

# RAILROAD AND OIL HOLDINGS SEPARATED

New Policy of Southern Pacific Company Is Announced

HOLDERS FAVORED

Readjustment Made Known After Returns of Mr. Sproule From East

SAN FRANCISCO, Dec. 3.—William Sproule, president of the Southern Pacific company, returned to San Francisco today after an absence in the east of 30 days or more. Coincident with his return announcement was made from the New York offices

of the company that the directors have decided upon a plan for separating the oil properties controlled by the company from the Southern Pacific railroad properties pursuant to a declaration by the board of directors about a month ago that they had approved the principle of separating these properties and called upon the executive committee of the company to submit a plan.

**Oil Interest Dropped.**  
Commenting on this plan President Sproule said:

"It is in the nature of a distribution to Southern Pacific stockholders of the oil properties that are now controlled by the Southern Pacific interests. After the plan takes effect the Southern Pacific company will cease to be interested in the oil business except as a purchaser of oil for fuel on the one hand and as a common carrier of oil on the other hand. In taking this action, the company is simply responsive to the spirit of the times and the plan puts the properties in the possession of the stockholders as individuals, each stockholder being given the right to acquire a share in the oil properties to the

same extent that he has a share in the railroad property.

"It will be observed that the new oil company will be known as the Pacific Oil company. It will include the oil lands of the Southern Pacific Land company as stated in the announcement, and so much of the shares of the Associated Oil company as the Southern Pacific now holds. The Associated Oil company, however, and its subsidiary companies are separate entities regardless of whether the Southern Pacific retains its stock or divests itself of its stock as now announced. The plan is intended to inure to the benefit of Southern Pacific stockholders and will place the majority stock of the Associated Oil company in very strong hands for the purposes of the oil producing and refining business in which that company is engaged.

**New York is Headquarters.**

"The headquarters of the Pacific Oil company will be in New York and the board of directors, as announced by Mr. Kruttchnitt, is composed of men of the highest reputation and responsibility, so that although the properties referred to pass into

new and separate hands, the new organization starts out under high auspices with operating machinery ready for work. The new and permanent head of the Pacific Oil company is not yet designated."

In a separate statement to the stockholders and holders of 5 per cent convertible bonds of the Southern Pacific company, Comptroller A. D. McDonald said:

**Bondholders' Rights Explained.**  
"The capital stock of the new company is fixed at 3,500,000 shares to correspond as nearly as may be to the total number of shares of Southern Pacific company stock outstanding, together with shares reserved for conversion of the company's 5 per cent convertible bonds, and the holders of these bonds in order to avail themselves of the right to purchase stock of the new company must exchange their bonds for Southern Pacific company stock on or before January 14, 1921."

Warrants will be issued to each stockholder as soon as possible after the closing of the books on January 14, 1921. Specifying the amount of stock in the new company which the stockholder is entitled to purchase on the back of these warrants will be two forms. In case it is desired to purchase stock the first form is to be filled out and signed by the stockholder or by his assigns and returned on or before March 1, 1921, to the treasurer of the Southern Pacific company, A. K. Vandeventer, 165 Broadway, New York, accompanied by a cashier's draft or certified check payable to the order of the Southern Pacific company in New York for the full amount payable in cash.

**Further Requirements Named.**  
"If it is desired to dispose of the privilege of purchasing stock the second form on the back of the warrant, which is an assignment, is to be filled out and signed by the stockholder.

"Where a warrant authorizes the purchase of two or more shares of stock of the new company a stockholder who may wish to purchase a portion of the stock covered by the warrant and dispose of the remainder or who may wish to dispose of a portion of the stock covered by the warrant to one person and the remainder to another, must, on or before February 24, 1921, return the warrant to the treasurer to specify in writing the number of shares desired in exchange, the amount of stock to be covered by each and the name or names in which to be issued."

"On surrender of the warrants and payment of the full purchase price on or before March 1, 1921, the treasurer will deliver or forward to the holders the amount of stock of the new company purchased. All warrants not returned to the treasurer of the company on or before March 1, 1921 (accompanied by a cashier's draft or certified check as herein provided) will be void and of no value, and the privilege of purchasing stock of the new company evidenced thereby will cease. No exercise of such privilege of purchase or assignment thereof will be recognized unless made on the forms of the company."

"No holder of stock of the Southern Pacific company will be entitled to any of the stock of the new company unless the terms of purchase herein specified are fully complied with."

been his crucifixion in the years since his coming back. I realized something else—the innate modesty of the man. In his mind was no thought of the columns of admiration of his bravery and ability—his morbid sensitiveness had jumped to the conclusion that it was only the old story of his college disgrace, the cruel, veiled allusions to his missing years that I must have read.

My pulse completely forsook me at his question. For a long, embarrassed moment there was silence. Then knowing there was no use in evasion, I stammered forth a frank answer.

"Ye-es, I was," and then gaining fluency with the admission—"My memory must have been impaired by the shock of my experience, or I should have known that you must be the Captain Grantland whose bravery in France I have read so much about."

