

**READING PREFERRED**

**STOCKHOLDERS WIN**

They Will Share in Coal Common Distribution, Says Supreme Court.

**TAFT GIVES DECISION**

Plan of Dissolution Fixed by Lower Court Held Inadequate.

**ONE RULING AFFECTS S. P.**

Control of Central Pacific Is Dissolved by Justice Day's Decree.

WASHINGTON, May 29 (Associated Press).—Two decisions affecting great railroad properties were handed down today by the United States Supreme Court. In one it was decreed that preferred stockholders of the Reading Company will participate with the common stockholders in the distribution of certain assets of the Philadelphia and Reading Coal and Iron Company.

A modification of the dissolution decree in the Reading case was ordered to more effectively divorce the Reading Company and the Reading Coal and Iron Company.

Pointing out that the difficulty in the separation of the interests of the Reading Company and the Reading Coal and Iron Company lies in the lien of the general mortgage which covers much of the property of the former and all the stock and property of the latter, and is not redeemable until 1927, the court, in an opinion by Chief Justice Taft, directed that "the District Court should, after a hearing of all interested parties, determine the respective values of the properties of the merged Reading Company and the coal company which are subject to lien of the general mortgage."

"Then the decree should direct," the court continued, "that the liability of each of the bonds and the pledge under the mortgage shall be modified as between the mortgagee and the mortgagors, so that the liability of the Reading Company on the bonds outstanding and the lien of the mortgage upon that company's property to secure them shall be reduced to an amount proportionate to the ratio of the value of its pledged property to the value of all the property pledged, including that of the coal company."

**Allowed to Amend Plans.**

The District Court is permitted to determine what, if any, inquiry to the security a modification of the terms of the debts and mortgages may be caused to compensate for by such a payment to the bondholders by either or both companies as may seem equitable and convenient.

The changes involved in these suggestions may interfere with, or make inapplicable, the provisions of the present plan looking to a proper working capital for the Reading company, the Supreme Court declared. Authority, therefore, was given to the District Court to amend the plan in any way which seems wise to leave the Reading company properly financed to meet its obligations to the public.

Chief Justice Taft said it did not seem necessary to change the general form of that feature of the dissolution plan by which through the distribution of certificates of interest to the stockholders of the Reading company in the stock of the new coal company the stock relations of the Reading company and the present coal company are to be ended, though the powers of the District Court are by specific provision now to be limited in that regard.

The decree in the Reading case was entered by the United States District Court at Philadelphia after the Supreme Court had held the combination between the Reading and Reading Coal and Iron, the Philadelphia and Reading Railway, the Philadelphia and Reading Coal and Iron Company, the Central Railroad Company of New Jersey and the Lehigh and Wilkes-Barre Coal Company to be unlawful.

Dissolution of ownership and control of the Central Pacific Railway by the Southern Pacific Company was ordered by the court in an opinion delivered by Justice Day.

The decision in the case, which was the last of the railroad merger suits to be before the court, held the two lines were competitive. Justices McReynolds and Brandeis, because of their official connections prior to going upon the bench, did not participate. Justice McKenna delivered a short dissent.

The court directed that a decree be entered severing the control by the Southern Pacific of the Central Pacific by stock ownership or by lease, but in recognizing that end, so far as compatible, said the mortgage lien of the Union Trust Company of New York should be protected.

**Several Lines Affected.**

The several terminal lines and cut-offs leading to San Francisco Bay which have been constructed or acquired during the unified control of the two systems for convenient access to the bay and to the principal terminal facilities about the bay should be dealt with, the court declared, "either by way of apportionment or by provisions for joint or common use, in such manner as will secure to both companies such full convenient and ready access to the bay and to terminal facilities thereon that each company will be able freely to compete with the other, to serve the public efficiently and to accomplish the purpose of the legislation under which it was constructed."

A like course should be pursued, Justice Day added, in dealing with the lines extending from San Francisco Bay to Sacramento and to Portland, Ore.

