

STATES UPHELD IN 11 RATE CASES

Supreme Court Follows Principle in the Minnesota Decision.

RAILROADS WIN THREE

Tribunal's Ideas of Basis for Physical Valuation Are Given.

FACTS MUST BE SPECIFIC

Justice Hughes Says Evidence Is Too General to Show Confiscation.

WASHINGTON, June 16.—Following the principle laid down by Justice Hughes last Monday in the Minnesota rate cases the Supreme Court today disposed of fourteen other separate rate cases, nearly all of them in favor of the States.

The cases decided today involved the actions of the State authorities in Missouri, Arkansas, Oregon and West Virginia in fixing two cent passenger or other rates.

In only three of the fourteen separate cases disposed of today were the State made rates condemned as confiscatory. Counting the Minnesota cases decided last Monday the rates fixed by the State commissioners or State legislatures in only four cases out of seventeen have been overruled on the ground of being confiscatory.

Today's decisions laid down no new principles except in the additional light thrown on what the Supreme Court regards as the proper way of making physical valuations of railroad properties.

The question of power of the Interstate Commerce Commission over intrastate rates, which unjustly discriminated against shippers outside the State, still remains unsettled and apparently will not be passed on until the court decides the Shreveport case.

Eighteen Missouri Cases.

The only instance in which the court gave an extended opinion today was in the Missouri cases, eighteen in number, which came to the Supreme Court on appeals and cross appeals from the Federal court for the Western District of Missouri. In every case the power of the State to impose a rate between points wholly within that State was sustained by the court except where the rate was shown to be confiscatory. In the lower court the State had been enjoined from enforcing freight rates and passenger fare acts passed in 1907. In all these cases except three the highest court reversed the judgment of the Federal court in Missouri.

"The question of interference with interstate commerce is the same as that presented in the Minnesota rate cases and the decision is the same," said Justice Hughes, who announced the conclusions of the court today.

The Supreme Court today sustained the rates, both passenger and freight, prescribed by the State of Missouri as to six companies, and these lower rates will go into effect following the mandate of the court. These are the Chicago, Burlington and Quincy, Atchison, Topeka and Santa Fe, Kansas City Southern, Missouri, Kansas and Texas, Chicago, Rock Island and Pacific (which included also the St. Louis, Kansas City and Colorado) and the St. Louis and San Francisco.

Three Railroads Win.

In three of the nine cases the Supreme Court found the lower court was right in adjudging the rates to be confiscatory and affirmed the decree as to the three. These railroads are the St. Louis and Hannibal, the Kansas City, Clinton and Springfield, and the Chicago Great Western.

As to the six companies that entered into a stipulation in the court below to abide by the decision as to other cases, the lower rates will go into effect. These roads are the St. Louis, Iron Mountain and Southern, Wabash, Chicago, Milwaukee and St. Paul, and Chicago and Alton.

Following the decision in the Missouri rate cases, Justice Hughes announced the court's conclusions in the matter of the Arkansas rate cases. These suits were two in number, brought by the St. Louis, Iron Mountain and Southern and the St. Louis Southwestern, to enjoin the enforcement of an Arkansas law in 1907 fixing a two cent fare for passengers and the orders of the State Railway Commission prescribing maximum freight and passenger rates.

In the Arkansas cases, as in the Missouri cases, the court followed the rule of the Interstate Commerce Commission and held there was no interference by the State with interstate commerce.

In two cases involving an order made by the railroad commission of Oregon in 1908 prescribing freight rates the decree of the lower court in this case was affirmed on the authority of the Minnesota rate case and as in the other cases the lower rates will continue in force.

In the West Virginia case a two cent passenger fare law was sustained against an attack by the Chesapeake and Ohio. The West Virginia statute was passed in 1907. The Chesapeake and Ohio appealed from the decision of the Supreme Court of Appeals of West Virginia, which refused an injunction sought by the railroad to restrain the Attorney-General and the prosecuting attorneys of the counties through which the railroad runs from enforcing the law.

On Physical Valuation.

