

RECEIVERSHIP NOT APPROVED BY DIRECTORS

Rock Island Counsel Says Petition Was Presented Without Formal Action.

MARKET DEAL CHARGED

Lawyer Admits He Sold Own Stock While Proceeding Was Pending. Application Surprise Even to Members of Board.

WASHINGTON, June 4.—How the Chicago, Rock Island & Pacific Railway Company was sold into the hands of receivers six weeks ago was described today, when the Interstate Commerce Commission resumed its investigation of the road's financial troubles. The inquiry may be completed tomorrow.

Robert Walker, of counsel for the Rock Island, declared he prepared the petition presented to Judge Carpenter, of the Illinois Federal Court, asking that receivers be appointed, and also framed the answer by which the company consented, without formal action by the board of directors.

Publicity Is Avoided.

He said a receivership was the only way in which the property could be maintained and that the consent of the vice-president of the road to a receivership was as effective as that of the board of directors. By the method adopted, he added, publicity was avoided, which might have resulted in injurious proceedings if the board had acted formally.

For several hours Samuel Untermyer, counsel for the stockholders of the Rock Island, cross-examined Mr. Walker as to the authority upon which he acted. The witness explained that he consulted with William H. Moore, F. L. Hine and T. M. Schumacher, of the board of directors, and that they had assured him of the attitude of others on the board.

Sale of Stock Admitted.

Mr. Walker denied that was the purpose. "Did you ever hear of any more outrageous deal than this?" demanded Mr. Untermyer.

"You have overlooked the fact that four new directors were elected on April 12 and we thought it but fair to allow them a voice in meeting the situation," responded Mr. Walker.

"But you sold your own stock for \$35 about this time," suggested Mr. Untermyer.

Mr. Walker testified that he did. Under cross-examination as to those responsible for his position with the Rock Island, Mr. Walker said he regarded Messrs. Moore, Hine, Reid, "and others," as in control.

Director Taken by Surprise.

Two of the directors of the road, Arthur Curtis James, of the Phelps-Dodge interests, and Ogden Mills, were examined by the Commission. Mr. James said the first he knew of the proposed receivership was on April 19, the day before the receiver was appointed. On that day, he said, Mr. Schumacher went to his office and reported he had by accident learned at the Rock Island that a receivership was to be made for a receivership.

The witness told of a conference participated in by Mr. Schumacher, Mr. W. Emien Roosevelt and other directors to consider the course to pursue, at which after agreeing that a receivership should be made, he decided not to oppose the move.

"I was surprised at the application," he added, "and if I had been consulted, I would not have advised it."

FORD TO CUT BIG MELON

\$48,000,000 Dividend Declared and Capital Raised to \$100,000,000.

DETROIT, June 4.—The Ford Motor Company announced today it had increased its authorized capital stock from \$2,000,000 to \$100,000,000, and declared a dividend of \$48,000,000, payable July 1.

A cash dividend was declared on the original authorized stock of \$2,000,000, but the amount was not more than \$100,000. The stock dividend increases the holdings of Henry Ford, president of the company, by \$37,840,000. James Coussens, vice-president, receives \$5,000,000. The stock increase brings the issued capital stock of the concern to a valuation of \$50,000,000. The remaining \$50,000,000, it was announced, will remain in the company's treasury "to be used as conditions demand in the future."

TROOPS MOVE ON LEMBERG

(Continued From First Page.) German army under General Von Mackensen is likely to meet a check when it reaches the fortified Russian positions, which are partly composed of a chain of lakes extending north and south, about 15 miles west of Lemberg.

Daring Attacks Delivered.

Russian rear-guards are fighting delaying actions south of the Dniester River against the Austro-German forces advancing from Stry, to cover the passage of that river.

A series of daring attacks are also being launched against Von Mackensen's troops north of Przemysl, which still other Russian forces are exerting heavy pressure against the Austrians in the triangle between the Rivers San and Vistula.

The gain of the Austro-Germans in war materials captured with the fall of Przemysl is believed to be small, as the victors have not announced the amount of booty, while a Petrograd official dispatch says: "The following night our troops, pursuant to orders, evacuated the forts to the north and west of the positions surrounding the city and formed a more concentrated force to the east."

German Gains Are Costly.

