

# NEWS OF THE WEEK

In a Condensed Form for Our Busy Readers.

## HAPPENINGS OF TWO CONTINENTS

A Resume of the Less Important but Not Less Interesting Events of the Past Week.

Boilermakers on the Southern Pacific lines are on strike.

Negroes in Cuba have organized an independent party for their own benefit.

Ten jurors have now been secured in the Halsey bribery case at San Francisco.

Several persons were killed and much property destroyed by tornadoes in Iowa and Minnesota.

Bears driven from cover by forest fires terrorized the town of Standish, Michigan, for several hours.

Peary starts for the North pole and wife and children take up their residence on Eagle island, off the coast of Maine, to await his return.

Emil J. Zimmer, of the Pacific States Telephone company, pleads not guilty to the charge of contempt of court in refusing to testify against Louis Glass.

A temporary injunction has been granted by the Federal court restraining the labor unions from boycotting the telephone company in Helena, Montana, where a strike is on.

Four anarchists were wounded by the accidental explosion of a bomb at Glasgow.

Ambassador Rosen, from Russia, revels in American humor and reads several funny papers he can get.

Eleven Chinese who had just been smuggled across the Rio Grande river were captured at El Paso, Texas.

A Salvador warship fully armed and provisioned has sailed from San Francisco and another will soon follow.

Many employees on the Panama canal are getting married, because the government provides separate homes for married men.

A Chinese laundryman of Pottsville, Pa., has legally adopted a white boy, with the consent of the boy's mother and grandmother.

Turkish troops are devastating Persian villages and killing and enslaving the inhabitants. Twelve girls were carried away from one village.

The United States ambassador to Austria, Charles S. Francis, and Ernest Hamlin Abbott, of New York, were entertained at luncheon, by President Roosevelt.

The American Tobacco company has declared on its common stock the regular quarterly dividend of 2 1/2 per cent and an extra dividend of 7 1/2 per cent, a total of 9 1/2 per cent, the same as at the last previous declaration. The dividend is payable September 2.

Hall Caine is believed to be the richest novelist in the world.

An explosion of firedamp in a Prussian mine killed 18 men and injured 11 others.

Pacific Coast lumbermen will fight the proposed advance in lumber rates on Mississippi valley points.

One hundred unruly members of the Belfast, Ireland, police force have been killed and 150 more will follow.

A German princess who systematically stole silver plate from European hotels has been exonerated on the ground of insanity.

Five hundred brakemen and a number of conductors on the Colorado Southern railroad have struck for an increase of 2 cents an hour.

Three-fifths of the output of the great Beers diamond mines in South Africa is taken by American dealers and prices are steadily rising.

Rota, the fighting leader of the Palanques in the island of Leyte, has been sentenced to death. One companion was sentenced to imprisonment for life and four others were given 35 years. The trial of Faustino Ablan, the chief of the Palanques, will take place this week.

Nationalists have a safe majority in the newly-elected Philippine assembly. Germany cures mental and nervous ailments and drunkards by putting them to steady employment.

The railroads and the steel trust are wrangling over the question of broken rails, each blaming the other.

Rich Americans can not escape taxes establishing residences in England. They will be subject to taxation under the English laws.

A blast of 5,000 tons of high explosive was fired in breaking up a mountain of fine marble in Italy. It disintegrated 800,000 tons.

## REPORT ON STANDARD OIL CO.

### Commission on Corporations Says It Uses Worst of Methods.

Washington, Aug. 5.—Significant revelations are made public in a report submitted to President Roosevelt by Herbert Knox Smith, Commissioner of Corporations, concerning the operations of the Standard Oil Company.

In a previous report the ways and methods of the Standard were explained. The present report sets forth the results of these methods and the effect they have had on the consumption of oil and on the profits of the Standard Oil Company. Commissioner Smith says:

"The Standard Oil Company is responsible for the course of prices of petroleum and its products during the last 25 years. The Standard has consistently used its power to raise the price of oil during the last ten years, not only absolutely but also relatively to the cost of crude oil."

The Standard has claimed that it has reduced the price of oil; that it has been a benefit to the consumer; and that only a great combination like the Standard could have furnished oil at the prices that have prevailed.

"Each one of these claims," says Commissioner Smith, "is disproved by this report."

The increase in annual profits of the Standard Oil Company from 1896 to 1904 was over \$27,000,000. The report says:

"The total dividends received by the Standard from 1882 to 1904 were \$551,922,124, thus averaging 24.15 per cent a year. The dividends however, were much less than the total earnings. It is substantially certain that the entire net earnings of the Standard from 1882 to 1904 were at least \$790,000,000 and possibly much more."

