

THE OMAHA DAILY BEE.

ESTABLISHED JUNE 19, 1871.

OMAHA, THURSDAY MORNING, MARCH 19, 1903—TEN PAGES.

SINGLE COPY THREE CENTS.

ARGUE MERGER CASE

Noted Lawyers Attack and Defend the Northern Securities Company.

BECK SEES OBVIOUS RESTRAINT OF TRADE

Claims Wabash Employees Were Guileless Beside Hill Faction.

RATES NEW JERSEY'S RECKLESS CHARTER

Declares No Other State Would Grant Unlimited Rights.

YOUNG REPLIES FOR RAILROAD MAGNATES

Briefly Sketches History of Lines to Coast, Showing How Trade Was Gradually Built Up to the East.

ST. LOUIS, Mo., March 18.—For the first time in history, and by authority of a special act of congress, four United States circuit judges are sitting together to hear arguments in the fight of the government against the Northern Securities company. Under this special act the United States circuit court for the district of Minnesota is holding its session in St. Louis, and by this arrangement the case can go immediately from this court to the supreme court of the United States and thus save from two to three years.

The four judges before whom the case is being argued are Judges Caldwell, Sanborn, Thayer, and Van Devanter, Judge Caldwell presiding.

The attorneys for the government are George M. Beck and William H. Day, D. T. Watson of Pittsburgh and D. P. Dyer of St. Louis.

For the Northern Securities company are John W. Griggs, George B. Young of St. Paul, M. D. Grover, general attorney for the Great Northern railroad, and C. W. Bunn, general attorney for the Northern Pacific.

Most of today's session was taken up with an elaborate argument presented by Assistant Attorney General Beck. After he had concluded, an argument for the Northern Securities company was begun by former Judge George B. Young.

Mr. Beck began speaking soon after court convened at 10 o'clock and with the exception of two hours he spoke continuously until 5:52.

He referred to the Wabash injunction case, saying the laws were such that employees of a railroad who did not own 1 cent of stock, or one rail of the road, could be enjoined from striking and thereby interfering with the interstate commerce act by stopping trains, but that under this court as ruled the government was powerless to prevent the owners of railroads themselves from merging, preventing competition and thereby interfering with the very rights the interstate commerce act sought to protect.

Try to Override Public Will.
In his argument, Attorney Beck said, in part:

It would be difficult to exaggerate the importance of this controversy. Few cases have ever been presented to any court which affected corporate interests of such magnitude and which so vitally concern the welfare of the American people.

If competing carriers can form a stable, permanent and controlling combination, with indefinite and perpetual powers, through the simple device of a so-called state charter—a form which is far more familiar to the public interest than the trust arrangements or federal trusts which have had their condemnation both by the interstate commerce commission and the Interstate Commerce Commission in restraint of trade or attempted monopolies, with the power of the individual, with the weight of the importance of the declared will of the American people.

Mr. Beck then reviewed the corporate history of the Great Northern, Northern Pacific and Union Pacific systems. He referred at length to the attempt to merge in the year 1885 by the Northern Pacific and Great Northern interests to unite their respective systems and quoted at length the decision of the supreme court in the case of *Pearl v. Great Northern Railway* company declaring the attempted amalgamation unlawful.

New Jersey Reckless with Charters.

There was considerable discussion as to what charter could be secured to protect such extraordinary powers. After careful consideration by eminent counsel, it was finally decided that the state should have had no power for its relatives sale of corporate privileges to secure pure fees, was the state whose protective power should be invoked. Accordingly, the charter was applied for in New Jersey on November 12, 1901. The whole transaction was nothing more than the exchange of certificates of ownership; the buyers were the sellers and the sellers were the buyers, with this important difference, that the part owner of the property of the Northern Pacific railway, or the Great Northern, found himself a part owner of the property of both.

Had the two constituent companies formally consolidated, no different results would have been accomplished. Had the Great Northern and Northern Pacific formally merged their corporate identity and issued new paper stock in return and exchange for the pre-existing holdings, the result would have been precisely the same as in the exchange for the certificates of the Northern Securities, with the single exception of the name. Between a technical merger and a transfer to the so-called holding company is the difference between tweedle-dum and tweedle-dee.

Obtains Extraordinary Powers.

Mr. Beck then analyzed the charter of the Northern Securities company, and said: "Such grants as to a corporation unless it be one of the New Jersey breed, in a few words, its powers may be classified as follows:

(1) Infinite in scope.
(2) Perpetual in character.
(3) Vested in the hands of a few.
(4) By methods secret even to stockholders."

It will be interesting to follow out the particular powers given to the holding corporation, as explained by noted financiers, is to enable the admiralty to rule the major port of the country to decorate the graves of those who were killed.

A police lieutenant stood at the gate and examined the inscriptions on the wreaths, while a policeman standing behind him with a pair of shears clipped off the ribbons on which objectionable inscriptions had been made.

