

NEGOTIATIONS DECLARED OFF

After more than 30 days of persistent effort, Colonel F. J. Mundy late Friday afternoon declared off all negotiations for the purchase of the Pacific & Eastern railroad, and the work of selecting and securing a right of way for the coal road within the corporation boundaries of Medford will be commenced at once. Already members of the Commercial club are agitating the scheme of asking the Commercial club to lend its assistance to this end.

These gentlemen point out that Colonel Mundy has not asked the city for any favors, but has gone ahead and made plans for developing the coal properties without aid from any source. It is also pointed out that there are other towns which would be glad to have the coal road make its connections with the Southern Pacific where they are located, and that such a condition would be the cause of Medford losing the large volume of business that is bound to result when the mines get to producing coal.

As exclusively printed in The Morning Mail, when Colonel Mundy made the deal for the coal properties it was planned to take in the Pacific & Eastern. A road to the mines has been surveyed from Kulus on that line to the mines and rights of way for practically all of that distance have been secured.

Now, however, these plans will have to be changed, because of the failure of the negotiations for the purchase of the P. & E., and the coal road will run into Medford direct.

Responsibility for the failure of the deal rests with Edgar Hafer, who with Dr. J. F. Reddy, controls the road. Dr. Reddy left for Chicago last evening, and before his departure stated that he had signed up and had made all arrangements for the transfer of his interests in the road to Colonel Mundy and his associates. Mr. Hafer, it is learned, refused to sign up.

One hundred and fifty thousand dollars is understood to be the amount that Colonel Mundy was ready to pay for the P. & E. The price that the road brought when sold at the receivership sale was \$82,500. No improvements have been made on the property since that time, and it is said that it is in poorer condition than at that time.

The P. & E. has been the football of contending factions since it was built in 1905. It has passed through about every form of financial straits and has been a burden to all of its successive owners, except as it has been used as a pawn in the game of finance. Every form of motive power has been utilized at one time or another to propel a variety of cars over its rails, until some months ago it reached the stage of having only a rickety handcar equipped with a sail and propelled by the breezes that blew over the valley. The last several months even that makeshift conveyance has been discontinued, its mail contract thrown up and at the present time it is not used at all.

The road was organized in 1905 and \$25,000 worth of stock sold to local people. The people back of the road at that time were A. A. Davis, W. I. Vawter, R. H. Whithead, Dr. B. F. Adkins and J. M. Keene.

Later that season the Geo. Bros. of Pennsylvania took a mortgage on the road for \$35,000, which was used to pay for the rails. Geo. sold the mortgage to Mr. Dewing of Grand Rapids, Mich.

The next step was the receivership. On the petition of local shareholders the road was declared a bankrupt in 1906 and Judge Hanna appointed J. F. Reddy receiver. The road was then sold by the receiver to George D. Morris and associates of Portland for \$82,500. The money for this purchase was deposited in the Oregon Savings & Trust company, which later failed.

The German-American bank then took over the liabilities of the other institution, including the certified check for the purchase of the road, and the bank was given two years to make good, which will be the fall of 1909.

In 1908 C. Hunt Lewis, Edgar Hafer and J. F. Reddy secured control of the road, and later Lewis retired, disposing of his interests to Hafer and Reddy, and there the matter stands.

INDIANS TO GET CATTLE.

Allotments to be Made Under Act of Congress

KLAMATH FALLS, Or., March 13.—Under what is officially known as the McLoughlin agreement with the Klamath and Modoc Indians, which was approved by congress about three years ago, the authorities are now advertising for 6000 head of heifers of Durham stock, 2 and 3 years old. If these can be had for division among the Indians to be placed on their fine allotments it will put them in position to realize handsomely from this productive addition to their wealth. The Klamath reservation with its area of over 1800 square miles is not excelled elsewhere on the coast either for meadow lands or upland pasture. A number of the Indians are already well provided with cattle, one of

them, the well-known Klamath cattle king, Henry Jackson, having about 1000 head. Crawford and others have bands of 100 or more each.

