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INITIATIVE AND REFERENDUM LAW IS UPHOLD

TELEPHONE COMPANY MUST TAKE CASE TO STATE SUPREME COURT

Presumption Is Will Have to Go to Highest Tribunal in Land Judging By Former Decision in Like Contentions in Oregon: Opinion by Cleland.

Oregon and the initiative and referendum law has won the first round in the fight being made by the Pacific States Telephone & Telegraph company, and the Sunset Telephone company, to declare the constitutional amendment permitting the initiative invalid and contrary to the constitution of the United States.

Notice of appeal was given and the case will be taken to the supreme court at Salem as soon as possible. From there it will be taken to the United States supreme court, it being assumed, in view of former decisions by the Oregon court, that the ruling will be for the state and against the company.

Judge Cleland's decision this morning upholds the initiative and referendum laws of the state in so far as the ruling of the circuit court can, and gives a judgment against the company which in effect would require the company to pay the gross earnings tax of \$10,450.95, for the collection of which the suit was begun.

The suit at issue is perhaps the most important and far-reaching in its possible effects than any which has been brought in the state for some years. Should the United States court sustain the contentions of the defendant company, the initiative and referendum law, the primary law and all legislation which has been passed by the initiative since the enactment of the law, which may be enacted up to the date of the supreme court decision.

The suit was brought by the state to enforce the payment of a gross earnings tax of \$10,450.95 taxed against the Pacific States telephone company under the provisions of the gross earnings tax law which was enacted through the initiative.

HARRIMAN TRIES TO KILL COMPETITION TO FRISCO

Independent steamers are cutting so deeply into the passenger traffic of the Harriman San Francisco liners that the big company has concluded to strike back at them. With this object in view an order was issued by Manager Scherwin Saturday night to give the public cheaper passenger rates between Portland and San Francisco.

Intermediate on the lines Rose City and Senator, which heretofore has cost \$15, can be had for \$19 commencing with the sailing of the Rose City this week. Cabins on the upper deck will be \$15 as before but stateroom rates have been cut in half so that instead of \$15 the price is now \$5, which includes meals.

The new rate is considerably lower than the rail rate and from \$2.50 to \$3 lower than the rate charged on the steam schooners, tickets on the latter being \$3 steerage and \$10 first-class. The rail rate to San Francisco is \$15 second-class and \$20 first-class, with \$2.50 and \$5 additional for sleeping accommodations.

Loop, R. D. Inman, Johan Poulsen and others, all of them engaged in the wheat and lumber trade between Portland and San Francisco or southern ports. Each of these craft has capacity for from 20 to 40 passengers, and often they have come filled to the extent of their accommodations.

The engineers' strike threw a few of them temporarily out of commission, but an early settlement of this trouble is anticipated and then the independent boats, as the steam schooners are generally known, will return to the route in full force.

The Rose City arrived at Astoria at 9 o'clock this morning and will be at Astoria dock at 6:30 this evening. On her two previous visits she reached the mouth of the river Monday evening and since Thursday is her sailing date, it is possible that the new rate will be made effective even on her next voyage. The Rose City and Elder operate between Portland and San Pedro but enjoy a large San Francisco passenger traffic, where they stop both coming and going.

Chamberlain Is In Poor Health



Joseph Chamberlain, the famous English statesman, has started for the Riviera in the hope of regaining his health. Mr. Chamberlain has been a sick man for a long time, but recently has begun to show improvement. This picture is from a recent photo of the former colonial secretary.

The state demurred to the answer, holding that the initiative and referendum law did not contravene the constitution of the United States. It also argued that the question of whether a state government was republican in form was a political rather than a judicial question and did not come under the jurisdiction of the courts. It was also further argued that if the question

(Continued on Page Two.)

DOUBIE'S INTEREST IN BILL

Owns 560 Acres of Land Near Holbrook Purchased From Oregon & California Railroad Company for \$4 per Acre.

First Belief Was That Senator Favored Fulton's Measure, Now He Is Less Than Lukewarm—Reason Explained.

Jonathan Bourne Jr., United States senator for Oregon, has a personal interest in the fate of Senator Fulton's resolution authorizing the department of justice to begin suits to determine the title of lands held by present owners under purchase from the Oregon & California land grant. He is the owner of 560 acres of land near Holbrook in Multnomah county purchased from the Oregon & California Railroad company May 8, 1893, for which land he paid a total of \$2,240 or \$4 per acre.