KING REMEMBERS COL. CODY

Sends Distinguished American Hand-some Scarf Pin as a Souvenir.

LONDON, March 18.—King Edward has sent Colonel Cody (Buffalo Bill) a handsome scarf pin with the royal cipher in diamonds surmounted by the crown, as a souvenir of his visit last Saturday to the Wild West show.

PEOPLE OF FRANCE PLEASED

Take an Interest in Panama Canal, Although United States Will Not Do It.

PARIS, March 18.—The movement of the ratification of the Pan-American treaty by the United States senate has received with satisfaction by the French and others here who have long been engaged in this project.

In government circles the senate's action was considered to be an assurance that the United States will carry out the plan in under French auspices. Although the government of France has no connection with the Panama Canal company, the former has always taken a deep interest in the success of the late Count de Lesseps' project, owing to the great number of French investors in the canal company.

It is understood that the French company will not make any definite plans for the future until the congress of Colombia ratifies the treaty, when the procedure for distributing the proceeds of the sale of the property will be arranged.

WASHINGTON, March 18.—The Ohio river has fallen 1.8 feet at Cairo, and as a consequence the Mississippi river, while slightly higher at Memphis, can rise but little more. The stage at the last named point this morning is 39.6. The situation below is unchanged, the stages being Vickburg, 49.3, a rise of three-tenths; New Orleans, 19.3, a rise of one-tenth.

MEMPHIS, Tenn., March 18.—There is scarcely a ray of hope in the flood situation tonight, except in the fact that tributaries of the Mississippi to the north of Memphis are reported falling.

On the hour today Panama 8 cents, which closed at 47 and 48 cents. These represent the bonds having a face value of 500 francs, which sold almost at par during the palmy days of Count de Lesseps. They had been greatly depressed during recent years, but revived and have advanced steadily since the United States began the discussion of the treaty with Colombia.

MOODY LIKES THE HARBOR

Says Proposed Site for Coalings Station in Cuba Is Most Desirable.

HAVANA, March 18.—Secretary Moody and party, with the exception of Postmaster General Payne and Senator Hale, left for Cuba on a special train today. Mr. Payne continues his journeys to Santiago on Diphis and Senator Hale has started for Washington.

Mr. Moody will stop for three hours at Matanzas. He will also visit Santa Clara and Puerto Principe and will arrive at Santiago Friday.

The secretary informed the correspondent of the Associated Press previous to his departure that the impression he had formed during his three hours' stay ashore at Bahia Honda was entirely favorable. The harbor, he added, is convenient, and there is ample site for a coalings station.

The coral formation of the bottom of the harbor will apparently require little dredging. Mr. Moody found that an American company had already purchased a big tract of land for colonizing purposes in the immediate vicinity of the coalings site.

NOVEL MACHINES FOR FAIR

One of Them Catches the Heat Units Flying Out of a Factory Chimney.

BERLIN, March 18.—Among the new machines for conserving energy that Lieutenant Godfrey L. Carden of the United States revenue cutter service has found for the St. Louis exposition is one to catch heat units flying out of a factory chimney. This appliance in a plant at Dusseldorf now yields 2,100-horse power.

Another device to economize force can be attached to a steam engine and increase its power one-third without increased fuel consumption.

Lieutenant Carden, who has been searching Europe for eight months for useful machines invented since the Paris exposition, has arranged to send over about twenty other novelties, including the process for making smokeless briquettes, which has been adopted by the British admiralty, and also a German briquette machine to utilize coal waste.

LIBERALS WIN ANOTHER SEAT

Conservatives Suffer a Crushing Defeat in Bye Election in Sussex.

LONDON, March 18.—The conservatives have suffered a crushing defeat in the bye election of Sussex, where a bye election was held yesterday for a successor to A. L. Brookfield, conservative, who has been appointed British consul at Montevideo.

The result was the return of C. F. Hutchins, liberal, by a majority of 534 over Edward Boyle, conservative. Mr. Hutchinson, who appealed to the electors as a critic of the government's whole policy, obtained over 2,000 more votes than he did in 1900, when he opposed Mr. Brookfield, while the conservative vote fell off about 100.

There was much talk in the lobby of the House of Commons today about the "moral effect this and the Woolwich reverse would have on the government."

SULTAN IGNORES AMERICA

Refuses to See Minister Bearing Claims Roosevelt Wishes Settled.

LONDON, March 18.—The correspondent of the Daily Chronicle at Constantinople says United States Minister Leishman is still vainly waiting for an audience with the sultan to deliver President Roosevelt's autograph letter on the American claims regarding the missionary schools in Armenia.

In response to Leishman's demands Turkey, Fach, promised that the sultan would receive his letter after the celebration of Bairam, but the festival passed and Mr. Leishman became exasperated.

