

FRANK CHARGES ARE FACED BY RAILROADS

Dividends Paid on Bonus Stock, Says Plumb.

LINES DECLARED RUN DOWN

Hundreds of Millions Advanced by Government to Place Them in Shape, Avers Witness.

WASHINGTON, Aug. 12.—The railroad brotherhood through their counsel, James E. Plumb, today laid before the house interstate commerce committee their charges of corruption in the management of the railroads under private control.

Eighteen representative railroads of the country, the brotherhood attorneys asserted, issued stock aggregating \$450,414,000 between 1900 and 1910 as bonuses and paid millions of dollars in dividends on these bonuses.

Through Probe Demanded. Coupled with the charges which came just before the house committee closed its hearings on organized labor's bill for elimination of private capital from railroad ownership was the demand by Mr. Plumb that congress make a thorough investigation of the matter.

There was no intimation as to what course the committee might take in regard to the request for investigation.

Chairman Esch indicated that to go into the charges would be like traveling over old ground, as they had been heard in the committee before.

Success Not Expected Now. A. B. Garretson, former head of the Order of Railway Conductors, declared with utmost frankness that if a vote were taken today the country probably would reject organized labor's plan.

With the filing of Plumb's charges the committee concluded hearings on his plan for public ownership and employee control.

Specifically, Mr. Plumb charged that the Chicago, Burlington & Quincy, the Chicago, Milwaukee & St. Paul, the Chicago & North Western, the Great Northern, the Illinois Central and the Southern Pacific railroads gave away in bonuses to their stockholders, that \$50,000,000 during the 10-year period mentioned, and that the actual dividend disbursements on this excess capital for the year 1912 alone amounted to more than \$11,900,000.

He also alleged that the Pennsylvania, Baltimore & Ohio, New York, New Haven & Hartford, New York Central & Hudson River railroad; Boston & Maine and the Delaware & Hudson company "issued no stock for \$1,000,000 less than its market value, or gave away this enormous amount in bonuses to stockholders," and that "the dividends paid on these bonuses for the year 1912 alone amounted to over \$4,217,000."

Charges Previously Probed. Chairman Esch said after the statement that some of the charges had been covered in previous investigations. He did not indicate whether the committee would ask authority to make an investigation.

Plumb's statement to the committee embraced 11 separate charges. The first was that the nearly completed survey of the entire transportation system contained in the reports of the valuation division of the interstate commerce commission showed that the actual cost of reproduction now was but 50 per cent of the aggregate property investment accounts of the railroads.

Another charge was that the cost of reproduction now approximated in amount the investment account as stated to the commission by the carrier. It would be found in most instances that this approximation was because vast surplus earnings had been expended on or ploughed into the property in such way that the actual cash investment, including the surplus earnings, has brought the level of cost of reproduction new up to the property investment account.

Payrolls Declared Swollen. Investigation of a recent statement by President Underwood of the Erie railroad that payroll expenses of the railroad had been increased under federal control to build up a political machine, would show, Plumb said, that if there had been wastefulness in mounting payrolls, "it had been at the instance of railway managements to make the expense account under government control appear extravagant and wasteful."

Plumb also charged that when the roads were taken over by the government they were in such deplorable condition as to maintenance and repairs that it had required "hundreds of millions of dollars advanced by the government to place them in effective operating condition."

Another charge was that in making the expenditures the railroads "operated and controlled by men under the influence of Wall street directorates" spent vast sums in unusual expenditures for maintenance and supplies to place the properties in perfect operating condition against the time of their return to private ownership.

congress the right to exact returns from the public." A. B. Garretson, former head of the Order of Railway Conductors, told the house interstate commerce committee today that operating officials in charge of railroads during government control were actuated by the one desire of demonstrating that government ownership was not best for the country.

Exactly the same operating force that built up a great surplus before the war created this big deficit, Garretson said.

Faithful Service Expected. "When the railroad official prays he turns his face to Wall Street," said he, "but once in a while he turns to serve the old masters in the past."

Discussing the Plumb plan for the tripartite control of the railroads, Mr. Garretson said that the government capital account, while the other plans submitted to congress added to it until the grandchildren of the present generation would stagger under the load.

The board of directors, under the Plumb plan, Mr. Garretson said, would be the court of record in determining wages, but the right of employees to strike would not be abridged.

But he explained, the employees would be the owners in the enterprise. If the wage board which would hear wage disputes refused to grant increases it would pledge a large percentage of employees to refuse it. So if a body of employees went on strike, they would find a large employee element who felt their own rights had been invaded and injured and who would stick.

It will be a long time before you eliminate strife from industry,"

TWO VACANCIES LIKELY MEMBERS OF HIGHWAY BOARD MAY RESIGN SOON.

Mr. Thompson has also let it be known that he expects to resign. Several months ago he gave out the statement that he intended to leave Pendleton about the first of next year to make his home in Portland.

While no prospective successors to Mr. Thompson and Mr. Booth have appeared at the capital, several men prominently connected with Oregon's road campaign have been mentioned as possible aspirants.