It was as awkward, as banal as the veriest schoolgirl's effort at saving a situation might be, but to my astonishment it succeeded, at least as far as dis-

embarrassing moment there was silence. Then knowing there was no use in evasion, I stammered forth a frank answer.

## REVELATIONS OF A WIFE

The Story of a Honeymoon

A Wonderful Romance of Married Life Wonderfully Told by ADELE GARRISON

CHAPTER 765  
MEMORY REVEALS TO MADGE CAPTAIN GRANTLAND'S STORY.

I believe my experience at the inn, my wound and my resultant stay in the hospital must have temporarily affected the powers of memory upon which I've always prided myself—although, indeed, no jot of credit should be long to me, all should be given to my little mother's training. For had I been in ordinary fettle the name, Hugh Grantland would have recalled to my mind the history of the man as it had been blazoned to the world through the columns of the Sunday newspapers.

Hugh Grantland, millionaire, holding a high position in railway circles, had, in the beginning of the world war, thrown aside his position and responsibilities as if they were so many glass baubles, and had gone to France, there to enlist in the Foreign Legion. Tales of his bravery had come back by the dozen. He had won the Croix de Guerre and every other decoration worth having; he had had more hair-breadth escapes than any of his comrades, which was a marvelous distinction of itself in that company of daredevils.

And through it all he had preserved the reticence, the aloofness which had always made him an object of interesting speculation to the public served by the journalists, many of whom turned a thrifty penny in accounts, partly truth, partly guesswork of his career before and since his entrance into the army.

**Missing Years.**  
For there had been a number of missing years in Hugh Grantland's life, years in which he had been lost to the cultured and wealthy circles of society into which he had been born. He had been expelled from his college for some escapade about which there had been dark whispers, always cautiously revived in cleverly veiled allusion wherever an account of him appeared, and immediately afterward he had disappeared, "shipped off by his father," the wisecracks said.

From that time until a quiet youth bearing his name began work as an ordinary laborer upon a small southern railroad, nothing had been heard of him. His mother had died of a broken heart; his father, implacable, never allowed his name to be spoken even after the son's phenomenal rise from his lowly position to that of one of the highest places in the gift of a large railroad. A second wife reigned in the mansion the boy called home—I knew now the reason for the bitterness in Hugh Grantland's voice when he had spoken of the "poor devils with no home to speak of."

There had been much speculation concerning the missing years, but no one had ever known the truth concerning them. From the time he left college to the time he began work as a laborer he might as well have been buried for any record concerning him ever available to the inquisitive delvers into his past.

Embarrassing silence. No wonder the "other Mrs. Graham" had spoken of him as "The Captain Grantland." There were few other personalities in the land which so appealed to popular imagination as did this man's.

"Well?" The monosyllable, with the questioning inflection, brought me back with a start from the realm of reminiscent conjecture in which I'd been wandering. I was glad the "moonlight" was so faint. Otherwise Captain Grantland must have seen the burning flush that spread over my face, and I didn't care to have him guess the nature of my thoughts.

But I had not counted upon the swift intuition of the man beside me.

"Just remembering what you've read about me in our kindly newspapers?" he asked, and there was such bitterness in his tone that I realized what must have

been his crucifixion in the years since his coming back. I realized something else—the innate modesty of the man. In his mind was no thought of the columns of admiration of his bravery and ability—his morbid sensitiveness had jumped to the conclusion that it was only the old story of his college disgrace, the cruel, veiled allusions to his missing years that I must have read.

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It was as awkward, as banal as the veriest schoolgirl's effort at saving a situation might be, but to my astonishment it succeeded, at least as far as dis-

verting his mind from thoughts of his disgrace. I heard a little, quick, indrawn breath, and his voice when he spoke held no bitterness, only surprise, almost horrified deprecation.

**Hospital Association Vacating McKinley School**

The Salem Hospital association is making preparations to vacate the McKinley school building, and before the first of the year will move into temporary quarters in the small building on the site of the proposed new hospital. The partitions are now being removed from the McKinley school building to place it in readiness for school purposes. On the grounds at the end of Center street, to which the hospital will be moved, it was necessary to lay a plank roadway. Just how many

beds will be possible when the new quarters is arranged is not yet determined. There are tentative plans to arrange a "racks" building to accommodate additional beds.

**YOUR RHEUMATISM**  
Remove Its Cause by Purifying Your Blood.

One of the most important duties of your system is to keep up certain substances to keep of use in your body. One is acid, now generally held to be the cause of rheumatism. It is claimed the joints, stiffen, muscles, causes pains, aches, and lameness. The system is helped in the case of this troublesome condition, and rheumatism is managedly relieved, by Sarsaparilla, (the one true blood purifier). It is also in cases of rheumatism, which in small doses are a gentle laxative in larger doses an active purgative. A grand course of Sarsaparilla, economical and effective.

