

FRENZIED FINANCE AS IT APPLIES TO THE S. E. CO.

(Continued.)
 company's promoters are now preparing to "cash in" on their first block of increased income to the value of \$5,000,000, and issue to themselves a second block, probably vastly larger.

When the Seattle Electric company was incorporated its promoters had already secured control of most of the street railway lines of the city and several small lighting and other companies and these were transferred to the company on the occasion of its first meeting in the office of Struss Allen, Hughes & Wicken, in the Bailey building.

The proceedings of that meeting throw a great white light on the company's frenzied financial methods.

Incorporation of Company

The company had been incorporated by Judge Thomas Burke in accordance with plans laid by agents of Stone & Webster with an original capitalization of \$6,250,000 of which \$5,000,000 was in common stock and \$1,250,000 in preferred. At that meeting, held January 14, 1906, Jacob Furth subscribed for two shares of the stock, Judge Burke, C. J. Smith, Maurice Micklen, R. V. Ankeny, F. J. Wood and George H. Hays who were present as "office boy stockholders" subscribed for one share each and Carl G. M. Miller, a Stone & Webster representative from Boston, for the remaining 6,242 shares. These stockholders were thereupon made "dummy" directors of the company to carry out the plans of the coal promoters, Mr. Furth became president and George Donworth was chosen secretary.

There was present also, in person or by proxy, a board of "dummy" directors of the Madison Street Cable Railway company which consisted of Mr. Miller, E. C. Neufelder, many except the few formal shares held by each director having passed into the hands of Mr. Miller, trustee and general ring master of the meeting.

On behalf of his dummy board of directors of the Madison Street Cable Railway company Mr. Miller offered to himself on behalf of his board of directors of the Seattle Electric company the Madison street railway property, subject to \$250,000 mortgage, for \$750,000 payable at the option of the Madison street company in either cash or in stock of the purchasing company at par. Repeating on behalf of his directors of the Seattle Electric company to the purchase price by accepting \$500,000 of it in cash and \$250,000 of it in stock of the Seattle Electric company.

Sale to S. E. Co.
 Mr. Miller then proceeded to offer to turn over to the Seattle Electric company an assorted and sundry collection of public service corporation junk, including plants, equipment, real estate and franchise of one sort and another in exchange for the proposed \$3,500,000 of the new company's bonds, the \$1,250,000 of its preferred stock and \$4,700,000 of its common stock. This provided for the disposition of all of the company's

original securities except the \$50,000 thereafter paid to Jacob Furth for procuring the consolidated franchise.

The properties at that meeting sold by Mr. Miller to the Seattle Electric company were those of the Union Electric company, the Consumers Electric company, the Seattle Steam Heat & Power Co., the Madison Street Cable Railway company, the Union Trunk Line, the James Street Construction company, the First Avenue Railway company, the Burke Building Electric Lighting plant, and certain stock and bonds of the Seattle Tractor company, the Third Street & Suburban Electric Co., the West Street and North End Electric company and the Green Lake Electric Railway company, carrying practically the complete ownership of the entire street railway interests of Seattle except the lines of the Yeeler way system and the Seattle, Renton & Southern.

How much fictitious profit Mr. Miller made for his employing agents which will be in charge of the collection of plants, systems and franchises did not cost him to exceed \$4,000,000.

Purchase Price Misstated.

Deeds to these several properties from the old companies to the Seattle Electric company were afterwards filed for record, but the purchase prices were misstated. At that time, however, revenue stamps were required by the federal government on such deeds, representing \$1 in revenue for each \$1,000 in value in the property transferred. The values represented in those revenue stamps show that the transfer prices were far short of the estimated amount of \$4,000,000. The amount of stamps shown on the deeds indicate, for instance, that the transfer value of the Union Trunk Line was but \$100,000, the Union Electric company but \$80,000, the Seattle Steam Heat & Power plant but \$101,000, the Seattle Tractor company but \$150,000 and the Seattle Railway company but \$248,750. These purchase prices involved in many if not most instances outstanding mortgages which the purchasing company assumed.

