

SO. PACIFIC TO HOLD \$70,000,000 IN LAND

Supreme Court Decides Oregon Grants Shall Not Be Forfeited to U. S.

ROAD TO BE RESTRICTED

WASHINGTON, June 21.—The Supreme Court in an opinion today by Justice McKenna held that the 2,300,000 acres of public lands, valued at from \$50,000,000 to \$70,000,000, now controlled by the Southern Pacific Railroad under grants from the Government, are not to be forfeited to the United States for violation of conditions subsequent. This land, located in Oregon, was granted to the Oregon and California Railroad in successive acts by Congress, beginning a little over a half century ago and passed from the Oregon and California Railroad to the Southern Pacific as a successor.

While the Supreme Court holds that the grant was absolute and the land cannot be forfeited, it does not mean that the Government is to be relieved of its obligation to pay for the land. The case was remanded to the Federal Court of the District of Oregon, which had decided the case in the outset in favor of the Government, declaring a forfeiture. In remanding it the Supreme Court instructed the District Court to issue an injunction to restrain the railroad company from disposing of any of the land or taking any timber from it in any other way than as authorized.

The injunction will stand for six months from the date of the decree of the lower court. Congress will have an opportunity to take any action to see that the railroad complies with the conditions of its grant. Justice McKenna holds that the Government is not to be relieved of its obligation to pay for the land. The six months limitation within which Congress must act will expire on the date the lower court returns its decree to conform to the judgment of the Supreme Court, and this will not be until after the meeting of the Supreme Court next October, for the mandate would not issue until that time.

The suit was begun by the Department of Justice under authority of a Congress resolution directing that such action be taken to forfeit the grants for violation of conditions. The law making the grants were passed in 1866 and 1869 and there was subsequent legislation on the subject.

The condition imposed was that the land was to be sold in tracts not exceeding 160 acres each to actual settlers and at the maximum price of \$2.50 an acre. Justice McKenna held that this grant did not create a trust.

Justice McKenna declared that the transaction was to be regarded not as a grant, but as a sale, and was accepted as such. He said that the law granted rights to the railroad company, but imposed obligations—"rights quite definite, obligations equally definite."

The first was the means of acquisition; the second of performance. And as he has pointed out, whatever the difficulties of the limitations, they have been applied for and it might have been secured through an appeal to Congress. Certainly evasion of the laws or defiance of them should not have been resorted to.

LACKAWANNA COMPANIES ARE ORDERED DIVORCED

U. S. Supreme Court Decides That Ownership by Railroad of Coal Concern Is a Violation of Commodities Clause of the Hepburn Act.

WASHINGTON, June 21.—A new and broader construction of the "commodities clause" of the Hepburn act that points the way whereby railroads may continue in the business of mining coal and still keep within the limitations of the clause is embodied in a decision handed down by the United States Supreme Court today. In an opinion rendered by Justice Lamar the court reversed the Federal Court for New Jersey in the suit brought by the Government against the Delaware, Lackawanna and Western Company on account of its alleged interest in the Lackawanna Coal Company.

The lower court had held that the ownership by the railroad of 89 1/2 per cent of the stock of the coal company, with an interlocking directorate with officers of the railroad company acting as officers of the coal company, did not constitute a violation of the commodities clause, nor was it a restraint in violation of the Hepburn act.

The Supreme Court made an exhaustive review of the record of the case and held that there was no violation of the commodities clause but that the combination might restrain trade within the meaning of the Hepburn act. The court reversed and remanded, the Government getting an injunction against the railroad company and orders being made to divorce the railway and coal interests.

Rules Laid Down by Court. After discussing the various phases of the Lackawanna case the court laid down these general rules: "The railroad company if it continues in the business of mining coal must absolutely dissociate itself from the coal before the transportation begins. It cannot retain the title, nor can it act through an agent. It cannot call that agent a buyer while so hampering and restricting such alleged buyer as to make him a puppet subject to the control of the railroad company."