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### A Few Xmas Specials

Blue Bordered Lunch Cloths, 48x48. Reg. value \$2.25. Now only.....	\$1	English cut Dress Shoes for men. Were \$12.00. Now at.....	\$5.98
One Dozen Napkins to match. Also.....	\$1	A very stylish Dress Shoe for your boy, at only.....	\$2.98
Japanese Embroidered Kimonas. Up from.....	\$1.98	The girls all like our Dress Shoes. You will, too, because the price is only.....	\$2.98
Bathrobes for Ladies and Men. In very beautiful colors.....	\$5.98	For the Ladies, we are specializing in a \$14.00 Shoe for.....	\$6.98
Bathrobes for Children. Very appropriate for a gift. Only.....	\$2.98	See for yourself if that is not so.	
Black, Navy and Brown; heavy grade, soft finish Satin, Silk back. Regular value the yard, \$3. Now, at only.....	\$1.65	A \$4.50 Heavy Cotton Fleece Blanket 66x80, in plain colors and plaids.....	\$2.95
Georgette, in very original colors. At the yard.....	\$1.35	Sub-Wool Blanket, 66x80. Regular value \$6.50. At Only.....	\$3.49
Crepe de Chine, nearly in all colors; to suit all tastes.....	\$1.49	A Nashua Wool-Nap Blanket, 64x76. Was formerly \$6.50. Now at.....	\$3.98
White and Flesh colors Crep de Chine. Very desirable for underwear. Regularly priced at \$2.25. Now, the yard.....	\$1.35	A pure Nashua Woolnap Blanket, size 66x80. In very pretty plaids and finished in silk borders. Was regularly priced at \$9.50. We have now priced it at.....	\$4.98
Corduroy Velvet. Very suitable for Kimonas. 34-inch. At.....	\$1.39	Very pretty mercerized Marquessette, 36-inch, regular price 75c yard.....	39c
Broadcated Corduroy Velvet. In very beautiful designs. At the yard.....	\$1.75	95c Curtain Goods, 36-inch, At per yard.....	59c
Crepe in the very latest colors. And also in solid colors. This was a regular 75c seller. Now, at.....	35c	All colors in Serim, bordered and solid, 36-inch, regular value 49c.....	22c
Boys' Wool Suits. Regular value from \$14.00 and up.....	\$5.98 AND \$6.98	Special at yard.....	15c
Young Men's Suits. Truly up-to-date styles. The very ones you pay to \$35 for can be had here for only.....	\$16.50	27-inch Curtain Serim, flowered and plain. Very special, at, yard.....	15c
Very pretty Silk Front Shirts, in stripes you will like. For only.....	\$2.49	Barred Dimity, regular value 55c. Now at.....	29c
The above Shirts we recently sold as high as \$4.50.		Curtain Madras, regularly priced at \$1.00. Now at.....	59c
Fiber Silk Fancy Hose for Men. Specially priced at.....	49c	Genuine Hope Muslin, Five yards.....	\$1.00
		Beautiful Cretonnes, in very pretty designs, per yard.....	21c

This is only a mention of the many bargains our store has for you. All you have to do is to come and take advantage of it.

### MID-WEEK SPECIALS IN BULK GROCERIES

PURE LARD, Per pound.....	25c	MACARONI IN BULK, Five pounds.....	40c	ENGLISH BREAKFAST TEA.....	35c
SHORTENING or Compound, per pound.....	19c	OATMEAL, Five pounds.....	35c	PEPPER, In bulk.....	33c
BEST SALAD OIL, One gallon.....	\$1.55	BULK COFFEE, Very best, 5 lbs.....	97c	SODA OYSTER CRACKERS.....	18c
PEANUT BUTTER, Five pounds.....	60c	COCOA, In bulk.....	15c	HARD WHEAT FLOUR, Our own brand.....	\$2.29

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\$2.00 Corsets now reduced to.....	\$1.00	\$4.00 Corsets now reduced to.....	\$2.00
\$2.50 Corsets now reduced to.....	\$1.25	\$4.50 Corsets now reduced to.....	\$2.25
\$3.00 Corsets now reduced to.....	\$1.50	\$5.00 Corsets now reduced to.....	\$2.50
\$3.50 Corsets now reduced to.....	\$1.75	\$5.50 Corsets now reduced to.....	\$2.75
		\$6.50 Corsets now reduced to.....	\$3.25

Please Note: These special prices may be withdrawn at any time after one day's sale, without further notice.

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## NEW CAPITAL NECESSARY

Expansion and improvement require a telephone company to constantly borrow money. Current earnings, of course, take care of current expenses, and they should be sufficient to pay a fair return on the investment.

Money can only be obtained from one source; from the investing public; those who have surplus money to invest. The investor demands security, convertibility—the ability to change his investment at will without loss—and an assurance of a reasonable and continued rate of return.

Will he—will you—will a bank, trust or insurance company invest money in an enterprise which is unable to meet these requirements?

Today in Oregon we are operating at a deficit. Our property in this state is yielding no return to its owners. Without a return on present capital how can we expect to attract new capital?

Our ability to borrow depends upon our revenues and our revenues depend upon our rates.

We are asking the Public Service Commission of Oregon to consider the inadequacy of our present revenues and to approve schedules of rates which will guarantee permanency, extension and improvement of the service.

# The PACIFIC TELEPHONE & TELEGRAPH COMPANY