During the fight before the council for the consolidated street railway franchise Jacob Furth stated in published interviews that the new company would invest nearly \$4,000,000 in the purchase of existing properties, and from the available record of these proceedings it appears that this is about what they cost, but that in the fictitious dummy director transactions they were loaded into the Seattle Electric company's bookkeeping system as having cost \$9,450,000, almost exactly accounting for the \$5,000,000 of water represented by the common stock, this stock, which cost them nothing, and was appropriated by the promoters at the time of the company's organization, is now about to be realized upon at par value or greater through the plan of recapitalization already outlined in this narrative. This first \$5,000,000 of water represents the price of Seattle's betrayal in street car franchise granted by her city councils.

Be a man in authority. Start a savings account with us and your money will work for you.

We Pay 4% Interest On Savings Accounts

John Chaffin
ODD DIANOS
 Victor and Edison Talking Machines
 SHEET MUSIC, STRINGS
 711 Second Ave., Seattle

James D. Hoge, President.
 N. B. Bolner, Cashier.

DIRECTORS
 Ferdinand Schmitt, J. D. Lowman, Emanuel Rosenberg, A. B. Stewart, George Donworth, Robt. C. McCormick, Edward S. Dunn, Chas. H. Betts, James D. Hoge, N. B. Bolner.

Great San Francisco Strike Sale

This Big \$25,000 Stock Must Be Sold at Once Regardless of Cost

This stock consists of brand new and up-to-date goods, and we bought it, owing to labor troubles, at our own figures. Now we must get rid of it, and in order to do this we will give you unmatched bargains—Bargains in Clothing, Hats, Shoes and Furnishing Goods that cannot be equaled on the Pacific coast. Come at once, and get an early selection, as the goods will not last long at these figures.

- CLOTHING**
- 210 Men's \$15.00 All-Wool Suits, single and double breasted; all colors \$7.65
 - 125 \$10.00 and \$12.50 Suits, in gray tweeds, worsteds and chevrons \$5.85
 - 195 Men's \$18.00 and \$20.00 Suits, wool and silk mixtures, latest patterns, new goods \$10.75
 - Men's \$16.50 Suits, fine patterns, all styles \$9.25
 - 139 Men's \$22.50 and \$25.00 Suits, hand tailored; an elegant assortment \$12.85
 - 115 Men's \$27.50 and \$30.00 Suits, hand made, all shades and styles \$15.25
- PANTS**
- 300 pairs Men's Wool Pants; regular price \$3.00; now \$1.45
 - 150 pairs Men's Wool Pants, fine patterns; regular price \$4.00; now \$1.95
 - 200 pair Men's Pants, gray and brown stripes; regular price \$5.00; now \$2.85
 - 125 pairs Youth's Pants; regular price \$1.75; now \$1.15
- SHOES**
- Men's Fine Box Calf Shoes; regular price \$4.00; now \$2.25
 - Men's Vici Kid Shoes; regular price \$3.50; now \$1.85
 - 200 pairs Boys' Shoes, all sizes; regular price \$2.50 and \$3.00; now \$1.35

The Crown Clothing Co., Inc.
 1121 First Avenue
 ONE BLOCK SOUTH OF POSTOFFICE. WATCH FOR THE BIG SIGN.

BEEES KILL OLD MAN.
 KATAMAZOO, Mich., July 5.—Daniel Herding, aged 72, while cutting a bee tree, was so seriously stung by bees that he will die. He tried to run but infirmity prevented, and the bees completely covered his body.

WILL HANDLE CROWDS

Robert Dudgeon, superintendent of the Seattle Union Department Station, notified C. B. Yandell, secretary of the Chamber of Commerce today that final plans for handling the crowds to the Christian Endeavor convention had just been made. Facilities have been provided for parking 110 cars, the first 40 that arrives will be placed on Occidental street, the remainder on the water front between Pine and Madison, an extra force having been provided to watch the cars and keep them in sanitary condition.

Additional telephone service will be installed in the information bureau which will be in charge of Dr. Horsfall, chairman of the reception committee. Baggage will be satisfactorily cared for.

TELEGRAPH BRIEFS

It is reported that many cultured women have been thrown into jail in Mexico by President Diaz on charge of attempting to incite a revolution. Help is asked.

Julius Kruttschnitt, of the Hariman line, leaves San Francisco this week on a trip of inspection to the northwest.

Secretary Metcalf of the navy has arrived at Oakland on a short vacation.