"If the railroad sells coal at the mouth of the mines it must not only part with all interest direct or indirect in the property, but also with all control over it or over those to whom the coal is sold at the mines. It must leave the buyer as free as possible to buy who pays for what he has bought."

"It should not sell to a corporation with officers and offices in common with the railroad, or in which the railroad is interested, or in which the same officers should studiously and in good faith avoid anything, either in person or in name, that remotely savors of joint action, joint interest or the dominance of one company by the other. If the seller wishes, by a lawful means, to sell to a corporation, it must deliver and otherwise are not in restraint of trade, to sell all of its coal to one buying company, then that one buyer is to be the sole and exclusive purchaser and requirements to pay according to the contract."

But such buyer should otherwise be absolutely free to extend the business, buy when, where and from whom it pleases and otherwise to act as an independent dealer in active competition with the railroad company.

Nearly All Owned by Road. In today's decision the Supreme Court found as a matter of fact, upon the record in the case, that of the capital stock of the Lackawanna Coal Company, amounting to \$6,000,000, 99 1/2 per cent of it was subscribed for by the Delaware, Lackawanna and Western Railroad Company upon the advice of the directors of the railroad, who sent out letters to stockholders urging them to subscribe to the coal company stock.

CARNIVALE GUILTY IN SECOND DEGREE

Midnight Verdict Finds He Had Foley's Political Aid Killed.

IS GUARDED BY POLICE

WASHINGTON, June 21.—Despatches received at the State Department today from official sources indicate a probability that there will be a clash in the near future between American bluejackets and marines and a well armed band of Yaqui Indians which is on the war path in the State of Sonora, Mexico.

There also is a possibility that the American forces may run the risk of a fight with Villistas in command of Gen. Maytorena. Today's advices show that the situation near Guaymas in Sonora is becoming acute, with the possibility of trouble that may tend further to emphasize the Mexican problem so far as it concerns the United States.

The information received today was that the first troop train of the forces of Gen. Maytorena, which was sent into the Yaqui Valley for the purpose of protecting an American colony near Guaymas, about twenty miles from Guaymas, had been nearly surrounded and forced to retreat in the face of a vigorous attack by Yaquis.

The Villista troops lost forty killed, wounded and missing. The American forces were nearly surrounded, a British subject, who was among the American colony, if they already have not attacked it, may impel Rear Admiral Howard, who arrived at Tobarí Bay yesterday with 300 bluejackets and 100 marines, to land this night and send it on to Esperanza.

Threats to Stop Landing. Last week Gen. Maytorena is understood to have made threats that any attempt to land the American bluejackets and marines at Tobarí Bay would be resisted by the forces under his command. When Rear Admiral Howard left for Tobarí Bay he was directed to send a force inland if circumstances warranted such a course.

At the time officials here expressed the belief that Gen. Maytorena would be able to suppress the Yaquis, thus obviating the need for sending the American force inland. Gen. Maytorena has failed in his endeavor as stated. Rear Admiral Howard is empowered to act without further consultation with the Washington authorities if an emergency arises that in his opinion menaces American life and property in Sonora. The only word that had been received from him up to a late hour to-night was that he had arrived at Tobarí Bay. He made no report concerning conditions there.

Gen. Gonzales led his troops into Mexico city today, it is reported. There are other developments in Mexico that occasion great concern among officials of the Administration. They seem to indicate that the Villa and Carranza factions are facing problems of a political character. Consul Silliman at Vera Cruz confirmed today in official despatches reports that four members of Carranza's Cabinet had resigned and that their resignations had been accepted. The Carranza agency today received a despatch from Carranza himself in which he admitted that changes had been made in his Cabinet, but insisted that there had been no trouble between himself and Obregon, who, according to Carranza, continues to retain command of the Constitutional army in the field.

YAQUIS ROUT VILLISTAS; CLASH WITH U. S. NEAR

Mexican Indians Kill British Subject and Threaten American Colony—Gonzales Enters Mexico City Suburbs—Gen. Angeles in United States.

