

Taxpayers Also Grant New High School.

TEACHERS GET MORE PAY

Levy of .6 Mill Made to Increase Salaries.

BOARD'S REPORT IS ADOPTED

Bond Issue of \$100,000 Is Authorized to Erect Stone High School Building on the East Side.

***************** NEW HIGH SCHOOL-Resolution introduced by Thomas Hyslop adopted unanimously. School to be of stone, coming \$100,000, and located on East Side, adjoining Central School. Bonds to be insued to pay for building.

TEACHERS' SALARIES Board's sugincrease accepted. Matter of distribu-

ADDITIONS AND NEW SCHOOLS-Suggestions contained in board report accepted. One new building will be ted and necessary additions built. TAX LEVY-Total tax levy for schools le 6.6 mills.

The meeting of the taxpayers of District No. 1 in the assembly hall of the High School on Fourteenth street, last night, was a most enthusiastic one and replete with many lively debates in which sarcasm figured conspicuously.

The question of granting the asked-for increase in sflaries to teachers and the provision for a new High School structure were the only matters discussed at length. but these were sufficient to lead many of those present into heated controversies.

The introduction of Mr. Histop's resolution for a \$100,000 High School band issue was the occasion for much discussion, and, although strongly opposed by H. Wittenberg, it was carried with much en-The .6-mill levy to increase teachers' salaries was also carried.

The reading of the clerk's report opened the meeting. This was followed by the reading of the board report by Mrs.

Charles E. Sitton, who presided. Champion Teachers' Cause.

Joseph N. Teal arose and proposed that the report be adopted. He was no sooner seated when Samuel Connell took th floor and proposed to raise the recommended tax levy of .6 mill for the purpose of raising the teachers' salaries to 1 mill. making the total levy for the school de partment 7 mills.

His suggestion called for much applause particularly from among the teachers and

their friends present. Mr. Teal once more took the floor and argued that the taxpayers should not take such a preposterous move without carefully considering the possible outcome. He cited that the taxes were higher than ever before in the history of the city and that the police, fire and other departments of the city were suffering delorously when they were really entitled to more consideration than was given them. He asserted emphatically that the method of petition ing resorted to by the teachers was not of best, and brought in this remark, which caused a great wave of laughter:

"Why, the prettiest girl in the city came to me and asked me to sign the petition, and I found it hard to refuse." He then told of the great increase in the cost of maintenance of the school de partment, quoting that in a short period of time the aggregate sum had changed from \$200,000 to \$670,000, which, with the

asked-for allotment of \$30,000 for teach-

ers' salaries, would amount to \$700,000 or more for the year of 1905. D. J. Malarkey took the floor and proved a great champion of the teachers' cause. He stated that the question before the assemblage was not the cost of maintenance of the department, and he did not think it right that the teachers should be made to bear that expense. He appealed to those whose children were in the care of the teachers, and asked if it was fair that

they should be forced to work for little more than the average servant girl received as monthly stipend. Mr. Wittenberg then arose and stated that he was there to prevent the carrying of Mr. Connell's resolution, and that he did not personally in any way approve of the course pursued by the teachers in asking for the increase. He boped that the taxpayers would not consider Mr. Connell's proposal to raise the levy 4 mill when the Board had already, in its

mill, which would furnish the requisite 230,000.

report, provided for an increase of .6

Salaries Fair, Says Wittenberg. "The teachers of Portland," he said, "are all receiving fair salaries, and some of them are receiving more than they are worth, and I would not countenance a horizontal increase to benefit the teachers indiscriminately, but only those who are qualified to receive recognition for their services and ability, and I will yen ture the assertion that none of them are.

"I am antagonizing a whole lot of teachers, and I wish to say to those pres ent," he continued, "that I shall oppose every measure to grant an increase to those who are not worthy of it, but I shall most willingly prove the friend of those teachers who demonstrate that they are entitled to more than they are receiv-

"If this resolution is passed as Mr. Con- | Port Arthur,

nell desires. Portland will then be paying the highest salaries on the Pacific Coast. make this appeal to you, and hope that ou will look upon it in the right lightfrom a business standpoint."

Mr. Teal took the floor in support of Wittenberg's argument, and stated that the teachers were receiving minimum and maximum salaries of \$600 and \$700 respectively. This was apparently Mr. Malarkey's cue, who arose immedi ately and asked the correct minimum salary paid to Portland teachers.

Mr. Teal was not cure, but the chair came to his assistance and quoted \$550 for teachers of two years' experience

"Salaries Low," Says Malarkey. "Five hundred and fifty dollars to eachers of two years' experience," said Mr. Malarkey, "Divide that by 12 and you have something over \$45 a month Take the maximum salary of \$700 and divide that by 12 and you will have \$62.50 a month. Sixty-two dollars and fifty cents a month for the women who must devote two years of hard study in outside institutions before they may obtain such a position. If there are teachers in the employ of the department who are not worth, as Mr. Wittenberg says, 'what they are receiving," I cannot understand why they are allowed to remain (pro longed applause and laughter).

