

BE Sure to Read the WANT ADS and DISPLAY ADS in Today's Journal.

The weather—Showers, warmer tonight; Sunday showers and cooler.

Oregon Journal

Journal Circulation

Yesterday Was 27,981

VOL. VI. NO. 188.

PORTLAND, OREGON, SATURDAY EVENING, SEPTEMBER 14, 1907.—TWO SECTIONS—EIGHTEEN PAGES. PRICE TWO CENTS.

ON TRAINS AND NEWS STANDS, FIVE CENTS

VALIDITY OF INITIATIVE AND REFERENDUM TO BE TESTED BY THE TELEPHONE COMPANY

SUIT FILED BY TRUST WILL DECIDE CONSTITUTIONALITY OF THE ACT

OBJECTS TO SPECIAL TAX

Assessment on Gross Earnings Under Act Proves Thorn in Side of Corporation—United States Supreme Court to Decide.

The Oregon initiative and referendum amendment to the state constitution, the primary law and every law contrary to the constitution of the United States are null and void and will be so held as if the charges made by the Telephone & Telegraph company were upheld by the courts. The suit on the initiative amendment was filed by the telephone company in the circuit court this morning, and at the same time the way was paved for an appeal to the supreme court of the United States, where the validity of the initiative and referendum in Oregon finally will be determined.

Questions as to the constitutionality of the act have been raised in the circuit court by the Telephone & Telegraph company to compel the telephone company to pay \$9,500.00 as 2 per cent on their gross earnings under the initiative by the people in June, 1906.

Alleges Act is Invalid. The Telephone & Telegraph company filed an answer to the suit in the circuit court, alleging that the act levying the tax is invalid because it was initiated and the referendum amendment violates eight sections of the constitution of the United States and the fourteenth amendment of the constitution of the United States.

Monday or Tuesday of next week will probably be the date of filing of the report of Receiver T. C. Devlin upon the condition of the Oregon Savings and Trust company. No intimation has been secured from the bank as to what the report will indicate, but there is reason to believe that under the disadvantages that are the usual rule of liquidations and receiverships the bank ultimately will not pay depositors more than 60 cents on the dollar.

When the question of the probable amount of money to be realized by the depositors was put squarely to Receiver Devlin today, he said: "I have at no time said to a depositor that any specific amount would be realized. I have not said the bank would pay 100 per cent nor 20 per cent. The bank will simply pay whatever there is here to pay. At first things looked somewhat different from what they do now. It was impossible at the start to obtain any accurate idea as to so large a business, which had been running two or three years. We are working as hard as we can upon the receiver's report, and it may be ready next Monday. While the bank may have been solvent the day it suspended, the delays and difficulties in the way of a settlement by receivership are so great that it is said to be next to impossible to realize full value on assets. The feat has been accomplished by other banks but not often.

SOME OF THE EXCUSES OFFERED FOR FILING THE SUIT.

- These are the grounds on which it is alleged that the federal constitution is violated by initiative and referendum law.
- Deprives legislature of power to consent to purchase by congress of places in Oregon for arsenals and forts. Art. I, Sec. II.
- Deprives legislature of power to prescribe time, place and manner of electing senators and representatives to congress. Art. I, Sec. IV.
- Deprives legislature of power to direct manner in which state shall appoint electors for president. Art. II, Sec. I.
- Deprives legislature of power to consent to junction of Oregon with other states or parts of states. Art. IV, Sec. III.
- Deprives legislature of power to apply to United States for protection from domestic violence. Art. IV, Sec. IV.
- Deprives legislature of power to apply to congress for conventions to propose amendments to federal constitution; and of power to ratify constitutional amendments. Art. V.
- Deprives legislature of right to choose senators to congress. Art. I, Sec. III.
- Violates rights, privileges and immunities granted corporations. Amendment XIV, Sec. I.
- Is unrepugnant, and violative of a republican form of government. Art. IV, Sec. IV.