Justice Hughes in considering the question as to whether the rates prescribed by the State of Missouri were confiscatory, announced some interesting conclusions on the subject of physical valuation. The lower court in its efforts to find the value of the property of the railroads within the State of Missouri took the valuation fixed by the State assessing board for purposes of taxation and multiplied it by three, the basis of assessment being one-third of the actual value. The board was not examined and assessing board was not examined and proof was submitted as to the soundness of their

conclusions. In addition to accepting the valuations fixed by the assessing board the lower court added something on account of the terminal improvements, stocks and bonds outstanding and the cost of reproduction anew. Justice Hughes declared that these values were not sustained by the evidence. He objected to the lack of detailed evidence as to lands, improvements, structures and equipment.

Fault With Valuation.

In analyzing the valuation put upon the Chicago, Burlington and Quincy property Justice Hughes found fault with a valuation fixed at \$46,793 a mile. He said:

"If this valuation were extended to the mileage of the entire system it would mean that for the purpose of determining the validity of prescribed rates and the issue of confiscation the Burlington property as a whole should be regarded as worth over \$400,000,000. According to counsel for the company the actual bonded indebtedness of the company at the time in question was \$174,572,000 and its stock \$118,839,100, making a total of \$293,411,100. In short the contention will be on this basis of valuation extended to the system that unless the Burlington were permitted to calculate its return upon an amount exceeding by more than \$115,000,000 its total capitalization it will be deprived of its property without due process of law."

The court rejects also the method of ascertaining the value of the entire property in the State by apportionment between interstate and intrastate business and between passenger and freight business according to gross revenues derived from each. In the Minnesota case, the court found fault with this plan. Justice Hughes gave some consideration to the plan adopted by the lower court in dividing the expenses between the interstate and intrastate traffic in order to ascertain net revenue. The division was made by the court below on a basis of gross revenue with an additional amount for the extra cost of intrastate traffic, this being estimated at not less than fifty per cent. on account of freight hauled and not less than twenty-five per cent. on account of passengers. The court says it is evident this is unsatisfactory.

WALL STREET NOT DISTURBED.

Displays Little Interest in Other Decision on Rate Cases.

Compared with a week ago, when Wall Street was awaiting the Minnesota rate case decision with anxiety, it displayed but little interest yesterday as to what the mandate of the Supreme Court would be concerning rates in other States. Investors, business men and financiers had already discussed the effect on the market and were correct in their interpretations that the ruling in the other suits would as a whole follow that established concerning the Minnesota roads. As a result the market was practically undisturbed by the court's rulings.

The heads of the railroads affected by the court's ruling refused to comment on the matter until they had received copies of the decision or read it in full.

OXNARD SEES NEW SUGAR TRUST FORMING

Tells Investigators That Proposed Tariff Will Bring It—Will Be Legal.

WASHINGTON, June 16.—Henry T. Oxnard was the principal witness before the Senate lobby investigators today. Senator Reed of Missouri questioned the witness about the doings of legislative agents of the sugar industry from the days of the McKinley bill to date. Mr. Oxnard told the committee that the sugar men had won but little of what they wanted when the McKinley bill was considered. They got a bounty when they wanted a duty. The Wilson bill restored a duty but not so much as the sugar men had contended for. The Dingley bill was about right. The domestic sugar crowd had fought Hawaiian annexation, Cuban reciprocity, the 300,000 tons of free annual imports from the Philippines and had received about what they had hoped for in the Payne-Aldrich law.

"Take it all together you have fared pretty well," said Senator Reed.

"I can't speak so cheerfully of the pending measure," said Mr. Oxnard. The details of the organization of the American Beet Sugar Company furnished another hour's diversion for the examiners. Mr. Oxnard explained that the original corporation had a capitalization of \$20,000,000, which was divided into \$5,000,000 of preferred, all paid, and \$15,000,000 of common.

The recent price changes in the stock, which in fourteen months has descended from \$77 per share to a general average of about 22 or 23 for the last few weeks, Mr. Oxnard said, were the result of the cessation of dividends on the common. The company, which was organized with the \$15,000,000 of watered stock in 1898, had made up a large part of the water. He thought the present market value of the common about coincident with its book value provided the forthcoming tariff law did not include the present sugar provision for the elimination of duty in three years. With that enactment into law the stock was probably worth less. He did not think that he owned more than 500 or 1,000 shares of beet sugar company stock.