"These enormous profits have been based on an investment worth at the time of its original acquisition not more than \$75,000,000."

The report of Commissioner Smith shows that the Standard Oil Company is responsible for petroleum prices for the past quarter of a century because this company has controlled the industry. The report shows the price history of oil products since 1866, or practically since the beginning of the industry. This gives an opportunity to compare the course of prices during the earlier competitive period with the course of prices during the later monopolistic period. It also shows that prices would have been lower during this later period under normal competitive conditions and in the absence of any such overshadowing combination as has actually existed.

These prices show directly the effect that the existence of this combination has had upon the consumer and also the results that have accrued to the combination itself by way of profits. Just conclusion can thus be drawn of the way the Standard Oil has used its great industrial power.

### SECOND HEARING BEGUN.

#### Federal Courts Continue Investigation of Standard.

Chicago, Aug. 5.—The preparations for the second federal investigation of the relations between the Standard Oil Company of Indiana and the Chicago & Alton Railroad, ordered by Judge Landis of the United States District Court on Saturday, will begin tomorrow. The call for the special grand jury will be issued and United States District Attorney Sims will go over all the evidence presented at the recent trial of the Standard Oil Company, which resulted in conviction and a fine of \$29,240,000, and will select the witnesses to be subpoenaed. It developed that the reason for haste in this investigation is that the statute of limitations is running against the government, and because of it the Chicago & Alton will escape re-indictment on between 80 and 100 counts of the 1,462 on which the Standard Oil Company was convicted.

This statute of limitations bars prosecution on offenses committed more than three years before indictment. Many of the shipments on which the Standard Oil Company was convicted of accepting rebates occurred between September, 1903, and August, 1904. When the grand jury convenes on August 14, a few days will suffice to present the evidence against the Alton.

The jury will consider infractions of the Elkins Law occurring from August, 1904, until March, 1905.

#### Transport Breaks Down.

San Francisco, Aug. 6.—The transport Warren, which left Saturday with a large contingent of troops and passengers, was compelled by a breakdown of machinery to put back. She had hardly got outside the bay when the officers in the engine-room noticed that her machinery was not working as it ought. Chief Engineer Donnelly, of the Army Transport Department, made an exhaustive examination of the Warren's machinery and is in hopes that new condenser tubes can be installed by Tuesday.

#### John D. Is Not Worried.

Cleveland, O., Aug. 5.—John D. Rockefeller gives no indication in public at least, that the decision of Judge Landis, fining the Standard Oil Company the limit, affected him in the slightest. As far as appearances go, the magnate has not given the matter a thought.

# NEWS FROM THE NATIONAL CAPITAL

### SAILORS WANT NEW UNIFORM.

#### Naval Committee Considering Entire Change of Costume.

New York, Aug. 9.—The Jack tars of the United States navy have made such a mighty protest against the time-honored headgear and blouse they wear ashore and on dress occasions aboard ship that the navy department has appointed a committee to decide on changes in the uniform. Captain Hugo Osterhaus, commander of the battleship Connecticut, is chairman of this committee. Captain Osterhaus has sent out a statement to the captains of all warships in the North Atlantic squadron and to the commander of every ship in the service, asking for suggestions.

The enlisted men are desirous of obtaining coats and visor caps. Many of them want the wide flaring trousers changed into the ordinary pattern. But the chief grievance relates to the blouses and the old-fashioned pancake caps. These caps are said by all seamen to be absolutely useless on a windy day, as they cannot be kept on the head. They afford no shade to the eyes and seem to exist merely as a relic of the past.

The protest over the blouse is considered well justified in the navy. In the first place the seamen object to the wide collar, which blows up around their ears on windy days. They want shorter neckerchiefs and coats but like those of marines. Should the sailors' demands be granted, it would be the first time in the history of the American navy that seamen have worn coats.

### USUAL DEFICIT FOR JULY.

#### But U. S. Revenue From All Sources Shows Large Increase.

Washington, Aug. 7.—The comparative monthly statement of the government's receipts and expenditures shows that for the month of July, 1907, the total receipts were \$55,906,465 and the disbursements \$56,813,345, leaving a deficit for the month of about \$11,000,000. This deficit is explained by the fact that at the beginning of each fiscal year nearly all the appropriations made by the last session of congress become available and large sums are immediately withdrawn from the treasury. It is a rule, with hardly an exception, that each July shows a deficit. A year ago it was above \$163,500,000.