The petition signed by 2,000 Americans for a general arbitration treaty was presented to the Hague conference yesterday by Miss Anna Ekstein.

Harry Orchard Is a Big Liar

HE MAY HAVE MADE THE BOMB THAT "BLEW GOVERNOR STEUBENBERG INTO ETERNITY" BUT HE CAN'T MANUFACTURE A BOMB BIG ENOUGH TO BLOW UP THE YOSEMITE Sunday, July 7. Why? Because it will have a large crowd of Meyer-Haywood sympathizers on board. \$1.00 round trip to Olympia for Meyer-Haywood defense fund. All organized labor is going.

To Furniture Buyers

We supply everything for the home, either new or second hand, and deliver free to any part of the city.

Our selection of ranges and stoves cannot be excelled and we extend credit when desired.

FURNITURE GRING WOODHOUSE & PLATT
 415 PIKE ST. PHONES 1-1222

FREE CAMPING GROUNDS
 At Redondo Beach, most beautiful place on Puget Sound. Plenty of pure spring water, fine gravel beach, good boating, bathing and fishing. Absolutely no charge for camping privileges. See the Sound Trustee Co. 500 Colman Bldg.

WOODMEN ARE GETTING BUSY

The results of the membership campaign of the local camps, Woodmen of the World, assisted by the organization force, are proving satisfactory, over 100 applicants having been received the past week.

The big initiation of 1,000 or more candidates will take place Thursday evening, August 1. The ritualistic team will be composed of picked men from the organization department and the work will be expedited before the visiting delegates and head camp officers.

Candidates for all the camps in Seattle and vicinity, from Tacoma and as far north as Bellingham will be presented, and the event promises to be one of the biggest affairs ever held off in this city.

UNCONSTITUTIONAL

Judge Griffin today held the act of the legislature prohibiting the publication of session laws by any one but the secretary of state to be unconstitutional. The matter came up in an information filed by Prosecuting Attorney Mackintosh against Frank Pierce, author of Pierce's Code, demurred to on the ground that the act was not valid.

NORTHWEST TRUST & SAFE DEPOSIT CO.
 SEATTLE, WASH.
 4% INTEREST ON SAVINGS

Deposits made in our Savings Department up to July 10th draw interest from July 1st.

E. Shorrock, president.
 J. P. Hartman, V. Pres.
 Alexander Myers, Sec.
 J. V. A. Smith, Cashier.

"UNLOADING SALE."
 Ladies' Spring Hats, values up to \$12.50 at \$4.95
 NOVELTY SKIRT MFG. CO.,
 1316 Second Ave.

DOWNING, HOPKINS & RYER INC. BROKERS.
 Grain, Provisions, Stocks, Bonds—PRIVATE WIRES.
 Tel. Main 270, Ind. 270.
 Rooms 304-305-306 Alaska Bldg.

Go see the Green Lake Reservoir Addition today. Homes and lots easiest terms. Green Lake car to Green Lake Station Branch Office.

INTERNATIONAL BOND & REALTY CO., 337 Pioneer Bldg.
 Main 1156; Ind. 4048.

ALBERT HANSEN
 Diamonds, Watches, Jewelry.
 FIRST AND CHERRY.
 Optical Department.

BID TOMORROW ON TWO BIG PAVING CONTRACTS

There is much interest today in the probable results of the bidding tomorrow before the board of public works for the Queen Anne paving contract, and for the grading of what is known as the Denny hill district. The two contracts will aggregate nearly \$1,000,000.

New contractors are expected to appear, and if they do not it will prove a disappointment to the city officials.

It will not be a surprise if the Pioneer Grading company, the wealthy corporation of Nome, Alaska, is a competitor for the big Denny hill work and possibly the Puget Sound Bridge & Dredging company of this city.

It is said that a big Chicago contractor who spent the last week in Seattle looking over the ground will submit a bid.

Over the Queen Anne hill work the Pacific Bridge company of Portland is expected to submit the bid which some time ago was not put in because of the alleged interference of the asphalt trust in the northwest. Very few if any of the local street contracting firms are expected to submit bids.

DEATH RECORD.