"The Central Pacific, with its Eastern connection at Ogden, forms one great system of transportation between the East and the West," the opinion stated, "and the Southern Pacific, with its roads and connections and steamboat lines, forms another great transcontinental system for transportation from coast to coast. The Central Pacific constitutes some 800 miles of transcontinental line of which it is a part. The Southern Pacific system has practically its own line of railroads and steamboat connections to New York via Galveston and New Orleans."

The acquisition of the Central Pacific stock by the Southern Pacific was held to be unlawful under the opinion of the court in the Union Pacific case, "unless justified by the special circumstances relied upon" for that purpose, but the court after analyzing the special circumstances discarded them as not justifying the control.

The present case did not differ from the Union Pacific case at all in principle. Justice Day asserted, the only difference being that in the Central Pacific the Southern Pacific acquired a competitive system of 800 miles in length, whereas in the Union Pacific the competing system absorbed was 1,900 miles in length.

Reviewing previous railroad merger decisions, Justice Day asserted, the court gave "mischievous emphasis" to these that "one system of railroad transportation cannot acquire another nor a substantial and vital part thereof when the effect of such acquisition is to suppress or materially reduce the free and normal flow of competition in the channels of interstate trade."

Ample proof had been furnished, he added, to show it had been the policy of the Southern Pacific to avoid transportation on its line by securing for itself whenever practicable, the carriage of freight which normally would move eastward or westward over the shorter line of the Central Pacific and its connections, for its own much longer and wholly owned Southern route.

"The court refused to accept the theory of prior practical consolidation as a justification for a violation of the Sherman act. The bearing of the ninety-nine year lease of the Central Pacific made in 1885 was reviewed, the court reaching the conclusion that it could not have been legally made without authorization by Federal legislation, which was never given.

**Authority of Congress.**

Congress has the authority "to regulate interstate commerce," Justice Day said, and under its legislation "conduct becomes illegal which has the effect of contracts, conspiracies or combinations to restrain the freedom of interstate trade or to monopolize the same in whole or in part."

"We find nothing in these leases to the Southern Pacific Company," the Justice said, "which justifies the continued control of the Central Pacific by the Southern Pacific after the Sherman act became effective."

Other decisions were:

That it is not necessary for the President to review and approve personally each individual case to make effective the work of the retirement board in removing officers of the army from the active list under the national defense act.

Affirmed the decision of the District Court for the Southern District of Texas in the appeal of the city of Houston against the Southwestern Bell Telephone Company. The telephone company went to court and proved that rates fixed by the city in 1909 were confiscatory. The court permitted the charging of higher rates and the city appealed.

Held that life insurance companies making loans in Missouri on policies taken out in that State are bound by the laws of Missouri. The Mutual Life Insurance Company of New York had sought suit to have set aside a verdict of \$107,542 awarded to Mrs. Mary S. Lebing on a policy issued to her former husband. Violation of contract under the laws of New York was alleged.

**Decision on Coal Losses.**

Held that the Federal Government was not responsible for losses suffered by coal companies during the war when they were compelled to sell coal at prices fixed by the Government. The Pine Hill Coal Company instituted the suit, seeking to recover \$239,261 from the Government.

Affirmed the decision of a Maryland court that "rights" on stock are not subject to tax under the income tax law of 1918. The Collector of Internal Revenue of Maryland had sued the Safe Deposit and Trust Company, as guardian for Frank R. Brown. "Rights" it was held and affirmed, consist of the sale of a part of the stockholder's original capital. Only the gain over original cost is held taxable as income.

Held that collection of taxes under the war revenue act of 1918 on the capital and undivided profits of a bank was valid, even though the capital and undivided profits were invested. The Fidelity Title and Trust Company of Pittsburgh had appealed a case from the Court of Claims. It was a test case for 130 similar actions.

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**LABOR-FARMER PARLEY FAILS TO FORM PARTY**

Only 75 Attend Conference Held in Topeka.

SPECIAL DISPATCH TO THE NEW YORK HERALD.

TOPEKA, May 29.—Seventy-five persons participated in the so-called Farmers Industrial Conference here today. A dozen women were in the meeting, and not more than a score of farmers.