The receipts from customs last month amounted to \$28,826,448; which is nearly \$2,700,000 in excess of July, 1906; internal revenue \$22,840,394, increase \$735,000. Miscellaneous \$4,229,712, increase \$10,000.

The expenditures for July, 1907, aggregate almost exactly \$1,000,000 more than for July, 1906, the reductions being balanced by nearly \$4,000,000 increase account construction of Panama canal.

### Navy Department Learns Lesson.

Washington, Aug. 6.—Acting Secretary of the Navy Newberry has acted upon the findings and recommendations of the board which investigated the accident on the battleship Georgia on July 15 last, resulting in the death of ten officers and sailors and the injury of a number of others. The report includes all of the testimony taken by the board.

Almost all of the findings and recommendations, most of which have heretofore been published, were approved by Mr. Newberry, who has ordered them put into effect. The Navy Department is now convinced that the cause of the accident was beyond question a "flareback," which it regards as a farewell conclusion, because it is believed that such flarebacks can be dealt with safely by additional precautions.

### Middies on Torpedo Boats.

Washington, Aug. 7.—Orders issued from the Navy Department show that a number of midshipmen have been placed on torpedo-boat duty. This marks a new policy in the Navy, showing that the Navy is deficient as compared with foreign navies in torpedo-boat work. There are 60 torpedo-boats of various types in our Navy, yet only 15 of them are in active service. This has been caused by the shortage of officers, resulting from the heavy demands for such officers for the new battleships going into commission.

### Cultivate Land in Forest Reserve.

Washington, Aug. 6.—J. O. Hannum, of Portland, Or., has been granted a permit to cultivate 180 acres in the Cascade National forest (act), applied for by him under the act of June 11, 1906, and to erect a house and other buildings, if he so desires, for the purpose of beginning his improvements before the land is formally listed for filing at the United States Land Office.

### No Protest From Japan.

Washington, Aug. 7.—No protest has been received from the Japanese government against the plan to send the Atlantic battleship fleet to the Pacific and none is expected. It is pointed out there that no basis exists for protest or complaint, as the fleet is to remain in American waters.

### MUST RENDER ACCOUNT.

#### New Suit by Receiver Earl Against Sugar Trust.

Trenton, N. J., Aug. 8.—A bill in equity which calls upon the American Sugar Refining company to give an accounting of its business for the past four years was filed before Chancellor Magee today on behalf of George H. Earl, Jr., receiver of the Pennsylvania Sugar Refining company, of Philadelphia. The suit, it is said, is the only one of the kind ever filed in this country, and the step taken by the Pennsylvania company may be the means of opening an entire new field for investigating trusts. The suit is separate from that for \$30,000,000 damages which Mr. Earl instituted against the American Sugar Refining company, of New York.

Mr. Earl holds that in procuring the controlling interest in the Pennsylvania company in 1903, the company became a trustee for the concern and is responsible to it for an accounting, although the American company never opposed the opposition company's plants.

### FIRST TESTIMONY.

#### Hearing of Standard Oil Case Begins September 3.

St. Louis, Aug. 10.—The first testimony in the government's suit to dissolve the Standard Oil company and kindred companies on the ground that they constitute a trust will be taken in the postoffice building in New York on September 3. Ex-Judge Franklin Ferriss, of St. Louis, who was appointed special examiner to hear testimony, has issued an order for the first testimony as above and copies were mailed today to all the attorneys on both sides. Frank B. Kellogg, of St. Louis, and C. B. Morrison, of Chicago, special counsel for the government, requested Judge Ferriss to issue the order. Judge Ferriss has not been informed what witnesses will be called at the hearing.

The taking of testimony will mark the actual beginning of the government's fight to overthrow the Standard Oil company and the 70 or more subsidiary corporations allied with it. The suit was filed in St. Louis early in the year, and all preliminary matters have been cleared away.

### GOVERNMENT WINS FIGHT.

#### Right to Water Under Indian Treaty Is Upheld.

Helena, Mont., Aug. 8.—Federal Judge C. E. Wolverton, of Oregon, who has had under consideration for some months the case of the government against the Conrad Investment Company, involving the right to the use of the waters of Birch Creek, the middle of which marks the southern boundary of the Blackfoot Reservation, in his opinion which was received today, decided for the complainant. The government asserted the right to the use of the waters among other things under a treaty with the Indians, while the chief contention of the defendant was that, he having complied with the act of congress of 1891 relating to right of way over public land for irrigation ditches and canals, the government could not go back of that.

