY

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policy was directed at gaining time to complete the concentration of forces and that a general attack commenced immediately this was achieved. Outpost affairs in the Panghalon district and on the river Glavo were under-estimated by the Bulgarians to secure important strategic and tactical positions.

"In accordance with instructions previously received, the Greeks, who were greatly outnumbered, fell back on the Struma River before the Bulgarian attack, and the whole Panghalon region, including the town of Elentari, has fallen into Bulgarian hands.

"Thirty-six thousand Bulgarians attacked Guevghehli at 5 o'clock in the morning and defeated the Serbians, thus cutting railroad communication, and it is reported that a strong Greek force is surrounded by Bulgarians and in a critical position at Nigrita.

Strike Riot Trial Begins.

PATERSON, N. J., June 30.—The second trial of an industrial workers of the World leader, charged with inciting to riot during the silk strike, was begun today when Elizabeth Gurley Flynn, indicted with Patrick Quinlan, William D. Haywood, Adolph Leisig and Carlo Tresca, faced a "foreign jury" drawn from citizens of another county. Quinlan has already been convicted and is awaiting sentence.

Forty-nine years as teacher in the public schools of Chicago is the record of Harriet N. Winchell.

Re-engagement
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HERBERT JOHNSON, Pianist
MISS VERHAGEN, Soprano
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The best leavening, by test, is Rumford Baking Powder. It raises the dough thoroughly and evenly—creates a fine, uniform texture, and, best of all, makes wholesome, digestible food.

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