Intimations that have come from Washington recently led to the belief that while Senator Bourne at the first was a supporter of the Fulton resolution, now he is less than lukewarm in his favorable attitude towards the piece of legislation. The question is now being asked whether or not the senator's ownership of 560 acres of grant land in Multnomah county does not have something to do with his apparent change of heart.

Senator Fulton's resolution is for the purpose of giving the department of justice authority to start suits against the Harriman interests, especially in Oregon, to determine whether or not the titles to land sold by them out of the grants given by the government should not be set aside. Because of the record on the resolution in charge, however, that it is not the intention of the department to attack the titles of those known or proven to be bona fide purchasers.

It is further contended by Senator Fulton's resolution that the railroad company has violated its agreement with the government under which it was to sell the grant land to homestead applicants at the uniform rate of \$2.50 an acre, but has sold some of the lands for sums far in excess of this amount and that it now refuses to sell to homestead applicants. Because of the department of justice to begin suits to adjudicate the titles to these sales that have been made.

(Continued on Page Two.)

MRS. LLOYD OSBORNE SAYS MRS. ROBERT LOUIS STEVENSON HAS TRIED TO STIR BIG FAMILY ROW

EXIT AT WEST SIDE HIGH NOT CLOSED BY BLACKBOARD



Investigation of the placing of the fire escapes on the West Side High school reveals the fact that it was never intended that there should be a direct exit to a fire escape from the tier of rooms, one of which is occupied by Miss Downs as a classroom, said I. N. Fleischner, member of the building committee of the school board.

When this discussion about the high school fire escapes came up I asked Chief Campbell to make an investigation of the conditions and report them to me. The chief detailed Battalion Chief Young to make the investigation, and he reported to me that the blackboards in Miss Downs' room and in the two rooms underneath it on the first and second floors did not close up an exit to fire escape.

MINISTERS SCORE INDECENT PICTURES

That the public waiting-room of the Oregon Water Power Railway company at First and Alder streets has become little better than a cheap show house, and that it is an outrage to decency and civilization was the verdict of the Baptist ministers this morning. However, they were not quite prepared to pass the strong resolution of public censure that had been drawn up by Rev. E. A. Smith of the Arista church, censuring the company in general and the officials in particular.

The resolution was worded without mincing words, and some of the more conservative were disinclined to make a wholesale sweeping denunciation and to censure officials who might not be thoroughly censurable till a closer investigation was made. The resolution was placed in the hands of a committee, Mr. Smith of Arista, Mr. Haycock of Lents and Mr. Lapham of the Second Baptist church, for report next week.

Mr. Smith told of what might be seen at the waiting-room for a penny and what might be heard, and in fact, had to be heard by outsiders for nothing, because they could not shut out the sounds, once a machine with a ribald song was set going. He said suburban residents who were ordered to wait there fairly had to hold their noses to keep out the indecency. A few days ago after a protest on the part of some of the more conservative, a police raid was made on the place, but Mr. Smith said they took out only two of the most objectionable machines and left the large number to corrupt the minds of children and to nauseate women who were forced to listen.

Mr. Haycock of Lents told of bringing his family into town and taking them there to wait. He said he had seen and supposed I could safely take my wife and two boys in there out of the morning cold, he said, "but I had no sooner stepped inside when I hurried them right out again. I could detect no difference in the confusion of noise and I would not let them remain."

Novelist's Wife Hurries to Oregon and Takes Refuge at the Dosch Home Near This City

Tells Story of Fear That an Attempt Will Be Made to Kidnap Her Two Young Sons

Fearing that either or both her sons will be kidnaped by Mrs. Robert Louis Stevenson, Mrs. Lloyd Osborne, wife of the well-known writer and stepson of the famous novelist, has left her San Francisco home and with her boys is staying quietly at the country residence of Colonel H. E. Dosch at Hillsdale, six miles south of Portland.

Mrs. Osborne declares that her mother-in-law has attempted in every way she could think of to force her to seek a divorce from Mr. Osborne. At last, hearing that Mrs. Stevenson might attempt to kidnap one of her grandsons and use him as a club to force her into asking for the divorce, she came to Portland hoping to remain quietly at the Dosch home, safely out of reach of her husband's mother.