From the discussions, the probability of uniting the farmers and members of labor unions in one political tent is extremely remote, as their interests are diametrically opposed. Some of the farm delegates said the reasons assigned were that the farmer's day of labor oftentimes runs far into the night and in the majority of cases twelve to fifteen hours a day, whereas the labor unions are fighting for eight hours and that with a Saturday half holiday.

No new party will be organized in Kansas.

**BUFFALO MAYOR FINED FOR DRY VIOLATIONS**

Acts Were Committed Before Schwab Was Elected.

BUFFALO, May 29.—Mayor Frank A. Schwab today entered a plea of nolo contendere on indictments charging violation of the prohibition laws and was fined \$500.

The indictments were before Mr. Schwab was elected Mayor and while he was manager of the Buffalo Brewing Company. Internal revenue penalties were settled several months ago for \$16,000. Indictments against the brewing company will not be further pressed, it was announced.

**LORD'S DAY ACT RESENTED.**

Victoria Votes for Liberal Interpretation; Stores Open.

VICTORIA, B. C., May 29.—A concerted move against rigid enforcement of the Lord's Day act developed yesterday when forty storekeepers kept open house and hung out "business as usual" signs.

Following a recent plebiscite on Sunday enforcement, when a majority voted in favor of a liberal interpretation of the Sunday laws, two of the three Police Commissioners announced they would continue to enforce the Lord's Day act to the letter.

**Your Doctor**

never saw an operating room so immaculate clean or fundamentally more sanitary than this barber shop. From tile to towels every square inch is kept spotless.

22 expert barbers always in attendance. 23 trained manicurists at your service. Sterilized individual brushes, combs and razors.

The Haircut Royal—50c  
The Manicure Unique—50c

All prices are less than elsewhere

Hotel MALPIN  
BARBER SHOP  
In the Hotel Malpin  
BROADWAY at 34th St.  
Open 7 a. m. to 11 p. m.

**IN OUR ARTIST MATERIALS DEPARTMENT we have just about everything that the artist and student need. All at Lowest-in-the-city prices.**

**R. H. Macy & Co. Inc.**  
HERALD SQUARE NEW YORK

**COME UP TO THE RESTAURANT one of these hot days. It's cool and spacious there and you will relish the food.**

**STORE CLOSED TODAY—MANY SPECIAL VALUES TOMORROW**

**Vacuum Cleaner**  
With Motor Driven Bristle Brush and Full Set of Attachments  
At the Remarkably Low Price of  
**\$39.75**  
Made to Sell for \$70.00



This is a high quality machine, the product of a reputable manufacturer who has advertised it from one end of the country to the other. We stand back of it for quality and service.

It will take the grit and dirt out of the carpet bed—not merely off the surface. There is a brush for heavy work, or pure suction alone where no brush is required.

With the machine comes a set of 8 tools or attachments that clean draperies, tufted surfaces and the hard-to-get-at places. The nozzle has a 13-inch opening; the cleaner is light to carry; there is a convenient switch in the handle. Direct or alternating current will drive the motor.

**\$18,000 Worth REAL MADEIRA LINENS for \$13,500**

Hundreds of pieces of exquisite embroidery, in unusual designs, which a special purchase enables us to sell at amazingly low prices.

<b>Oval Tray Cloths</b>		<b>Center Pieces</b>	
12x18, \$1.19		24 in. round, \$1.79 to \$3.79	
16x23, 1.49		27 in. round, 2.49 to 4.39	
<b>Scarfs</b>		<b>Tea, Luncheon and Dinner Cloths</b>	
17x44, \$2.79		34 in. round, \$4.49 and \$5.94	
17x52, 2.97		44 in. round, 6.24	
<b>Luncheon Sets</b>		52 in. round, 6.94 to 14.89	
13 pieces, set, \$4.49		70 in. round, 14.89 to 24.89	
<b>Tea Napkins</b>		<b>Boudoir Cases</b>	
13 and 14 inches. doz., \$6.24 to \$11.89		14x18, \$1.49 and \$3.79	

**Sale of Silverware and Cutlery**  
Continuing Our Semi-Annual  
**Chatworth Silver-Plated Tableware**

Our own exclusive design. Vegetable Dishes, Chop Plates, Platters, Bowls, etc., in a price range from \$2.49 to \$18.89