MEMORIAL WREATHS CENSURED

Berlin Police Guard Against Sedition When the Populace Decorate Rebels' Graves.

BERLIN, March 18.—This brings the anniversary of the revolutionary outbreak of 1848, crowds of Berliners wandered to the cemetery to decorate the graves of those who were killed.

A police lieutenant stood at the gate and examined the inscriptions on the wreaths, while a policeman standing behind him with a pair of shears clipped off the ribbons on which objectionable inscriptions had been made.

FIVE BOYS DEAD IN WATER

Raft Capsizes on Which They Are Playing Near Chant, Indian Territory.

JOPLIN, Mo., March 18.—News of the tragic death of five boys was received here today from Chant, I. T. The boys were playing on a raft which capsized.

DEAD:
RAYMOND CROCFOT.
RALPH OAKS.
CHARLES OAKS.
PETER BERRY.
LUTHER BERRY.

The ages of the boys ranged from 5 to 8 years. The bodies were recovered.

JAIL OPENS FOR MAD MAN

St. Joseph Embalmer Leaves Prison for Washington Insane Asylum.

JEFFERSON CITY, Mo., March 18.—United States Marshal E. R. Durham has started with James Gallagher for Washington, D. C., where he will be placed in the government insane asylum.

Gallagher was serving a term for embezzlement committed while a bank clerk in St. Joseph.

FLOOD SURROUNDS TRAINS

Passengers Caught Between Washouts Spend Day in Cars.

WEATHER BUREAU IS MORE HOPEFUL

Waters Still Rise at Memphis, but Elsewhere Situation Is Reported as Greatly Improved and Danger Passed.

WASHINGTON, March 18.—The Ohio river has fallen 1.8 feet at Cairo, and as a consequence the Mississippi river, while slightly higher at Memphis, can rise but little more.

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ST. LOUIS, March 18.—Affidavits were filed and arguments commenced late this afternoon in the Wabash injunction suit.

In opening for the company, Colonel Budgett said: "We claim that the grievances said to exist on the Wabash originated with the defendant in this case and not with any of the employees of the company. As evidence of this I point out that there is not in any of the reports of the meetings of the grievance committee a single statement to show that any of these so-called grievances were ever discussed by that committee.

These grievances must have originated somewhere, and we claim that the proceedings of the grievance committee show that they were made in accordance with the demands of the Western association of the general committee of these two organizations as a foundation for their demands for official recognition of their union.

The unusual number joining yesterday so did because that was the last day on which membership could be obtained for \$1. At the time of organization it was decided to hold the membership fee at this figure until this date and then raise it to \$5 for one month and afterwards to \$10. This raise affects only men in the service at this time; all men newly joining the street car service will be charged the original fee.

The men who are still holding aloof from the union are almost to a man old employees of the company, and those who joined yesterday were for the greater part of this class. Those early in the organization were mostly men who had not served any length of time. Many of those who have joined had intended to join in their names at some time, but had delayed action, for one reason or another. Those still remaining out of the organization are said to have done so through fear of some complication or unpleasantness.

Leaders are Jubilant.

Men who have been prominent in the work of organizing and increasing the union are jubilant over the accession of yesterday and think that it will be a short time until practically all of the car men are in line. The majority of the men of the Council Bluffs line early joined the union, and most of those still unsigned are on the Omaha side.

The union was organized August 28 of last year. At the time application was made for the charter 204 names were signed to the application as intending members. Most of these later withdrew from the movement and only seventeen men remained to fight for the association. These were suspended by the street railway company, but were later reinstated.

Eight others joined the movement on the night that the seventeen were suspended, and these twenty-five pioneers elected officers and began work among their less active companions.

The union men say that they have no grievance against the street railway company at this time, but feel that they should be organized. They express the intention to make the union work for the good of its members and for the good of the service, and are confident their employers will never have any cause to complain of its actions.

OMAHA TACTICS REPEATED

Kansas City Southern Follows Union Pacific Lead in Attempt to Break Strike.

PITTSBURG, Kan., March 18.—After being idle for a week, the Kansas City Southern shops started again today with ninety nonunion men brought in from the north. The men were unloaded and escorted to the shops under an armed guard furnished by the railway. The guard, however, was unnecessary, as the strikers made no attempt to molest the new men.

A stockade is being built around the shops and grounds, inside which the new men will sleep and eat in tents and boarding cars. Today fifty guards will be set around the shop, while 300 ruffians were stacked up inside the enclosure.

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Five railroad bridges are out between the two islands, and the bridge across the river is almost a mile long.

ST. PAUL, Minn., March 18.—In eighteen hours 1.42 inches of rain fell in St. Paul, this being within 0.02 inches of the normal rainfall for the entire month.

The situation in North Memphis is unchanged. People are transferred in skiffs and many are idle because of the shutting down of several industries.

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