Because of the governor's previous practice of giving all sections of Oregon recognition on state boards it is believed that Mr. Thompson's successor will come from eastern Oregon. Among the men mentioned in connection with the position are James H. Stewart of Fossil, member of the last legislature and an active worker for good roads; William Polman, Baker banker and Justice of the Peace; and J. W. Simpson of Marshfield. Several other eastern Oregon men are said to have their eyes on the job, but have not yet made their candidacy known.

Governor Olcott has refrained from giving any intimation as to whom he believed the case Mr. Thompson and Mr. Booth resign.

BUILDING CONTRACT LET

STRUCTURE FOR WOMEN AT EUGENE IS ORDERED.

Fund of \$100,000 Immediately Available for Gymnasium and Physical Center.

EUGENE, Or., Aug. 12.—(Special.)—The building committee of the board of regents of the University of Oregon today gave the contract for the construction of the new women's building to W. O. Heckart of Eugene, whose bid for the skeleton of the structure was \$192,000, with an option to erect the work plus 5 per cent. The work of construction will begin the first of next week.

The new building, which is being constructed at a total cost of \$200,000, will probably be finished by next spring. The contract to start the construction, the state will match \$50,000, which has been subscribed by friends of the institution. This will be at the immediate disposal of the state \$100,000 for the work.

The new building is to be placed on the university campus just behind the administration building, will house the woman's physical training department and will be a center for women's activities. The building will be equipped with thoroughly modern conveniences in the way of a gymnasium, swimming pool, shower bath, private lavatories and rest rooms.

Members of the building committee who received the two bids offered yesterday, one from Mr. Heckart of Eugene and the other from F. C. Strickland of Portland, are: George T. Gerlinger, A. C. Dixon, L. N. Johnson and Ellis F. Lawrence.

State Superintendent Returns.

SALEM, Or., Aug. 12.—(Special.)—J. A. Churchill, state superintendent of public instruction, returned from Oregon City, where he passed a couple of days attending the summer school at Clackamas county. He also enjoyed a few days' hunting in that vicinity.

H. M. F. green stamps for cash. Holman Fuel Co., Main 252, A. 3252. Blockwood, short slabwood, Rock Springs and Utah coal; sawdust.—Adv.

THE BATTLE CREEK

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Offers three distinct and separate courses in Home Economics. The first course is in Dietetics, which is the most practical course in connection with the theories of dietetics. The second course is in Home Management, which is a course in the practical application of the theories of home management. The third course is in Sewing, which is a course in the practical application of the theories of sewing.

EDITORS FIND CRATER LAKE INDESCRIBABLE

Words Inadequate, Say Visitors, Viewing Wonder.

SOUTHERN OREGON IS HOST

Association Party Taken to Lake by Autos and Entertained—Trip Memorable One for All.

(Continued From First Page.)

These were reflected in deeper blue upon the surface. During the afternoon many of the visitors followed the trail down to the edge of the lake while others made the climb to Garfield peak, which towers over the lake from the east. Governor Olcott and President Hardy of the editorial association, with their wives, took a boat ride to Wizard island.

The dinner last night at Ashland was served upon the lawn of beautiful Lithia park, the guests rivaling in beauty that of Friday evening, when the editors had an open-air dinner at Lathrop park in the guests of Portland. Home products entirely were served and Ashland chicken, jam and jelly and fruit were featured.

"ORDER OF CRATER" FORECAST Organization, With Editors as Charter Members, Projected.

CRATER LAKE, Or., Aug. 12.—(Special.)—"The Order of the Crater" was forecast yesterday when editors from all over the state gathered at Crater Lake as guests of Medford, Ashland and Grants Pass. The organization will probably be perfected with editors from 26 states as charter members. Only persons initiated at the lake and Grants Pass. The organization will probably be perfected with editors from 26 states as charter members.

On the way up to the lake half of the cars had followed the Medford-Crater lake highway and the other half had gone by way of Ashland over the Dead Indian road skirting the Klamath valley.

On the return the route was just reversed, so that each of the visitors was taken over new territory. The round trip registered 176 miles on the speedometers. The trip from Portland was replete with interesting incidents, and many of the editors have expressed their intentions of writing full accounts of this portion of their north-west excursion for their respective publications.

Motorman Leaps Out; Agent Steps Car on Downtown Street.

Miss Crystal Aube, 193 Laurelhurst avenue, was burned on the right hand last night when a street car in which she was riding caught fire at Third and Yamhill streets. The motorman, on the car, whose name Portland Railway, Light & Power company officials decided to give out, jumped from the car and ran down the street toward the river. Patrick Maher, special agent for the street car company, said he had been stopped it before it had been detailed.

FIRE ON CAR HURTS WOMAN

The fire was caused by blowout of a fuse. Miss Aube, who is 28 years old, went to St. Vincent's hospital. Her injuries were not serious and she went home later. The fire started as the car was turning from Third to Yamhill street. Had the car not been stopped it might have left the track at the turn at Second and Yamhill streets.

BROWNSVILLE MAN DIES

William Bowers Visits Many States in Search of Health.