The McLoughlin agreement, under which this purchase is to be made, aggregated \$537,007.20, more than half a million, which they were entitled to as indemnification for over 600,000 acres of lands excluded from the reservation by an erroneous boundary survey. They were to receive a cash payment of \$25,000 which was paid them two years ago, and \$250,000 was to be paid in the United States treasury to draw 5 per cent interest, this interest to be paid annually. Of this deposit they can, on properly signed and approved petition, draw annually, if they wish, 10 per cent of the principal. From the deposit they have drawn interest for two years and for the fiscal year ending June 30, 1908, drew \$35,000, or 10 per cent of the principal.

From the difference between the full total of \$537,007.20 and the \$350,000 deposit this purchase of cattle will be made, also agricultural machinery, etc., without drawing upon the deposit in the treasury which draws interest.

It will be seen that the Klamath and Modoc Indians, who are admittedly superior to many other tribes in their industrial character and training bid fair almost to rival the Osages in wealth. Each one of something over 1000 Indians on the Klamath reservation has an allotment of 160 acres of fine meadow or farming land and has an equal interest in the tribal lands which will approximate 800,000 acres after the allotting is completed, and each will probably also receive money indemnification for the 87,500 acres of timber land given up to the Booth-Kelly company in place of the 111,000 acres to which the supreme court decided the Central Military Road company was entitled under the terms of the grant from congress. These Indians were friends and allies of the whites in both the Plate and Modoc wars.

MONEY IS MEANT.

Harriman Says Coos Bay People Must Give Guarantee

MARSHFIELD, Or., March 13.—A definite answer regarding the matter of building the Drain-Coos Bay line by E. H. Harriman has been received. When a committee visited Mr. Harriman last fall the members understood the railway magnate to say that he would build the road if it was shown that the business would pay 4 per cent on the investment. Colonel Holabird, a representative of Harriman, visited Coos Bay and was furnished statistics as to shipments from this point and the decision of Harriman has been anxiously awaited.

A telegram from Harriman to Governor Chamberlain indicated that Harriman was expecting a money guarantee of 4 per cent from Coos Bay before he would build the road. The chamber of commerce of North Bend and Marshfield telegraphed Harriman asking that the matter be made more clear, as the conditions were not understood that way. In response to this telegram Harriman has wired to Dr. McCormac, president of the Marshfield chamber of commerce, a definite answer as follows:

"San Bias, Mexico, March 10.—Dr. J. L. McCormac, Marshfield, Or.: You are misinformed as to Colonel Holabird's report. My offer to your delegation last August was very plain, and if satisfactory guarantee can be had of 4 per cent on the cost of maintenance, operation and taxes I will recommend its construction to our committee. No one's opinion will be satisfactory. Guarantee must be on basis that deficit in any one year will be immediately paid and the guarantee properly secured."

"E. H. HARRIMAN."

Other propositions for steam and electric railways have been made to the Coos Bay people and now that a definite answer has been received from Mr. Harriman regarding his plans, action will at once be taken in the consideration of advances made by other corporations.

NEW STOCKRAISING PLANT.

LA CROSSE, Wis., March 11.—With three varieties of Siberian alfalfa, a clover which grows north of the Arctic circle, and some 300 other varieties of seeds suitable to the semi-arid region of the west, Professor Niels Ebbesen Hansen, chief plant explorer of the United States department of agriculture, has returned from a nine months' trip in lands rarely visited by an American.

It was Professor Hansen's third trip to Northern Siberia, and his fourth to the highest latitudes of European Russia. He intends to combine the best elements of alfalfa of four continents and of all climates in a plant which will withstand the coldest weather and which will, it is claimed, make this country the greatest producer of beef and mutton in the world.

CASTORIA

For Infants and Children.
The Kind You Have Always Bought

Bears the Signature of *Wm. D. Druggist*

HAFER READY FOR BUSINESS

Editor Morning Mail: Under date March 13, in the Daily Medford Morning Mail I note with much concern the news item under the following caption, which is printed in large, bold, black type, "Colonel Mundy Declares Off Negotiations for P. & E."

As the article, under the above title, as well as your editorials, takes occasion to pass criticism on my conduct of the dealings with Colonel Mundy regarding the Pacific & Eastern railway, I ask for space in your paper to set forth the exact conditions which have existed for the past four months, and are still existing between Colonel Mundy and myself in connection with matters pertaining to Mundy's endeavor to purchase and take over the property of the Pacific & Eastern railway.