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If reports received here are to be credited, Gen. Villa also is having factional troubles. He is said to have had a falling out with Gen. Angeles, who has been prominent in all of Villa's military operations in the last three years. It is known that Angeles has left Mexico and is now bound for Chicago.

FORECASTS

If all forecasts proved to be true, and every building operation turned out just according to previous calculations, then an Owner might select any contractor he chose, without using any discrimination. But all forecasts do not prove to be true, every building does not turn out according to calculations, and an Owner must use discrimination, or take the consequences. Under these circumstances, why take chances?

THOMPSON-STARETT COMPANY Building Contractors

WARNING TO BRITONS. Sir Edward Grey Tells Them to Keep Out of Mexico.

Special Cable Dispatch to the Sun. London, June 21.—All British subjects have been warned against visiting Mexico by Sir Edward Grey, Foreign Secretary.

ANGELES IN CHICAGO. Denies Break With Villa—To See Family in Boston.

Chicago, June 21.—Gen. Felipe Angeles, right hand man to Gen. Villa, arrived in Chicago today, that he had broken with his chief. He said he expected to return to Mexico next week and that he would immediately rejoin his commander.

SMITH-GRAY STORES SOLD. Will Be Absorbed by Hill Bros. on Thursday.

One of the old clothing houses of New York, Smith, Gray & Co., will go out of business on Thursday, when it will be absorbed by Hill Bros. After the failure of Smith, Gray & Co. last year the business was resumed under the name of the Smith Gray Ideal Clothes Shops in an attempt to reorganize the business.

Notice was sent to the creditors of Smith, Gray & Co. yesterday that Hill Bros. had agreed to purchase the stock for \$45,000 in cash on June 24. The name of Smith, Gray & Co. will be used on the present stores of that concern until January 1, 1916.

Colorado this summer. Outing on top of the world. Camp out sky-high in the Colorado Rockies—6,000 to 10,000 feet above sea level.

You don't have to shoot or fish—the camp, the tent, the big rim of the horizon, the trees, the grass and the pure air—that's all you want.

Vacations in Rocky Mountain-land cost little because of the low summer tourist fares on the Santa Fe. Go this summer and take the family.

A hundred mile's view of the Rockies; Fred Harvey meals; and sleep-easy roadbed on the Santa Fe. Ask for our picture folder. "A Colorado Summer."

The Grand Prize Highest Honor Panama-Pacific Exposition Just Awarded to the UNDERWOOD TYPEWRITER. The Latest Proof of Typewriter Superiority "The Machine You Will Eventually Buy"

PURE FOOD LAW UPHELD. U. S. Supreme Court Affirms Conviction in Illinois.

WASHINGTON, June 21.—An opinion affirming the conviction of W. Price of Minneapolis for violation of the pure food laws of Illinois was read today by Justice Hughes of the United States Supreme Court. Price was convicted in the Municipal Court of Chicago for selling "Mrs. Price's Canning Compound."

The compound contained boracic acid and it was agreed that it was not sold as a food but as a preservative. Justice Hughes held that the question of whether "boric acid" was harmful or not was a debatable question and that the Illinois statute was the best judge regarding the exclusion of the compound from commerce within that State.

The court decided also that while the Illinois statute did not mention boracic acid, but simply prohibited the sale of "harmful" ingredients in food products, the highest court of the State had construed the law as applying to boracic acid and that there were other Illinois laws in which boracic acid was declared to be "unwholesome."

HARVESTER CASE DELAY Supreme Court Decides on Rehearing as Session Ends.

WASHINGTON, June 21.—The International Harvester Company case was ordered retried at the fall term before the Supreme Court, which took a recess for the summer today. It became evident that in the congestion of business the case could hardly be decided at this term, but it was a surprise when the Chief Justice announced that the case had been requested for argument at the fall term.