BROWNSVILLE, Or., Aug. 12.—(Special.)—Funeral services were held here Sunday for William Bowers, who died at Cherokee, Ia., while on a visit. Mr. Bowers came here from Kansas about ten years ago and had been farming since that time on his place south of Brownsville. A few years ago his health began to fail, and he began to seek health in many states and climates.

Marion County Veterans Elect.

SALEM, Or., Aug. 12.—(Special.)—The Marion County Veterans' association held its annual picnic at Silverton Sunday. Charles Lisle of Salem was elected president. Mrs. Gourlin of Silverton vice-president, Conrad Terwilliger of Salem secretary. Mrs. Cobb of Silverton treasurer and Mrs. Maud Hicks of Woodburn marshal.

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waitresses of the hotel to stay up all night to get them ready.

Secretary Steel of the Medford Commercial club, the man who rediscovered Crater lake about 25 years ago and who spent two years in Washington and finally secured action by which the lake and region surrounding it became a national park, was in default in his efforts and each member of the committee of Southern Oregon citizens carried out his part of the program in the way that was reflected in the universal success of the tour.

On the return from Crater lake today Governor and Mrs. Olcott, Mr. and Mrs. H. A. White of Wilmington, Del., Chairman W. J. Hofmann of the Oregonian entertainment committee for the editors and their wives and Sheldon of Medford were entertained for a short time at Pelican Bay lodge by Herbert Fleischacker, Portland and California capitalists. The lodge is passed in making the trip from the lake to Ashland, the grand old Indian road. The party was taken on the bay on the Fleischacker in his steam launch.

The dinner last night at Ashland was served upon the lawn of beautiful Lithia park, the guests rivaling in beauty that of Friday evening, when the editors had an open-air dinner at Lathrop park in the guests of Portland. Home products entirely were served and Ashland chicken, jam and jelly and fruit were featured.

The women's civic improvement club of Medford served the dinner, with Mrs. C. B. Lamkin in charge, assisted by Mrs. L. H. Humphreys of Portland.

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DANIELS SAILS FOR HONOLULU TODAY

Family With Secretary on Battleship New York.

4 DESTROYERS IN ESCORT

Return to California Scheduled for September in Time for Review by President.

LOS ANGELES, Aug. 12.—Secretary of the Navy Daniels and his official party went aboard the battleship New York tonight, preparatory to the departure of the battleship tomorrow at 10 o'clock A. M. for Honolulu, where the secretary and his associates will participate in the formal opening of the naval base at Pearl Harbor.

Accompanying the secretary were Mrs. Daniels, their two sons, Rear-Admirals McKean, McCormick and Parks, and Commanders Foote and Hillon, aides to Secretary Daniels.

The destroyers Chauncey, Dent, Waters and Philip will escort the New York.

Return Set for September. The battleship and escort will return to California in September, in time to be present when President Wilson reviews the Pacific fleet at San Francisco.

The Pacific fleet today will begin a process of temporary separation. Secretary Daniels, Admiral Rodman and Rear Admiral Jayne today inspected Los Angeles harbor with a view to formulating recommendations for future improvements to Oregon and navy needs. Later, the party boarded the Texas to see Miss Mary Pickford present at the opening of the George Washington pennant, awarded it for having sold the most bonds in the Victory loan drive. Mayor Snyder, the harbor commission, and Congressman H. Z. Osborne accompanied the secretary and the navy officers on their harbor inspection tour.

Men Taken For Auto Ride. Officers and men today were entertained again with a luncheon and athletic programme at Exposition park, and a street dance for enlisted men tonight.

The battleships Nebraska and Montana and the cruiser Seattle joined the fleet last night. The Idaho was reported en route along the South American coast.

SAN FRANCISCO, Aug. 12.—The prince of Wales will be unable to stand by the side of President Wilson on the deck of the battleship Oregon and review the Pacific fleet as it steams into San Francisco bay, Mayor Rolph was advised by the British embassy today. A direct invitation had been extended to the prince, but according to the embassy, he will be unable to come on account of eastern engagements.

The mayor's office announced that the efforts to have the prince review the fleet here will be continued.

LOS ANGELES PROMISED BASE

Secretary of Navy Would Expend \$5,000,000 on Station.

LOS ANGELES, Cal., Aug. 12.—Secretary Daniels, after an inspection of Los Angeles harbor here today, announced that he would recommend to congress that the government make a minimum expenditure of \$5,000,000 to create a naval base here, provided the city would donate and present to the navy department approximately 50 acres of land adjoining the present naval base site of 156 acres on the outer harbor.

Mayor Meredith P. Snyder and other city officials who had accompanied the secretary on his inspection tour announced that the city would meet the condition, and would immediately take steps to acquire the needed property.

Secretary Daniels said he wanted the additional land to allow for expansion.

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Advertisement for Ethel Clayton in 'MEN WOMEN AND MONEY'. Includes a portrait of Ethel Clayton and the Columbia logo.

Advertisement for Standard's Tax \$28.71. Includes text about gasoline and tax.

Advertisement for The Brunswick record player. Includes an image of the record player and text describing its features.