On November 15, 1908, I received, while in San Francisco, from A. E. Reames, attorney for Colonel Mundy, the following telegram:

"Edgar Hafer, care St. Francis Hotel, San Francisco, Cal.: Imperative you come here at once. Wire tonight please."

(Signed.) "A. E. REAMES."

I left San Francisco that evening for Medford, arriving here the following evening. Upon arrival I was met at the train by Mr. Reames and Colonel Mundy, who started immediately to explain his reason for having Reames wire me, and to outline his plans toward the taking over of several propositions here, of which the Pacific & Eastern railway was one.

Many Propositions.

From that time until now I have had almost daily conferences with Mundy looking toward the solution of getting the Pacific & Eastern entanglement straightened out and putting the road in shape so that it could be financed to the timber and coal properties. Dozens of propositions have been made by Mundy to handle the Pacific & Eastern road, but not in one single instance has he ever offered to make a proposition in writing and to back the same up with money to show his good faith toward carrying out any one of them. This I requested that he do before I would consider seriously any proposition made.

Friday of this week was the first time I received a written proposition which I agreed to and signed, after altering one clause wherein I was personally held responsible to bring about certain results which, had I agreed to, would have worked an imposition on the local stock and bondholders in order to bring about Mundy's desired result. The contract was nothing more than a one-sided option for thirty days, with no money consideration to show Mundy's good faith, and nothing binding to hold him to his proposition. Colonel Mundy was out at the coal properties at the time, and I signed the contract in the presence of A. E. Reames. Mr. Reames agreed that upon Mundy's return, a duplicate of the contract as altered would be signed by Mundy and turned over to me.

Combination Didn't Work.

On Mundy's return he refused to consider the contract because I would not enter into an agreement to bring about certain results advantageous to himself, although I voluntarily lowered my price to offset the alteration mentioned. I then requested that Mundy return to me the contract which I had signed. This he refused to do, but said that he would allow me to tear my name off of same, but when they came to open their safe to secure the contract the combination of the safe suddenly became confused and would not work. Thus I did not get the contract, nor the privilege of taking my name off of same.

As to the consideration for the purchase of the Pacific & Eastern, \$20,000 for payment of current obligations would have been about the extent of Mundy's cash outlay. Balance of payments was to be made in stocks and bonds in exchange for or assumption of present outstanding stock and bonds.

I have personally devoted nearly all of my time for the last year and a half, and have expended several thousand dollars, directly and indirectly, in trying to put the Pacific & Eastern railway in shape to be operated and extended to the timber. Our company, the Crater Lake Lumber company, have lost their entire business and our plant is closed down today, all on account of the making of vague propositions and then the withdrawing of them.

Still Ready.

If Mundy has the cash to do business, he and I can get together for much less than \$150,000, but as for



stocks and bonds, I have quite sufficient now.

Regarding your editorial suggestion as to rights of way into Medford, I have only to say that had the people of Medford furnished the Pacific & Eastern with a right of way into town it would now be a revenue-producing road, and easy to finance, and should such a right of way be furnished even now, I will start within twenty-four hours to build into town and resume passenger and freight operations.

Very truly yours,
(Signed.) EDGAR S. HAFER.

HARRIMAN'S SCHEME

Conference to Consider Pooling of All Earnings

SALEM, Or., March 13.—In a communication received by the railroad commission this morning E. R. Stewart of Ashland calls attention to mistreatment alleged to have been received at the hands of the Southern Pacific and Santa Fe railroad systems in the exacting of an overcharge for freight upon a shipment of burros last year, and petitioned the commission to come to his relief in the collection of his claim against the overcharge in freight and for damages he claims to have suffered in the loss of stock in transit. In the event an amicable settlement cannot be reached with the company upon his claim, which has been on file for nearly a year, he threatens to go into court.