W. G. Conrad, of Helena, is the owner of the company, which has expended large sums in reclaiming thousands of acres of land just south of the Blackfoot reservation. The main canal is over 90 miles long and there are many more miles of laterals. It is not known whether the case will be appealed or not.

### Protect O. R. & N. Roadway.

Washington, Aug. 8.—Authority has been granted to the engineer in charge of the Umatilla irrigation project in Oregon to construct a wasteway on the storage feed on the canal about three-fourths of a mile below the town of Echo. The point at which this structure will be built controls the operation of the canal throughout a section about four miles long where the canal very closely parallels the O. R. & N. railroad. This section has been considered as threatening the safety of the railroad.

### Trying to Settle Strike.

Washington, Aug. 9.—Charles P. Nell, commissioner of labor, is in telegraphic communication with P. H. Morrissey, grand master, and other officers of the Brotherhood of Railway Trainmen, in an endeavor to bring about a peaceful settlement of the strike of switchmen employed by the Colorado & Southern Railway Company, and to prevent, if possible, the enforcement of a general strike order calling out all the trainmen employed by the road.

### New Northwest Postmasters.

Washington, Aug. 9.—Postmasters appointed: Oregon—Pokegama, George W. McIntyre, vice G. B. Walters, resigned. Washington—Hall, William A. Geer, vice O. B. Agard, resigned; Bingen, Melvin Wetherell, vice S. G. Hadley, resigned.

### FINED \$29,240,000.

#### Great Monopoly Is No Better Than Counterfeiters or Robbers.

Chicago, Aug. 5.—Judge Kenesaw M. Landis Saturday in the United States District Court fined the Standard Oil Company, of Indiana \$29,240,000 for violations of the law against accepting rebates from railroads. The fine is the largest ever assessed against any individual or any corporation in the history of American jurisprudence. The case will be carried to the higher courts by the defendant company.

The penalty imposed on the company is the maximum permitted under the law and it was announced at the end of a long opinion, in which the methods and practices of the Standard Oil Company were mercilessly scored. The judge, in fact, declared in his opinion that the officials of the Standard Oil Company who were responsible for the practices of which the corporation was found guilty, were no better than counterfeiters and thieves, his exact language being:

"We may as well look at this situation squarely. The men who thus deliberately violated this law wound society more deeply than does he who counterfeits the coin or steals letters from the mail. The nominal defendant is the Standard Oil Company of Indiana, a million-dollar corporation. The Standard Oil Company of New Jersey, whose capital is \$100,000,000, is the real defendant. This is for the reason that, if a body of men organize a large corporation under the laws of one state for the purpose of carrying on business throughout the United States and for the accomplishment of that purpose absorb the stock of other corporations, such corporations so absorbed have thenceforth but a nominal existence. They cannot initiate or execute any inherent business policy, their elimination in this respect being a prime consideration for their absorption. So, when after this process has taken place, a crime is committed in the name of such smaller corporation, the law will not consider that the latter corporation is the real offender. And where the only possible motive of the crime is the enhancement of dividends and the only punishment authorized is a fine, great caution must be exercised lest the fixing of a small amount encourage the defendant to further violations by esteeming the penalty to be in the nature of a license."

"The defendant argues that to hold it for 1,462 offenses would be a violation of the constitutional prohibition against the imposition of excessive fines, and it is urged that congress could never have intended to confer upon the court such power. It is the view of the court that for the law to take from one of its corporate creatures as a penalty for the commission of a dividend-producing crime less than one-third of its net revenues accrued during the period of violation falls far short of the imposition of an excessive fine, and surely to do this would not be the exercise of as much real power as is employed when a sentence is imposed taking from a human being one day of his liberty."

"It is the judgment and sentence of the court that the defendant, the Standard Oil Company, pay a fine of \$29,240,000."

### How to Make Public Pay.

How the Standard Oil Company can exact payment from the public: Fine imposed by Judge Landis, \$29,240,000; attorneys' fees (estimated) \$260,000; total fine and costs \$31,500,000. Present price (average grade) kerosene per gallon, 12 cents. Proposed price, same, 13 cents. Gallons refined kerosene to one barrel crude petroleum, 15. Number gallons to be sold at increase of 1 cent per gallon over present quotations to reimburse Standard Oil, 3,150,000. Number barrels crude petroleum, 210,000,000. Increase in dollars, \$31,500,000. Capital stock Standard Oil Company of New Jersey, \$100,000,000. Capital stock Standard Oil Company of Indiana, \$1,000,000. Wealth of John D. Rockefeller in excess of \$1,000,000,000. (Exact figures not known to himself.) Rockefeller's interest in Standard Oil (27 2-5 per cent total capitalization), \$27,400,000. Figures based on one barrel crude petroleum producing 35 per cent kerosene and by-products, paraffin, lubricating oils, etc.