MAY SETTLE FOR SIXTY CENTS ON THE DOLLAR

Oregon Savings and Trust Company Will Probably Be Able to Pay This Sum to Depositors—Receiver's Report Is Expected Monday.

Monday or Tuesday of next week will probably be the date of filing of the report of Receiver T. C. Devlin upon the condition of the Oregon Savings and Trust company. No intimation has been secured from the bank as to what the report will indicate, but there is reason to believe that under the disadvantages that are the usual rule of liquidations and receiverships the bank ultimately will not pay depositors more than 60 cents on the dollar.

ADAPTS SESSION MAY BE STORMY

Americans Opposed to Mrs. Besant's Faith in Spirit World Masters.

Chicago, Sept. 14.—Opposition to Mrs. Annie Besant of Adyar, India, world president of the Theosophical Society of the World, is already taking shape here, and before the convention of "adepts" is brought to a close it is believed that many stormy sessions will disturb the Universal Brotherhood.

TWO CENTS IS SUM DEMANDED IN SUIT AGAINST VANCOUVER

Vancouver, B. C., Sept. 14.—James Dick, a well-known clubman, will sue the city for two cents. When he paid his taxes a few days ago the cents column of his bill ended in the figure "2," and paying 5 cents he asked for 2 cents in change. The clerk informed him that 5 cents was the lowest legal tender in Canada, and there was no change coming. He will make a test case of it in the courts.

CITY MUST HAVE MORE TEACHERS

Portland Schools Crowded With 2,000 More Pupils Than Last Year—Conditions Require That Faculties Be Greatly Increased.

Assembly Halls Will Have to Be Utilized to Accommodate Overflow—Half Day Sessions Will Be in Vogue at Arleta School.

That there will be an increase of from 1,500 to 2,000 pupils in the city schools this year, and that from 30 to 40 more teachers will have to be employed before Christmas is firmly believed by the school authorities.

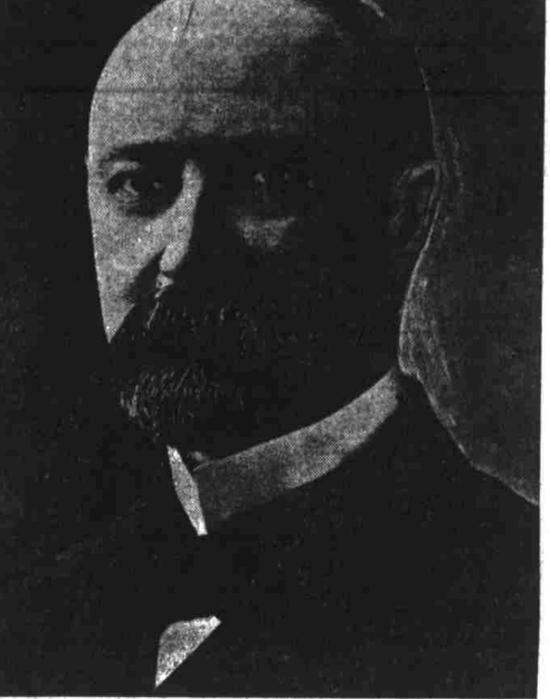
Never in the history of the Portland school system has so great an increase over a preceding year been so apparent. While the present staff of 520 teachers was elected to take care of a reasonable increase, that force will be wholly inadequate when the new buildings are turned over to the district between the first of October and Christmas.

Superintendent Robinson of the Multnomah county schools stated this morning that with few exceptions all of the county districts would resume work Monday morning.

Every school in the district is supplied with teachers. The two high schools outside of Portland have splendid prospects for a good year. St. Johns is employing three teachers in the advanced course and Graham has two teachers.

PROSPERITY WILL BE NEXT CAMPAIGN ISSUE

Fairbanks Declares That the Interests of Labor Are Greater Than Those of Capital and That Roosevelt Cannot Be Censured.



VICE-PRESIDENT FAIRBANKS, WHO SAYS THAT "PROSPERITY" WILL BE THE KEYNOTE OF THE COMING PRESIDENTIAL CAMPAIGN.