Justice McReynolds while Attorney-General argued the case in the Circuit Court for the Eighth Circuit. It is assumed that he did not participate in the consideration of the case in the Supreme Court. While no one is in a position to say why the case was transferred for argument there is a strong reason for believing that the chief Justice was evenly divided on the merits of the case.

The argument will probably come along about the time the appeal of the Corporation in the United States Steel Corporation suit is heard.

MUST PAY PHONE BILLS. Otherwise Service Can Be Cut Off, Says Supreme Court.

WASHINGTON, June 21.—The right of a telephone company to discontinue the service of one of its subscribers for failure to pay for service rendered in the past was upheld today by the Supreme Court in an opinion rendered by Justice Van Devanter in what has come to be known as the Arkansas telephone case. Mrs. Adella T. Danaher, a subscriber to the service of the Southwestern Telephone and Telegraph Company, brought suit under Arkansas statute and recovered judgment amounting to \$6,300 because of the failure of the telephone company to supply her with service for a period of sixty-three days.

GRANDFATHER CLAUSE IN OKLAHOMA KILLED Supreme Court's Decision Gives Vote to Thousands of Negroes in South.

WASHINGTON, June 21.—In two opinions read by Chief Justice White today the Supreme Court of the United States declared that the so-called "grandfather clause," a test for voters prescribed by an amendment to the Constitution of the State of Oklahoma, and a statute in the State of Maryland were invalid because they were repugnant to the Fifteenth Amendment, if the Federal Constitution. Nearly every Southern State had prescribed this test for electors, which has operated in most cases to disfranchise a large percentage of the negro voters.

The Oklahoma amendment prescribed an educational test as well and the court held that this was a valid enactment when standing alone, but that being associated with the "grandfather's clause" enactment it was void, as the two were inseparable.

The objectionable amendment to the Oklahoma Constitution was as follows: "No person shall be registered as an elector if this State or any other State has voted in any election herein unless he be able to read and write any section of the Constitution of the State of Oklahoma, and no person who was on January 1, 1866, at any time prior thereto, or whose ancestor was so entitled to vote under any form of a government or who at that time resided in a foreign nation, and no lineal descendant of such person, shall be denied the right to register and vote because of his inability to read and write sections of such Constitution."

PENNSY BEATS COAL CO. Only One Judgment for Car Discrimination Is Legal.

WASHINGTON, June 21.—A judgment affirmed by the State Supreme Court of Pennsylvania in which the Clark Bros. Coal Mining Company of Clearfield and Indiana counties got \$124,443 from the Pennsylvania Railroad for discrimination in car distribution was set aside by the Supreme Court today. The judgment was entered under a Pennsylvania statute giving triple damages.

WARS DUE TO TRADE RIVALRY, SAYS BABSON Tells World Peace Foundation of a Plan for General Supervision.

ITHACA, June 21.—War is a by-product of economic rivalry was the idea championed by Roger W. Babson in the morning session today of the conference on international relations, being held at Cornell University under the auspices of the World Peace Foundation. Mr. Babson, Charles A. Sibley of the Babson Statistical Organization, and Dr. John Cox were the principal speakers on the topic, "The War as a Struggle for Trade Opportunities." Mr. Babson said: "I really know of only one Government which at this moment is not largely influenced—consciously or unconsciously—by the capitalist interests."

"It is very easy for the capitalists of England to show by statistics that a quarter of the population of England is indirectly supported by dividends received from investments abroad, which in turn the English believe to be dependent upon England retaining control of the sea."

He suggested that "outside of false patriotism and racial prejudice, modern war is the result of a struggle for trade opportunities. Moreover, if this is so, why isn't the first step toward peace the organization of some sort of a representative international body to supervise and protect persons and their property when outside their own country?"

CAMINETTI HEARING. Supreme Court Reverses Itself—Writ for Diggs Ton.

WASHINGTON, June 21.—The Supreme Court today reversed the order made at the last session denying writs of habeas corpus to P. Drew Caminetti of California, confined under the white slave law, and granted the writ.