Mr. Oxnard believes the outcome of the passage of the Underwood bill, with its free sugar provisions, will mean the formation of a new sugar trust. He said he expected to enter such an organization and that he had legal advice to the effect that such a trust could be organized and kept within the law. His legal advisers had told him that corporations can control 40 per cent. of the output of a commodity and yet not be liable under the anti-trust statute.

1,000 WEAVERS QUIT STRIKERS.

I. W. W. Leaders Oppose Settlement of Paterson Trouble Shop by Shop.

PATERSON, N. J., June 16.—Chief of Police John Binson, acting as a deputy sheriff, led eighty uniformed policemen, also deputies, to Prospect Park, outside the city limits, this afternoon, to guard the workers in the Augur & Simon mill. Pickets "holed" the police from house-tops, verandas and front lawns, but there was no violence.

"JIM CROW" RULE MAY BE EXTENDED

Can Be Adopted in District of Columbia According to Supreme Court.

CIVIL RIGHTS LAW INVALID

Court Also Holds Public Utility Franchises Are Perpetual Unless Limited.

WASHINGTON, June 16.—The civil rights law, which was passed by Congress in 1875 and which provides penalties for discriminating against persons of color, was held to be unconstitutional in its entirety by the Supreme Court today.

This means that street railway lines in the District of Columbia, steamship companies and other corporations operating exclusively in Federal territory or in States where there are no laws to the contrary will be able to adopt Jim Crow regulations.

Mary E. Butts, a negro, purchased a round trip ticket which entitled her to a first class passage over the Merchants and Miners Transportation line between Boston and Norfolk.

After the trip she filed complaint in the courts for damages under the Federal civil rights law, alleging a dozen specific acts of discrimination against her that amounted to an invasion of her civil rights. She alleged among other charges that she was not allowed to eat in the dining room with the white passengers and was denied accommodations on the upper deck with other first class passengers and required to go below.

Decision Was Unanimous.

The transportation company defended the action on the ground that the act under which she sued was invalid and filed a demurrer, which the Circuit Court for the District of Massachusetts sustained. The case came before the Supreme Court on appeal. The decision was unanimous.

In his opinion Justice Van Devanter pointed out that the courts heretofore have construed the Federal act as not applicable to States of the Union, but only to such other territory as is "within the jurisdiction of the United States." He ruled that the holding of a part of the act as invalid had impaired the whole statute, the provisions of which are interdependent.

In three cases before the Supreme Court involving public utility franchises the court laid down the broad general rule that in the absence of any limitation either in the ordinance granting the franchise or in the State law chartering the municipality a charter to a public service corporation must be held to be a grant in perpetuity. The effect of this decision will be to establish beyond attack perpetual franchises for corporations operating in many cities.

The Supreme Court refused a writ of mandamus which had been applied for by "Nellie Bly," now Mrs. Elizabeth C. Seaman, Jr., for the American Steel Barrel Company of New York directed against United States Judges Chatfield, Mayer and Lacombe.

The application for the mandamus grew out of a bankruptcy proceeding involving the affairs of the Ironated Manufacturing Company, a New York corporation. The bankruptcy proceedings were being conducted in Judge Chatfield's court in the Eastern District of New York.

Judge Chatfield Attacked.

Attorneys for creditors filed an application to have the bankruptcy proceedings extended to include the American Steel Barrel Company, but this was denied, and later, on account of the feeling caused by the action of the court, an affidavit was filed declaring that Judge Chatfield was biased and prejudiced and should not sit in the case.

Judge Chatfield promptly certified to the Federal court for the Southern District of New York the application to transfer the case, together with the affidavit attacking him, and refused to sit further in the case.

Judge Lacombe, to whom the affidavit and application were certified, designated Judge Mayer to sit in the case.

There were objections and exceptions noted and finally an application was made to the Supreme Court on behalf of the American Steel Barrel Company for a rule returnable against the three examiners. Mr. Oxnard explained that the original corporation had a capitalization of \$20,000,000, which was divided into \$5,000,000 of preferred, all paid, and \$15,000,000 of common.