### Flogged in Public View.

Hazelton, Pa., Aug. 5.—Louis Samobella, accused of wife-beating, was publicly flogged by Alderman McKelvey, before whom he had been brought for a hearing. After the testimony had been given, Alderman McKelvey seized the man by the collar, dragged him into the street, pulled the coat from his back and then handcuffed him to a post. The crowd defied his intention, and a man took off his belt and gave it to McKelvey. The alderman is young and strong, and the flogging was vigorous.

### Coin Design His Last Work.

New York, Aug. 9.—Through a letter from President Roosevelt, made public, it was learned that Augustus St. Gaudens, the famous American sculptor, who died, had designed the new gold coins which are now being completed. This design is probably the last completed work that left the hands of the sculptor.

# RAILROAD IS OUTLAW

## Openly Defies Authorities of the State of Alabama.

### MILITIA MAY BE CALLED UPON

#### Governor Will Take Possession of the Road by Armed Force if Necessary to Enforce Laws.

Birmingham, Ala., Aug. 6.—It is not unlikely that troops will be ordered out within a few days to take possession of the line of the Southern Railway, the cancellation of whose license to operate in the state is calmly ignored by the company. A four-hours' conference held here this afternoon between Governor Comer, Attorney-Gen. Garber and prominent attorneys, including two ex-Chief Justices of the Supreme Court, is believed to have resulted in a determination to make wholesale arrests of officials of the Southern road if that company does not recede from its present position.

A state official close to the Governor made the statement that Governor Comer was going to use every power at his command to make the Southern Railway obey the laws of Alabama.

"If the railroad carries out its threat to stop all business inside the state and confine itself to only interstate business," said this official, "then the Governor will order out the state troops and take possession of the railroad, which has already placed itself in the attitude of a mob, defying the rightful authority of the state. This action would be followed up by an extra session of the legislature, at which a law would be enacted whereby the railroad would be placed in the hands of a receiver in less than 60 days."

### STANDARD CANNOT ESCAPE.

#### Only Two Pretexts, and Neither One Will Hold.

Washington, Aug. 6.—Two avenues of possible escape are open to the Standard Oil Company, but whether one or both are taken the government will be found strongly entrenched, confident of repeating the victory it scored in Judge Landis' court. The trust may appeal to the Circuit Court of Appeals on a writ of error, or to the Supreme Court of the United States on constitutional grounds. One appeal will not conflict with the other, and no further appeal lies in either case. The Circuit Court of Appeals has final jurisdiction in questions of error affecting the law in the case, and so far as Judge Landis' official acts in the construction of the law are concerned, the Supreme Court of the United States can only consider one question.

Under article 5 of the Constitution, "excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted." In the opinion of officials of the Department of Justice, the case can reach the Supreme Court on the ground that the \$29,240,000 fine is excessive, because the Standard Oil Company of Indiana, the defendant, has capital stock of only \$1,000,000 and assets of only \$10,000,000. The astute lawyers employed by the trust may find other constitutional questions to raise in the Supreme Court.

The government is ready to meet such an issue and is confident of victory. It will reply that the Standard Oil Company of Indiana is, as Judge Landis has construed, the Standard Oil Company of New Jersey, the great Standard trust, in fact, and that the fine imposed upon the trust must be measured by the resources of the trust, and not one of the subsidiary, dummy branches. By the Department of Justice attention is called to the common practice in criminal courts of imposing fines upon vagrants, when the inability of the culprit to pay the fine is known to the court. But such sentences have never been construed as excessive fines.

### More Land Frauds.

Los Angeles, Aug. 6.—The sudden departure of United States District Attorney Oscar Lawlor for Portland and Seattle is considered significant, when taken in connection with the recent disclosure of extensive land frauds in the Imperial Valley. When he left the city Mr. Lawlor said he was called by important business, but would not give any information as to its nature. As the investigation is continued it is believed the names of prominent capitalists will be called with these desert land entries.

### Captured Jap Poachers.

Victoria, B. C., Aug. 6.—Advices have been received here of an attempted sealing raid by the Japanese sealing schooners Kaike Maru and Midori Maru on the seal rookeries at Cooper Islands, guarded by Russians. The schooner Kaike Maru has returned to Miyako, Rickusu province, Japan, and reported three of her sealing boats and 12 men captured by Russians.