"Attacks delivered by the enemy Monday between Przemysl and the Dniester were repulsed."

"In the regions beyond the Dniester the enemy, concentrating important forces in the town of Stry, succeeded in advancing on the Tisminitz-Stry front. They sustained great losses, however, leaving 10,000 prisoners in the course of our counter attacks."

"On the Switza-Lomnitsa front Monday, we pressed the enemy on the Bystrica and successfully repulsed his attacks."

All German and Austrian cities are reported to be celebrating the fall of Przemysl, the importance of which is not discounted in any quarters. The Russians declare they blew up such

forts as were of any use after the capture of the fortress from the Austrians several weeks ago.

Petrograd observers estimate that 145,000 men would have been necessary to hold Przemysl, and that the chances being that they would have been isolated and besieged. It would also have required 1500 heavy guns which the Russians were not able to provide for the one city.

The version of the fall from the Austro-Hungarian army headquarters follows:

Przemysl's recapture by Austrian and Bavarian troops, according to details received from the front, resulted from the capture of five forts in the northern sector and the simultaneous threatening of the forts on the south and west fronts.

"With the forts on the north side in the possession of the besiegers, with a Bavarian corps pressing impetuously through the breach against the city and with the Austrian tenth army corps with its storming distance of the southern and western forts, which artillery fire already had reduced sufficiently for attack, the Russians decided to evacuate the town and all forts except those on the eastern and southeastern sectors. This movement was executed by the Russians during Wednesday night."

"The Bavarians resumed their attack at dawn on Thursday and entered Przemysl upon the heels of the retreating Russians."

"The Austrian Tenth Army Corps simultaneously started the west and south fronts, but found the forts there had been evacuated. An attack now is in progress against the forts still held by the Russians, those positions being defended apparently with the object of covering the retirement of the Russians."

GERMAN SUPPLY LINE IS CUT

Russians Are on All Sides of Libau, Except Baltic Sea Coast.

LONDON, June 4.—Russian forces operating south of Libau have cut that city off from Memel, depriving the Germans of their base of supply, says a Reuter dispatch from Petrograd. At the same time the Russians took Poggen, on the Baltic in Courland, and the village of Rutzan, south of Libau. Another Russian force is approaching Libau from the north.

With this developed, the Germans have an outlet only to the sea.

SCHOOL CARNAVAL GIVEN

UNIQUE PERFORMANCE PRESENTED BY FRANKLIN HIGH STUDENTS.

Several Skits Put on and Booths Represent Different Countries—Motion Picture Show Acted.

The Dramatic Club of Franklin High School, under the direction of Miss Ruby Hammarstrom gave a carnival in the school building last night.

The program consisted of a variety of skits, the most interesting and delightful numbers of the programme was a playlet, "The Cake of Suspension," a farce.

There were numerous skits given at the different booths, which were most attractively decorated. The German skits were the most popular, and all dressed up as Dutch girls. In the Japanese booth ice cream and wafers were served.

The French club had a booth that contained a dizzy array of things favoring of the country which they represent.

An interesting feature was the one of the United States Postoffice, where parcel post packages were sent to the various students and guests.

The Girls' Athletic Association gave a picture show, "The Girl of the Year." A quaint and decidedly different skit was given by the Sorosis Club called an "A. B. C. play."

The Girls' Glee Club presented a picturesque Indian scene as they sat about in a circle and sang "Little Popoosa."

The program was completed by Helen Duxman and Eleanor Farmer, dressed as Yama-Yama girls, made the announcements.

WHEAT OUTLOOK IS GOOD

Milwaukee Official Reports Rapid Growth From Missouri to Cascades.

SEATTLE, Wash., June 4.—(Special.)—Crops from the Missouri River to the Cascade Mountains never looked better and the feeling among the farmers is of a record harvest, said H. E. Eakin, vice-president of the Milwaukee, on his return today from a trip to the eastern end of his territory.

"The growth has progressed to such an extent that the sun's heat cannot penetrate to the moisture in the Judith Basin, in Montana, wheat is three feet high and has started to head out. There is fully 35 to 20 per cent more wheat in the field than last year, and the development toward maturity is ahead of last season."