In an opinion by Justice VanDevanter the court held that a statute passed by the State of Kansas fixing a maximum freight rate for the transportation of crude petroleum and oil products was unconstitutional on the ground that it is "oppressive and arbitrary."

SUPREME COURT ADJOURNS.

Justices Go on Their Vacations in a Few Days.

WASHINGTON, June 16.—The Supreme Court adjourned today until October. The Chief Justice and his associates will leave the city within a few days for their summer vacations.

Although the court had extended its term two weeks beyond the usual time for the summer adjournment, it was unable to finish all of the cases under advisement and a number of important matters went over until the fall term. Most of these were cases involving construction of the interstate commerce law or the legality of orders made by Interstate Commerce Commission.

The court failed to pass on the application for a writ of certiorari in the case of Gompers, Mitchell and Morrison of the American Federation of Labor.

DEATH RATE GOES UP SLIGHTLY.

Increase Mostly Caused by Children's Diseases and Violence.

There were 1,303 deaths and a rate of 12.43 per 1,000 of the population reported for last week as against 1,281 deaths and a rate of 12.14, an increase of 22 deaths and .29 of a point.

Deaths from measles, diphtheria, croup and whooping cough showed considerable increases over the figures of the corresponding week of last year, as did also those from bronchial pneumonia. The deaths from organic heart diseases showed an increase of 35 from 1,000 in 1912 to 1,035 in 1913, the latter increase being due to an increase of 2 between one and 65 years of age. The increase was 22 between 5 and 65 years of age and 29 between 25 and 65 years of age, and of those more than 65 years old the increase was 40.

Two to Two. A service through "From 2 to 2" Which Phoebe Snow Presents to you—Two Roads unite To expedite Your trip by Road of Anthracite. The Chicago Limited Lackawanna-Michigan Central Leaves New York 2 P. M. Arrives Chicago 2 P. M. Arrives: Detroit, 7:15 A.M.; Ann Arbor, 8:12 A.M.; Battle Creek, 10 A.M. Brooklyn 505 Fulton St. New York Broadway Cor. Wall St. Cor. 28th St. Newark Broad and Market St. Lackawanna Railroad

GIANT IMPERATOR RUNNING STEADILY Not Trying to Make Speed on Her First Trip Across the Sea. MAY DOCK TO-MORROW Official Pronunciation of the Ship's Name as Given Out by the Company. The colossal Emperor of the Hamburg-American Line is fulfilling the expectations of her owners on her maiden trip, which probably will end to-morrow morning off the Ambrose Channel lightship, which marks the official finish of the Atlantic racecourse. She is doing no racing, but bounding along at about the speed that was expected for her, losing a bit in bad weather and making it up when the seas subside. Her speed capability is comparatively smooth water was shown on her trip across the channel from Southampton to Cherbourg, when she averaged twenty-three knots. On her first day in the Atlantic the Emperor was forced to slow down because of fog, but she averaged about twenty-two knots. Capt. Ruser sent a wireless message to the office of the line in Hamburg on Sunday, which was cabled to the office in New York yesterday. The captain said that the great liner was 1,270 miles east of Sandy Hook at 11:30 o'clock on Sunday night and that she was making off the miles in stately fashion, standing as all skippers are fond of remarking, as steady as a church. There was a strong beam sea combed up by a heavy gale and the captain considered the weather conditions just the sort to test the Emperor's stability to the limit. Due About 9 A. M. To-morrow. Despite gale and sea Capt. Ruser reported that he was making good time. Up to the nautical day ending at noon on Sunday he had covered 556 miles at an average speed of 22.6 knots. It was expected that the big ship would be in wireless touch with Sable Island yesterday afternoon. Maintaining the speed she developed on Sunday, the Emperor should be within a few hundred miles of the Hook this afternoon. Capt. Ruser said in his message to Hamburg that he expected to dock at about 9 o'clock on Wednesday morning. He doubtless will cover a course a bit longer than that made by the ordinary liner so that he can avoid the dangers of the fog zone off the Banks. How to Pronounce Her Name. The publicity agent of the Hamburg line is getting lots of inquiries about the proper pronunciation of the giant ship's name. To all of these he has responded under instructions from the agents, that the German pronun-

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