Allan Osborne, the elder of the two sons of the writer, has been staying at the Dosch place for some weeks in the care of Colonel and Mrs. Dosch. Mrs. Osborne and her younger son, Louis, have been in New York and went out to Hillsdale immediately after reaching Portland from the east yesterday morning.

While in New York Mrs. Osborne held a conference with her lawyers and discovered that the allowance which she has been given by Mr. Osborne since their separation five years ago, and which suddenly stopped last winter, had been purposely withheld by Attorney Beshota in New York, acting upon orders received from Mrs. Stevenson.

"I came to Hillsdale hoping to hide from Mrs. Stevenson," said Mrs. Osborne. "I have feared that she would attempt to kidnap the children from our San Francisco home and Hillsdale seemed to be the quietest and safest spot for us. If Mrs. Stevenson could gain possession of one of the boys she knows she could compel me to seek a divorce from my husband and the price of regaining him. That is what I am trying to avoid."

"I wish to make a dignified denial of the statements that I am seeking a divorce or attempting to locate my husband so that I can secure service upon him," said Mrs. Osborne. "Mr. Osborne is at present in New York and we are good friends. As my friends know, the

(Continued on Page Four.)

REUTERDAHL NOT ONLY MUCKRAKER

Ex-Chief Engineer Stevens of Panama Canal Now Wields Hammer.

New Haven, Conn., March 9.—Probably the worst black eye the Panama canal project has yet received from expert or political enemy was handed it today, when John C. F. Stevens, former chief engineer of the big ditch, came out with an interview branding the entire work as a mistake and a mismanaged fiasco. Various explanations have been offered for Engineer Stevens' resignation from the position he formerly held. "At best, the project will have but a comparatively small commercial value," declares Stevens, "and this value will be by no means commensurate with the serious cost. The United States government will sink millions in that narrow strip of land, for which it will never adequately return the passage of a squadron through that strip."

NEW TROUBLE FOR VENEZUELA

United States May Embroil Castro by Publishing His Letters.

Washington, March 9.—A new diplomatic complication between the United States and Venezuela is predicted as the correspondence touching on the treatment of American investors in Venezuela. The publicity is demanded in a resolution introduced by Senator Lodge. According to reports the Venezuelan government has acted with its usual high-handed fashion in dealing with a number of big American interests in the country and the latter have been for a long time coerced into silence, and prevented from appealing to the United States government under fear of falling to get assistance or redress and consequently being in an even more unpleasant position with the Castro government.

PART OF FLEET TO COME TO PORTLAND

Washington, March 9.—Senator Bourne conferred today with the president, who said that as many ships as conditions will permit will be sent to Portland during the Rose Carnival. How many ships is not designated, but the navy department will be consulted immediately.

WIRELESS FLASHED FROM FLEET TO PENSACOLA, FLA.

Washington, D. C., March 9.—Rear Admiral Evans' 16 battleships will arrive at Magdalena bay on March 12, three days ahead of schedule time. This wireless message, flashed through the air from the fleet was received at Pensacola, Florida, from Norman Rose, correspondent of the United Press, with the fleet. The message added that the fleet was in excellent condition and making extraordinarily fast time. The president and officials of the navy are greatly pleased over the receipt of the contents of Norman Rose's message, which is the first word the administration has heard from the fleet since it left Callao. It has preceded Admiral Evans' message to the navy department. Considering the distance the message was transmitted and the fact that mountain ranges intervene between Pensacola and the fleet's location, the work is considered a remarkable demonstration.

(Special Dispatch to The Journal.) Vancouver, Wash., March 9.—With the arrest of Harry Grindrod, 19 years old, and his brother Edward, 16 years old, Saturday by Sheriff Sappington, one of the worst gangs of juvenile criminals that ever operated in this county has been broken up. Both boys are from Ridgefield, where the gang has held out all winter. The charge against the boys is petty larceny. While they are the only ones arrested, the sheriff has several others under surveillance and will make further arrests if any more such robberies take place. The Grindrod boys were picked up while robbing Sam Funkhauser's boat-house. They have been placed in the county jail and will probably be committed to the reform school. Harry, the older of the two, recently served six months in the Colorado reform school. The gang of which Harry Grindrod is said to have been the leader committed all sorts of crimes in and about Ridgefield. Among the articles stolen were clothing, tools, tobacco, eatables, household furniture and, in fact, anything they could get.

LEADERS OF BOY THIEVES CAUGHT

Grindrods Headed Juvenile Gang That Never Overlooked Anything.