"In my opinion the only thing that can prevent a bumper yield in these districts is an insect pest, of which there is no sign as yet, or a prolonged drought, which is not likely. Storms are generally local and limited in extent. Altogether the outlook for the farmers from Missouri to the Cascades could not be brighter."

LINCOLN HIGH SING HELD

Boys' and Girls' Glee Clubs Join in Annual Entertainment.

The Girls' and Boys' Glee Clubs of the Lincoln High School last night gave their Annual Neighborhood Sing at the school auditorium. More than 630 people attended the entertainment which was under the direction of W. H. Boyer. The clever boy pianist who accompanied the Boys' Glee Club was the club president, William Spellman. Miss Jean Jacobs, another apt musician, was the leading accompanist.

One of the best numbers was "Recessus," an artistic violin solo by Miss Alice Green. The melody of old songs by the boys was lacking neither in humor nor melody, and Miss Faye Bailey's rendition of "Summer's Good-bye" called forth a burst of applause.

AIRCRAFT TO RIVAL SUBMARINE WAR

Secretary Daniels Tells Naval Cadets New Destructive Agency Is Looming.

BATTLE METHODS CHANGE

Marvelous Development of Undersea Craft Emphasized in Address to Graduates—Penrose Advocates Greater Navy.

ANNAPOLIS, Md., June 4.—Prediction that war air craft of the not distant future will be as fearful engines of destruction as the dreaded undersea craft was made by Secretary Daniels in addressing the graduating class of the Naval Academy today.

"In the European war," he said, "there have been no surprises, no startling victories, no crushing defeats that could be called decisive. Slaughter there has been unprecedented, but the character of battles that stamped an enemy by taking him unawares has passed away. The effectiveness of the flanking movement has been seriously impaired. Why? The soaring scouts carry messages from trench to trench, and the sudden alarms that result in the routing of mighty armies became ancient history when the modern engine and gasoline enabled man to conquer the regions of the air."

Submarine New World's Wonder.

Secretary Daniels spoke of the marvelous development of the submarine and added:

"Almost daily you are startled to read of the torpedoing of a mighty vessel by these small undersea athletes, the Secretary told the graduates. "The submarine's precision of aim, its deadliness of execution, its ability to do its deadly work and disappear in a moment, challenge the world's wonder."

"It seems only a few years ago that we were wondering if the submarine would become a really important part of the fleet. Today many are seriously debating whether our giant craft will continue to be the backbone of the squadrons that constitute a country's protection."

Faith of Congress Shown.

"The last Congress expressed its faith in the submarine by voting the money to build 26 new submarines, three of them to be seagoing of a size and power never before contemplated. What of the future of this newest naval arm? He would be a rash man who would in prophecy limit its possibilities."

A bigger and always well prepared Navy to insure this country's holding its proper place among the nations, was urged by United States Senator Penrose, of Pennsylvania, who addressed the graduates on behalf of Mrs. Clark's attorney, Thomas McCusker, to set aside the findings of the board of physicians and dismiss the case.

A board of three physicians had found Mrs. Clark insane. One of the three, however, dissented, saying he did not think she was insane, but that she was "in the borderland."

Judge Cleeton's order does not set aside the findings of the physicians, but is an order based on an opinion voiced by the judge, that "insanity is a matter of degree."

This order closes, for the present at least, a case which has attracted wide attention. Mrs. Clark was prominent socially and in the suffragist movements. Last year her husband, A. E. Clark, a prominent attorney, obtained a divorce from her. About the same time she was arrested for insanity. These charges subsequently were dismissed.

After several months, during which

IN GRADUATING CLASS

MINNIVILLE EXERCISES WILL BEGIN FRIDAY NIGHT.

Recital is First Number on College Programme; Wednesday, June 9, Will Be Commencement Day.

MINNIVILLE, Or., June 4.—(Special.)—The 25th commencement of Minniville College opened tonight with a recital at the Music Hall. Saturday will be devoted to a track meet, and the institutions participating in the evening of the graduating recital takes place.

The Sunday programme will consist of the address by Dr. Frank W. Padelord, secretary of the National Board of Education, and in the evening the baccalaureate sermon by Rev. Walter B. Hinson, of Portland. The programme continues to Wednesday, June 9.

The main features Monday are tennis finals, society luncheon, prize declamation contest, business meeting of the alumni association and a grand concert in the evening.