**"Rogers" Silver-Plated Flatware**  
In plain design, good weight, bright finish.  
From 89c to \$2.49 half doz.

**Sterling Silver Spoons, Forks & Knives**  
Reduced 1/4  
In a single dignified design, appropriate for gift purposes. \$4.49 to \$15.79 1/2 doz.  
Single pieces, \$1.54 to \$9.94

**Sterling Silver Tea Sets Reduced**  
Now \$158.00 to \$239.00  
Were \$198.00 to \$299.00

**Table Cutlery Greatly Reduced**  
Stag Handle Carving Sets, \$4.96  
Stainless Steel Knives, 1/2 doz., \$4.59

**Bronze Picture Frames from France**  
At About 1/2 Price

**A Timely Sale of Net and Real Lace Vestees**  
**\$1.88**



Vestees made of fine, sheer net combined with real filet and Irish laces. They are so well made on these net foundations that they'll wear well, and the shoulder straps keep them in place. In cream color only.

**Women's White Canvas Low Shoes**  
**\$5.44**



The proper styles for wear this summer. A happy combination of comfort with style at a price that is indeed low. The styles are:

- White canvas oxford with Cuban heel; medium or round toe, as illustrated, "A."
- White canvas oxford with low college heel; medium round toe. White canvas pump with one strap and low college heel. Illustrated, "B."
- White canvas one-strap pump with low college heel; medium round toe.

At the above price most women can afford two pairs, a pair of pumps and a pair of oxfords.

**Folding Umbrellas, Specially Priced,**  
**\$2.69**  
Our Usual Price \$3.69

A very practical umbrella, with removable handle and folding tip. In men's and women's styles, of fine black cotton with firm tape edge.

The men's styles have Prince of Wales crook handles, the women's cord or ring or the convenient strap on straight handles of selected wood. Silk cases.

Will fit in a 24-inch suit case, also in the desk drawer

**Summer Blankets and Bedspreads**

**Olive Drab Camp Blankets** \$2.94  
Full sized blankets, 66 x 84 inches; tested to be over 74 per cent. wool; just the thing for camping, motoring or any outdoor use. Many will purchase them as an extra bed blanket.

**White Marseilles Bedspreads** \$3.69  
Full double bed size with satin finish; a splendid quality Marseilles spread with raised designs, at a very attractive price.

**Imported Colored Marseilles Bedspreads, With Bolsters**  
Single size, \$5.94 Double size, \$7.94  
They have scalloped edges and cut-out corners. In attractive designs of rose and white, and blue and white, with separate bolsters.

**Bed Sheet Specials**



In time for those who are fitting up summer cottages and bungalows these two items offer a very timely saving:

**Bleached Muslin Sheets**  
Full size; seamless; hemmed ends; size 81x90, each, 98c

**Bleached Muslin Pillow Cases**  
Flemmed; size 45x36, 24c

**Ice Cream Freezers**  
**\$1.14**

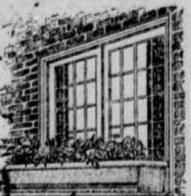
Make two quarts of velvety ice cream that's easily prepared and even more easily eaten! This type is modeled after a more expensive freezer which we carry regularly in stock.

The tub is heavy galvanized sheeting. The cream container is solidly built with a heavy nicked cover. Gears are substantially made and protected by a casing.

But the dasher is mainly responsible for the good ice cream. It has strong wooden blades which scrape the sides of the container, thereby insuring evenly frozen cream.

**Self-Watering Porch and Window Boxes**

24-inch, \$1.19 30-inch, \$1.49  
36-inch, \$2.24



Of heavy, galvanized sheet steel. Because of its unique construction with a patented water pocket and tubes leading into the box, it provides for watering the roots from below, and gives perfect air circulation and ventilation. In addition, there is perfect drainage when plants are excessively watered.

The boxes are enameled an attractive shade of green and will improve the appearance of any home, summer cottage, hotel, factory or office building. Watertight, and therefore well adapted to interior decoration.

**We Sell Merchandise of Taste and Quality at Lowest-in-the-City Prices—For Cash Only**