Mr. Stewart says that he shipped two carloads of burros from Engle, N. M., to Grants Pass, Or., and that the railroad rate quoted to him by the Southern Pacific agent was \$261.32 per 36-foot car, but that he was forced to pay \$302 per car, or a total of \$604 for the shipment, and that eight of the animals had been killed en route and 21 colts lost. He says he put in a claim of \$25 per head on the animals killed, \$100 damages, and the amount of the alleged overcharge, \$80.93, last April, which claim he says has been ignored by the company. Furthermore, he states that on July 1, 1908, a Southern Pacific train ran down and killed seven of the same shipment of burros at Grants Pass, and that he has put in a claim for damages for this injury at the rate of \$25.50 per head, which claim has met with the same indifference accorded the first claims.

RAILROAD BUILDER DEAD

COLORADO SPRINGS, Colo., March 13.—General W. J. Palmer, founder of Colorado Springs, died at his country seat, Glen Eyre, west of this city, this afternoon. Death came as the result of a fall from a horse in October 1906, which resulted in breaking his back. His estate is valued at \$15,000,000.

He was distinguished as a soldier in the civil war. He won his greatest fame as a railroad builder. He built the Kansas Pacific railroad and the Union Pacific. In 1869-70 he built the Denver & Pacific, between Denver and Cheyenne, and was president of the Denver & Rio Grande until August, 1883, when he resigned to give greater attention to a railroad in Mexico, the Mexican National. But he continued to be president of the Rio Grande Western, extending from Grand Junction to Salt Lake, until April, 1901, when he withdrew from personal participation in its affairs. He founded Colorado Springs in connection with the building of the Denver & Rio Grande, and lived there since the summer of 1871.

SESSION ENDED

OLYMPIA, March 12.—The eleventh session of the legislature came to a close this morning at 12 o'clock after a 60-day session.

The most notable work of the session consisted in the passage of the local option bill, an act submitting the equal suffrage amendment to a vote of the people, the adoption of a complete criminal code and abolishing racetrack gambling. It exceeded all previous sessions in the amount of money appropriated, provision being made for an expenditure approximately of \$10,000,000. A part of this total, however, will be made up by the disposal of land resources and the issuance of state bonds. The legislature today voted expenditures exceeding \$6,000,000.

The bills passed include the omnibus appropriation bill providing for all the state departments and institutions and miscellaneous measures. Consideration of all bills ceased at noon and the afternoon and night were spent in concurring in amendments.

GANS BEATS ENGLISH CHAMP.

NEW YORK, March 12.—Joe Gans, former lightweight champion of the world, easily defeated Jabez White, the English lightweight champion, in a ten-round bout tonight. It was a tame exhibition and the big crowd was disappointed as the men were slow and lacked force behind their blows. White was knocked down once in the sixth and twice in the seventh, when the bell saved him by one second, and once in the eighth. Gans was far from the Gans of even two years ago, as he missed several blows, misjudging the distance and failing to take advantage of many opportunities that presented themselves.

NICARAGUA IS AT OUTS WITH U. S.

WASHINGTON, March 12.—Owing to continued disturbed conditions in Nicaragua and President Zelaya's failure to make serious efforts looking to settlement or the Emery claim, the state department today, by withdrawing Mr. Gregory, the American charge d'affaires at Managua, and ordering the legation placed in the hands of a consul who will have no diplomatic capacity, practically broke off diplomatic relations with that country.

Affairs in Central America have been closely watched by the American and Mexican governments, both of which have come to the conclusion that the time for drastic action has arrived to insure peace in the Central American republics.

The Mexican ambassador spent considerable time at the state department today and the determination was reached that if the American warships in Nicaraguan waters at present and those to be sent there are not sufficient to impress Zelaya into living up to the peace treaty between the Central American republics, more radical steps will be taken.

Mexico Will Interfere.

MEXICO CITY, March 13.—Mexico will intervene in the affairs of Central America, if such action becomes necessary to preserve peace in that region. Mexico will co-operate with the United States in all that country does to maintain peace in those countries. This statement of Mexico's attitude toward the crisis in Salvador and Nicaragua was told to the correspondent of the Associated Press by Assistant Secretary of State Gamba, who is acting minister of foreign affairs during the illness of Secretary Miraflores.

No news is obtainable from Nicaragua or Salvador on account of the interruption in the telegraph line, the cause of which is suspected to be intentional interference with the telegraph line by Nicaragua, which controls it.

Outbreak Denied.