Deaths were registered today as follows:
 Kelly—Joseph A. Kelly, 20, July 2, at 608 1/2 1/2 av. S.
 Barnum—Helen Barnum, 52, July 1, at 2644 Harvard av. N.
 Serf—Thomas I. Serf, 21, June 30, at Providence hospital.
 Bridges—Robert Bridges, 53, June 25, at Providence hospital.
 Barber—Mattie Barber, 43, July 1, at Kent.
 Wilson—Infant, June 28, at Ravenna.

Boys Wanted

To sell Seattle papers. For information apply to Geo. Engler, Star office, old library building, between 9 and 11 in the morning and 2 till 3 in the afternoon. Initiation fee paid by Engler.

EXTRA SIZE SUITS.

We carry suits in extra sizes—large men, no matter how stout, can be fitted very easily. W. B. Hutchinson Co., Cor. 2nd and Union. ***

BIRTH RECORD.
 Births were registered today as follows:
 Digby—To wife of J. M. Digby, 230 Boren av. N., July 3, a daughter.
 Catherwood—To wife of Arthur Catherwood, 2911 E. Jefferson st., June 27, a daughter.
 Sandi—To wife of Dominic Sandi, 665 1/2 Main st., July 3, a son.
 McDonald—To wife of Stewart McDonald, Ballard, June 30, a daughter.
 Falquist—To wife of August Falquist, 405 1/2 23rd av. S., June 27, a son.

HURT BY CAR

A man named Slobert Monson was hit by a car on the Seattle-Everett interurban at about 11:30 last night near Ballard. The man's skull was cut and he is lying at the European hotel, Ballard, in a critical condition. Just how the accident happened has not been ascertained.

EXTRA SIZE SUITS.
 We carry suits in extra sizes—large men, no matter how stout, can be fitted very easily. W. B. Hutchinson Co., Cor. 2nd and Union. ***

THE THEATERS

"Fantana." The San Francisco Opera company will open at the Grand Sunday night in "Fantana."
 "A Marked Woman" closes tomorrow night. "A Man's Broken Promise" is the Burgess company's bill for next week.
 At the Third Avenue. "The Two Orphans" will be seen tonight, tomorrow afternoon and night. "Way Out West" is to be staged next week by the Taylor company.

At the Lois. "Winchester" will be seen tonight and tomorrow for the last times. "Charlie's Aunt" will run all next week.

At the Star. Moreland & Johns and Al Johnson are two of the individual successes at the Star theater this week. There are eight acts in all.

BIG REDUCTION ON Baseball Goods. Must have room. Hall's, 1111 First Ave. ***

Attractive Specials for Saturday Shoppers

And the beauty of the whole matter is that you can depend on the goods you buy at this store. Every article is just as represented. There is no inflation, no exaggeration. Just a plain statement of goods on sale, with regular prices and special prices that show a direct saving to every purchaser at this store tomorrow. You'll find the goods on display in our windows and on our counters, with prices plainly ticketed. It is pleasant and profitable for all who shop here.

Hosiery Bargains.
 If you or your children wear stockings, you will find our Saturday sale of Hosiery of special profit. It pays to be a regular patron of our Hosiery Department. Note these specials—

- 19c Hose, 2 pairs for 25c—Children's White Cotton Hose, in a nice 1x1 ribbed quality. Have double heels and toes and flexible tops. Our regular low price is the a pair. Tomorrow's special price, 2 pairs for 25c
- 19c Hose at 15c—Women's "Black Cat" Hose, in a fine ribbed quality, with high spliced heels and double toes, seamless and perfectly fast in dye. These are always 15c. Tomorrow's price only 15c
- Special Value Hose, 25c—The "Hudson" Seamless Hose, for women; have double sole, high spliced heels and elastic top; are absolutely fast dyed; all sizes 25c
- Women's Gauze Hose, 25c—These are finely mercerized, are very elastic and have double soles and toes, and high spliced heels. All sizes 25c

Misses' and Children's Dresses
 Special Value at \$13.50—One of the Beautiful Misses' Dresses included in tomorrow's show is this lovely summer gown of white Swiss. It is made with a square yoke of Valenciennes lace and a deep bertha over the shoulder, edged with three rows of Val. lace and set with three handsome lace medallions. The short sleeve has a deep lace cuff. The skirt has a deep flounce, with a row of lace insertion at the head and two tucks and two rows of lace at the foot. A drop skirt, trimmed with lace \$13.50

Other Dainty Gowns of White
 India Linon at \$9.00, \$6.00, and as low \$4.00

Children's Dresses, in white and colors, all the newest styles, up to \$5.00 each, and as low as 75c

Children's Jackets \$2.98
 Special at..... \$2.98
 Take your choice tomorrow of all the Children's Jackets we have left in stock in sizes up to and including 8 years.* They come in plain shades and in fancy plaids and mixtures. Values run up to \$5.00. Pick out the one you want tomorrow at only \$2.98

Some Good Bedding Bargains.