The trustees will hold an important meeting Tuesday and classes will have their popular luncheons. This is also the day for the senior class exercises on the campus and a prize oratorical contest. The day will close with an address by Rev. George Young, of Albany.

DEATH IN SEA DESCRIBED

WIDOW OF MILLIONAIRE LUSITANIA VICTIM WRITES.

Husband Dies Quickly, Mrs. A. C. Billicke Clinging to Floating Timber Several Hours.

LOS ANGELES, June 4.—How A. C. Billicke, millionaire Los Angeles hotelman, lost his life in the Lusitania disaster, was told by his widow, who was quoted in a letter written by a friend and received here today. Mrs. Billicke, who was named as one of the executors of her husband's \$2,000,000 estate, is now in New York.

"My husband and I were in our state-room when the first torpedo struck, the letter reads. "We rushed upon the deck. The boats were being lowered and we took our places in one. There were about 50 persons in the boat, and before it reached the water it shot down suddenly and plunged beneath the water, carrying us all with it."

"Mr. Billicke never came up. I fought my way to the surface. It seemed hours before I came up near a floating spar or piece of timber. Several men were clinging to it, and one helped me obtain a hold. Hours passed and with them one man after another muttered 'good-bye' and dropped into the water, until not one remained. But I believe I was possessed of superhuman strength, and held on for four hours until I was picked up."

State Provides for Family.

SALISBURY, Or., June 4.—(Special.)—The State Industrial Accident Commission today set aside \$7,112.24 for the widow and \$817.50 for the child of Antonius Bjorn, drowned at St. Helens, May 22. The money will be placed at interest and if the widow lives her expectancy of 25 years and 2 months she will receive \$14,327, and the child, if it lives until it is 16 years old, will receive \$1111.80.

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GUARDIAN IS ORDERED

JUDGE CLEETON MAKES RULING IN CASE OF MARCELLA CLARK.

Dismissal of Finding of Board of Physicians Denied, but Woman Is Not Adjudged Insane.

Mrs. Marcella Clark was not declared insane by County Judge Cleeton yesterday, but the judge found that her mentality was sufficiently impaired that a guardian should be appointed for her.

This decision was rendered by Judge Cleeton in ruling on the motion of Mrs. Clark's attorney, Thomas McCusker, to set aside the findings of the board of physicians and dismiss the case.

A board of three physicians had found Mrs. Clark insane. One of the three, however, dissented, saying he did not think she was insane, but that she was "in the borderland."

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After several months, during which

PLEA MADE TO UNIONS

LLOYD GEORGE URGES RELAXATION OF RULES DURING WAR.

Country, Says New Minister of Munitions, Demands That Every Citizen Shall Do His Best.

LIVERPOOL, June 4.—Continuing his campaign for the organization of the munition trades of the country and the speeding up of the output of shells and other war materials required by the army, David Lloyd George, the new Munitions Minister, addressed meetings here today of employers and workmen.

He urged on the workmen that for the duration of the war union regulations should be suspended, so that every available man and woman could be employed in the necessary work.

"If every trade unionist," Mr. Lloyd George told the workmen, "were brought back from the front, and if they worked to the utmost limit of human endurance, there would not be enough labor to produce what the government is asking to have produced during the next few months."

Mr. Lloyd George added that as government red tape had been cut, the trade unionists also must relax their rules. The country, he said, was demanding as a matter of right, and not as a matter of appeal, that every one of its citizens should do his best, and he did not believe that there was any

IGNATIUS SCHOOL CLOSES

The pupils of Ignatius School at 2426 East Forty-third street, South East Side, closed yesterday evening with their first academic exercises.

The students who received diplomas were: Misses Mary Munly, Frances McMahon and Kathleen Benoit. The parents and friends of the class attended the exercises.

Meeting Tonight on Frank Case.

A mass meeting called by the World Peace Association will be held tonight in Central Library Hall at 8 o'clock to consider resolutions asking for the commutation of the sentence of Leo M. Frank. A number of prominent speakers are to be heard.

Logs Topple, Kill Logger.

HILLSBORO, Or., June 4.—(Special.)—Andrew Olsen, a logger, was killed when a car of logs slipped and struck him as he was unloading at the Carnahan & Oakes mill, three miles from Banks, today. He was 24 and unmarried.

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