MANAGUA, March 13.—Reports that hostilities broke out between Nicaragua and Salvador were cable here today from the United States. They are absolutely without foundation. Peace reigns in Salvador as well as in Nicaragua.

Warships Mean Peace.

PANAMA, March 13.—Men thoroughly familiar with conditions in Central America do not believe that there will be any outbreak of war between Nicaragua and Salvador as long as the American warships stay on the coast. It is felt, however, that the conditions are such that something serious may occur if these vessels are withdrawn.

There are no diplomatic relations between the two countries.

Nicaragua Protests.

WASHINGTON, March 15.—Nicaragua, through her minister here, Senor Espinosa, protested to Secretary Knox today that the military and naval activity in progress in that country was entirely for defensive purposes; that she does not contemplate attacking her sister republics, and that international questions are quiet. The administration, however, has decided to increase the fleet in Central American waters to six vessels. The most significant news today was that about 6000 Nicaraguan troops are on the Honduran border, near Corinto, where also are four gun boats and other auxiliary craft. A feature distasteful to the state department is the manner in which John H. Gregory, secretary of the legation at Managua, who has been ordered to Washington, is being treated. There are evidences of hostility to him and it is understood that some of his dispatches have been delayed.

EMPLOYEES STEAL.

PENDLETON, Or., March 12.—The three men who have been arrested in connection with wholesale thefts of freight from the O. R. & N. freight depot here are Charles Ely, transcontinental freight inspector; William Edwards, warehouse foreman, and Charles Dickens, truckman. These men were arrested in the first raid, several days ago. Dickens has made full written confession to District Attorney Phelps, implicating the other two men and other railroad employees. He also told how and where he disposed of the stolen goods, but the text of no part of his confession has been given out.

Ely and Edwards will be given a hearing in the justice court, and it is possible that portions of Dickens' confession will come out at that time. Other arrests may also be made tomorrow morning, following the arrival of Arthur Spencer, O. R. & N. attorney, and O. R. & N. Detective Wood. If any other arrests are made they will be among employees of the railroad, as District Attorney Phelps declares today that there is not sufficient evidence against any one outside of railroad employees to warrant arrests or prosecution. It is understood that Dickens accuses fellow employees of stealing coal from the company and

Why Take Alcohol?

Are you thin, pale, easily tired, lack your usual vigor and strength? Then your digestion must be poor, your blood thin, your nerves weak. You need a tonic and alternative. You need Ayer's Sarsaparilla, the only Sarsaparilla entirely free from alcohol. We believe your doctor would endorse these statements, or we would not make them. Ask him and find out. Follow his advice. J. C. Ayer Co., Lowell, Mass.

The endorsement of your doctor will certainly greatly increase your confidence in Ayer's Pills as a family laxative. Liver pills. All vegetable. Ask your doctor about them.

of tapping whisky and beer barrels, and some of these may be arrested, though it is doubtful, as the district attorney understands it is the desire of railroad officials to ascertain the facts rather than to carry on wholesale prosecution with a slim chance of securing convictions.

COOS WILL IMPROVE ROADS.

MARSHFIELD, Or., March 12.—Contracts for \$17,000 improvements to the Coos Bay wagon road, over which the mail is carried, have been let by the commissioners of Coos county. It is the most important road improvement ever made in the county. There are three different contracts for the work. The improvement when completed will mean a stone and plank road from Sumner, the beginning of the stage route, to the Douglas county line, and an effort will be made to have Douglas county improve her part of the road.

The mud on the road as it is now is so deep that a stage cannot make the trip in winter time and it is almost impossible for the packhorses to get through with the mail. Complaint has been made to the department repeatedly and when an inspector visited the district recently he declared that the people did not deserve better mail service until they built better roads.

Mail is transported between Sumner and Marshfield in gasoline boats on Catching Inlet. This waterway is being dredged so that the boats can run at all tides, which will further hasten the moving of the mail.

RANCHERS PETITION FOR SILO.

KLAMATH FALLS, Or., March 12.—Klamath land owners have forwarded a petition to J. W. Bailey, state dairy and food commissioner, asking that a silo be established near Klamath Falls for the purpose of making experiments in the preparation of ensilage from the tules and marsh grasses of the Klamath basin.