Indianapolis, Ind., Sept. 14.—Vice-President Fairbanks, in an interview here today, said that prosperity will be the paramount issue of the next campaign.

"There is always enough 'hard times' to go around," he said. "The man is dull indeed who believes that the waking up of the people to their rights and wrongs can be smothered. The public officials, from the president down should keep in touch with the great mass of people. The highest interests of the American people are the common interests, and we must keep up or down together. The interests of labor in the making of our welfare are greater than that of capital. No one can rightfully reproach President Roosevelt for his prompt enforcement of the laws."

NEW ORLEANS IS AMERICA READY TIED BY STRIKE TO REPEL JAPS

Dockworkers Refuse to Handle Cotton—Galveston Longshoremen Win.

New Orleans, Sept. 14.—The port of New Orleans is effectively tied up by the strike of the longshoremen. The unions flatly refuse to meet the commercial exchanges. As a result, an investigation of cotton hauling in other gulf ports will be made and there is every probability that the entire system in vogue will be changed so as to pay the laborers so much per bale instead of by the hour.

BLOODY GANG FOUND IN LISBON SUBURBS

Desperadoes Are Captured in Miniature Catacombs After Battle.

Lisbon, Sept. 14.—The discovery and roundup of a gang of desperadoes in the miniature catacombs in the suburbs has revealed eight partly decomposed bodies and heaps of human bones believed to be the remains of mysteriously disappeared victims. A dozen men were arrested after a pitched battle with the police.

MRS. EARLE IS FOND OF "AFFINITY"

Cast-Off Wife of Artist Is Greeted at Boulogne by Handsome Brother—Says Husband Should Be Proud of Miss Kuttner.

French Woman Feels No Pain Over Separation and Is Surprised at Notoriety Caused by Her Actions—Is Not Jealous.

Boulogne, sur Mer, Sept. 14.—Mrs. Emilie Earle, whose husband, Ferdinand Flinney Earle, the New York artist, cast her off for his "affinity," Julia Kuttner, with her 2-year-old son Harold, has arrived in Boulogne.

Lieutenant Fishbacher of the French navy came up from Paris to meet his sister. She greeted him with a bright smile and waved the tiny hand of the fair, round-faced baby in her arms to the handsome, well-dressed Frenchman, who had come to take the deserted wife back to her father's home in Paris.

"When Ferdinand and I decided that our paths must separate," she said, "I never dreamed that it would create so much excitement and interest all over the world. It was the very thing to do. We could see no other way out of what had become a miserable situation. It was an unhappy, if not painful, realization that we could no longer live together, and we parted."

"CLEAN" BOXING OR NONE AT ALL

San Francisco Supervisors Not Opposed to Game If There Be No Fakes.

San Francisco, Sept. 14.—The action of the police committee of the board of supervisors in refusing to recommend the application for an October fight permit has caused something of a flurry among fight promoters. The question that naturally has arisen is whether the members of Mayor Taylor's board are planning to shut down on the boxing game entirely.

PRINCE CHAVADSE IS VICTIM OF ASSASSIN

Tiflis, Sept. 14.—Prince Chavadse of the council of the empire has been assassinated in the Buznisi district. The Princess Chavadse was wounded at the same time.

Princess August of Coburg Passes Away. Coburg, Sept. 14.—Princess August of Coburg died here today.

KE NOTICE OF THIS GREAT FOR READERS.

Journal's Sunday Magazine. Tomorrow will contain: Story of the Pan-American and Its Promoters. Hubbard's Experience at Moon's Training School. Science Is Saving the Babies. Fighting Relic of the Siege of Osburg. Etc. Its Many Uses and How It is Manufactured. Does it Possess Intelligence? Winning the World's Greatest Stakes by Charity. Romances of Royalty—an interesting story of a noble's love adventures. Sports, Society, Drama. Don't forget Maud, Happy and The Journal's Best Comic Supplement in the West.

Sunday Morning Oregon Journal