- \$3.50 Blankets, \$2.98 a Pair—Navy White Wool-Filled Bed Blankets, in full 11-4 size. They are bound in silk and have handsome pink, blue and red borders. Every pair in the lot is well worth \$3.50. The special price is \$2.98
- \$1.00 Bedspreads, 79c—Full Size Bedspreads, hemmed, laundered and ready for use; always \$1.00; special tomorrow at, each 79c
- \$1.50 Bed Comforts, \$1.20—Choice Quality Large-Size Bed Comforts, filled with white cotton batting, hand tied and covered with figured silkoline; regular \$1.50 values; special tomorrow \$1.20
- \$1.25 Bed Comforts, 98c—Clever Sized Bed Comforts, covered with figured silkoline, filled with white batting and hand tied; \$1.25 values; special tomorrow at only 98c

Sale of Seattle Souvenirs.

- Souvenir Post Cards, 1c—Take your pick of all we have to show you, and there are thousands of them, showing a great variety of views; Saturday only 1c
- Leather Post Cards—The very newest things, on special sale Saturday, the one day only, at, each 2c
- 35c Souvenir Banners, 19c—Leather Hangers, or Banners, with burnt wood souvenir bar; regular price 35c; special Saturday at only 19c
- Burnt Wood Souvenirs, 49c—Steins, Pitchers, Nut Bowls, Plaques and many other pretty articles, in souvenir form; regular 69c and 79c values; choice Saturday at only 49c
- Souvenir Pillow Tops, 50c—Nine views of Seattle on a blue print pillow top. These are perfectly washable and are very appropriate and valuable souvenirs of the city; each 50c

Drug Sundries

- Mennen's Talcum, 9c—The well-known Borated or Violet Talcum Toilet Powder, always sold here at 15c, and a regular 25c article special at 9c
- 10c Toilet Soaps, 7c—Choice of Colgate's, Kirk's, Swift's and Armour's Fine Toilet Soaps, which sell regularly at 10c a cake, 7c
- 10c Box Stationery, 5c—Linen Cloth Paper and Envelopes, 48 pieces in a box; ruled or plain; regular prices 10c; special at, the box 5c
- 49c Perfumes, 33c per Ounce—Take your choice tomorrow of Colgate's, Ricksecker's, Willow's and Pinand's Fine Perfumes; all we have in stock, which sell regularly at 49c an oz., 33c
- *We reserve the right to limit the quantity sold to any one purchaser.

Laces and Embroideries

- Our Lace and Embroidery Departments are constantly busy. The reason is easy to find. You can see it in the special values we offer. Moreover, everything we have to show in these lines is entirely new and up-to-date.
- 80c Dress Nets, 59c—White and black, with figured effects; are 44 inches wide, and excellent 89c values; special tomorrow at 59c
 - 69c and 79c Point d'Esprit Dress Nets 49c—These come in white, pink, blue and cream, are 44 inches wide, and priced regularly at 69c to 79c a yard. Choice tomorrow 49c
 - \$3.25 and \$4.75 Allovers, \$2.75—Two lovely things in window embroidery, with numerous insertions of dainty Valenciennes lace; width 27 inches. Regular prices \$3.25 and \$4.75 a yard. Choice \$2.75
 - 25c and 29c Oriental Lace, 18c—This includes both edging and insertion, and runs from 2 to 7 inches in width. Regular prices are 25c and 29c a yard. Take your choice tomorrow at only 18c
 - 5c and 7c Val. Laces, 3c a Yard—French Valenciennes Lace Edgings and insertions to match; widths 1/2 to 1 1/2 inches, and regular prices as stated. Tomorrow's special price only 3c
 - Swiss Insertions, 29c—Nice, sheer whiteness in Swiss Embroidery insertions, from 1 1/2 to 2 inches wide, on special sale tomorrow at 29c
 - 15c Cambric Edgings, 11c a Yard—Pretty patterns in cambric Embroideries, 2, 4 and 5 inches wide; worth 15c a yard, special tomorrow at only 11c
 - 50c Swiss Edgings, 33c—Beautiful designs in fine quality sheer Swiss Edgings, 9 to 14 inches in width, regularly sold at 50c a yard; special tomorrow at, the yard 33c

Handkerchiefs.