F. H. McCormack, whose ranch borders the Upper Klamath lake, has asked that the silo be established on his place and states that if successful he will buy the outfit from the state at actual cost of installation.

The tules and marsh grasses of the Klamath lakes and rivers are of a very rank growth, and cover a considerable area, and the opinion here is that ensilage of a high grade can be made.

VESTAL SENTENCED.

KLAMATH FALLS, Or., March 11.—Roy Vestal, indicted with Alf Wallace and Charles Liskley for cattle-stealing, pleaded guilty to the charge yesterday morning and was sentenced by Judge Noland to the penitentiary for a year and three months.

The evidence indicated that the other two men were the principal offenders and Vestal was given a light sentence. Deputy sheriffs will leave in the morning for Salem with Wallace, Liskley and Vestal.

BRYAN'S DAUGHTER FREED.

LINCOLN, Neb., Feb. 12.—Ruth Bryan Leavitt, eldest daughter of William Jennings Bryan, was granted a divorce from W. H. Leavitt.

E. R. SEELY

PHYSICIAN AND SURGEON
Modern Equipment, X Ray Laboratory
Office in Jackson County Bank Building
MEDFORD - OREGON

I. D. PHIPPS, D. D. S.

DENTIST
Office in Adkins Block adjoining Haskin's Drug Store.
MEDFORD - OREGON

Wm. Colvig

C. L. Reames
COLVIG & REAMES
LAWYERS
Office in Medford National Bank Building—ground floor.
MEDFORD - OREGON

G. W. STEPHENSON

PHYSICIAN, SURGEON
AND OPTICIAN
Office: Room 6, Adkins Block. Calls promptly attended day or night.
Phone 563.

YOU CAN PREPARE FARES

for any one from any place if you want to. Deposit the necessary amount with our local agent and he will telegraph ticket promptly.

Inquire of Agents or write to
WM. McMURRAY,
General Passenger Agent,
The Oregon Railroad & Navigation Co., Southern Pacific Co. (Lines in Oregon).

PORTLAND, OREGON.

B. H. Harris

Timber Land Bought and Sold

Those having timber lands or relinquishments for sale would do well to consult us.

Office over Jackson County National Bank

Mrs. Leavitt and her mother appeared in the court of Judge Cornish, and both alleged that Leavitt had not contributed to the support of his wife. There was no defense. Mrs. Leavitt was granted the custody of the two children.

MONSTER ELEVATOR.

WINNIPEG, March 13.—The Canadian Pacific will erect this year at Vancouver a \$10,000,000 elevator to store Canadian wheat for shipment to Mexico and Great Britain via Cape Horn.

CASTORIA.

The Kind You Have Always Bought
Bears the Signature of *Wm. D. Druggist*

MILL PRICES.

500 LOTS OR MORE.

Flour.....\$2.50 per 100 lbs
Rolled Barley.....\$1.65 per " lbs
Middlings.....\$1.70 per " lbs
Mill Feed.....\$1.80 per " lbs
Bran.....1.60 per " lb

LESS THAN 500 LOTS.

Flour.....\$2.70 per 100 lbs
Rolled Barley.....\$1.80 per " lbs
Middlings.....\$1.85 per " lbs
Mill Feed.....\$1.75 per " lbs
Bran.....\$1.65 per " lbs

MEDFORD FLOUR MILLS.

LOW RATES TO OREGON

DAILY

During March and April

From All Parts of the East

VIA

UNION PACIFIC

OREGON SHORT LINE

THE OREGON

RAILROAD & NAVIGATION

SOUTHERN PACIFIC

\$33 from Chicago

\$30.50 from St. Louis

\$25 from Omaha

\$25 from Kansas City

Correspondingly low from all other points.

TO THE PUBLIC.

Write letters to everybody you know in the East and tell them about these low colonist rates. Send them literature about Oregon, or send their addresses to us and we will do it. In this way you can be a great help in the growth and progress of your state.

YOU CAN PREPARE FARES

for any one from any place if you want to. Deposit the necessary amount with our local agent and he will telegraph ticket promptly.

Inquire of Agents or write to
WM. McMURRAY,
General Passenger Agent,
The Oregon Railroad & Navigation Co., Southern Pacific Co. (Lines in Oregon).

PORTLAND, OREGON.