Women's 25c Handkerchiefs 16c—Handkerchiefs that are every thread pure linen and very fine in quality, excellent values at the regular price, 25c, on special sale tomorrow at only 16c

Men's 20c Handkerchiefs 11c—For one day only we will sell these men's pure white all linen handkerchiefs with hem-stitched hems, a quality that sells regularly and readily at 20c, at, each 11c

Fancy Neckwear.

15c Turnover Collars 8c—Embroidered Turnover Collars in numerous pretty designs, all 15c values, special tomorrow at, each 8c

39c White Lawn Collars 23c—Choice of a nice assortment of fine washable lawn collars, all nicely embroidered and regular 39c values, tomorrow 23c

30c and 35c Ruchings 22c—Fancy and plain ruchings in all colors on special sale tomorrow at, the yard 23c

Belt Specials.

Embroidered Wash Belts, 23c—A large and varied collection of White and Colored Embroidered Washable Belts, in all sizes, extraordinary values; special tomorrow at, each 23c

25c Wash Belts, 19c—White Embroidered Wash Belts, in this season's most popular designs; all clean and new. All sizes, and regular 25c values; special tomorrow at, each 19c

75c Crush Leather Belts, 43c—Every color in fine quality Crush Leather Belts, with newest shaped buckles; values 50c, 65c and 75c each; on special sale tomorrow at, each 43c

New Books 45c.

We have just received these reprints of recent copyrights. They are bound in cloth and printed on good paper in large, clear type. Are equal in value to the recent \$1.50 copyright edition. The new titles are: "The Silent Places," by Stewart Edward White, 45c

"Chatham," by Frederic Harrison, 45c

"A Woman's Hardy Gardening" by Ely, 45c

"Theodore Roosevelt the Citizen," by Jacob Riis, 45c

Your choice tomorrow at, each 45c

McCARTHY'S
 SEATTLE'S RELIABLE STORE
 SECOND AVENUE BETWEEN PIKE AND PINE

Small Wares at Smaller Prices. Read the list and bring it with you tomorrow. Plenty of evidence here of the value of bringing your trading at this store—

- 25c Hat Pins, with fancy twisted tops, tomorrow, each 19c
- 10c Cards of Pearl Top Pins, in all colors; special tomorrow at a card 8c
- 5c Stove Blacking Mitts, special tomorrow at, each 3c
- 25c "Regal" Cuff Sleeve Protectors; special tomorrow at, the pair 19c
- 25c Sets of Rubber Hair Curlers, best made; special tomorrow at, set 17c
- 5c Wire Hair Pin Cabinets, assorted sizes, special tomorrow at only 3c
- 5c Belt Pin Boxes, very convenient; specially priced tomorrow at 3c
- 35c Women's Silk Sew-On Hose Supporters, special tomorrow at a card 29c
- 5c Bottles of Sperm Oil for machines and bicycles, special at 3c
- only 3c
- 5c Bottles of Sperm Oil, for machines and bicycles, special at, each 2c



Celebrate With Comfort
 Ladies, you can celebrate with foot comfort by wearing a pair of our White Canvas or Linen

OXFORDS
 BIGGER VALUES AT \$1.00, \$1.50 AND \$1.75.

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 405—Pike Street—405

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 SEATTLE-TACOMA ROUTE.
 Fare 35c—Round Trips, 50c.
 FOUR ROUND TRIPS DAILY.
 LEAVES SEATTLE—6:45 and 10:25 a. m.; 2:05 and 5:45 p. m.
 LEAVE TACOMA—8:35 a. m. and 12:15, 3:55 and 7:30 p. m.
 Time card subject to change without notice.
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