"If I am not mistaken, Mr. Wittenberg, in the year of 1890 and prior to that time, did not the teachers receive salaries which were even higher than the present ones if the asked-for increase was

added?" asked Mr. Malarkey. "I believe so," answered Mr. Witten

"And Mr. Wittenberg," continued Mr. Malarkey, "were the salaries at that time the highest paid on the Pacific Coast?" "I can't say," replied Mr. Wittenberg. would have to investigate that because have no data with me."

"Ladles and Gentlemen," said Mr. Malarkey, "in the year of 1900 and prior to that time, as I have said, salaries were higher than the present desired salaries would be with the increase. The salaries were reduced during the financial depression following 1930, as were salaries in every other mode of living. Since that time, however, the depression has been superseded by prosperity and every kind of salary but the teachers' has been increased until salaries are as high as they were previously, if not higher. The cost of living 's increased, and if we do nothing cise, ladies and gentlemen, we should grant this increase."

The subject was carried on with me notonous discussion and finally put to question, as Mr. Teal first proposed:

Levy Finally Passed. "That the levy be .6 mill and the mat-

ter of distribution be left to the Board." This resolution was passed, much to the chagrin of some of the teachers present and their supporters.

Thomas Hyslop then introduced his resolution suggesting that the New High School be erected on the Bast Side by a bond issue, and in the block adjoining the Central School, which was purchased years ago for the purpose.

Mr. Wittenberg arose, saying: "I opposed the increase in salaries for teachers. I am now going to make a fight for the little children. I wish to talk to the fathers and mothers and those who are interested in the welfare of the little

"I am opposed to placing this school the block adjoining the Central School, because it will rob the children of the breathing space they now have."

He went on to give several reasons why the school should not be erected there and suggested that another block be pur He was interrupted by cries of: "Boise, Boise."

Whitney L. Boise arose and said:

Mrs. Chairman, Ladies and Gentle en, the block designated in Mr. Hyslop's resolution is the most centrally located for a High School on the East Side. Regarding the breathing space, I know of schools where thousands of children have a common campus for their recreation and they are none the less healthful for it. Of course, we of the East Side would be flattered if another block were purchosed so that the Central School could retain its large play ground All I can say, however, is that, if you are going to give us something over there, let us say where it shall be located," "

Mr. Wittenberg grose again, saying: "I cannot agree with Mr. Boise, In building the proposed school upon that block we would have to rob the little ones of their playground, and if Mr. Boise could only see them enjoying themselves, he would say, 'For God's sake, let the school be put elsewhere.' We can obtain another block for a few thousands of dollars, but if this is not possible, I would suggest selling this block and purchasing another with the proceeds of the sale. In my opinion, a block further south would be

more centrally located." Dr. Josephi then arose. "Mr. Witten berg's last statement," he said, "convinces me that he is not as much interested in the question as he would like us to be-Heve. If he is so anxious that the children should have their playground why does he propose selling the plat?"

"I mean to say," hastened Mr. Witten berg, "that if no other means is possible. "Your reply does not change the nature of your stand in the least," answered Dr.

He then went on to point out certain facts bearing on the history of the purchase, showing that through the efforts of the late Professor Hawthorne the intermediate street was included. This, ne thought, would furnish adequate breath-

ing space. Mr. Wittenberg attempted to speak again, but was unable to get the floor and in the tumult, the resolution was passed as first read. The meeting then ad-

KILLED ON SPECIAL DUTY.

Ominous List Published by Japanese Navy Department.

TOKIO, Dec. 28 - (9 A. M.)-The navdepartment publishes a list of the nine on special duty. The time, place and cir cumstances are not explained, and it is presumed that another cruiser has been mined and sunk or damaged.

List of Army Dead.

TOKIO, Dec. 28-(9 A. M.)-The army department publishes a list of 23 officers killed and 54 wounded, presumably at

Morning

Grand Jury Files New Indictments.

CONSPIRACY IS CHARGED

S. B. Ormsby, W. H. Davis and C. E. Loomis to Face Trial.

ALL SAID TO BE IN LAND RING

George Screnson, an Ex-Deputy Sheriff, and Henry A. Young, Ex-Football-Player, Are Included -Davis, Mayor of Albany.

INDICTED ON CHARGE OF CON-SPIRACY TO DEFRAUD

Salmon B. Ormsby, of Salem William H. Davis, of Albany Clark E. Loumis, of Eugene. Henry A. Young. George Sorenson, of Portland. John Due and Richard Ros.

The Federal grand jury made its second public appearance yesterday afternoon, at which time it returned indictments against Salmon B. Ormsby, of Salem; William H. Davis, of Albany; Clark E. Loomis, of Eugene: Henry A. Young, George Sorenson, of Portland; John Doe and Richard Roe. The charge is that the indicted men entered into a conspiracy on December 29, 1901, having as their object the defrauding of the Government of the United States out of a portion of its public lands in township II south of range 7 east, and that by means of false and forged applications, false and forged affidavits and proofs of homestead entry and settlement, some in the names of real and some in the names of fictitious persons, the Government was induced to issue pat-

It is charged that in furtherance of the conspiracy William H. Davis swore to an affidavit before S. B. Ormsby in which he said he had resided upon the claim tricen by him as by law required, and it is also alleged that the conspiracy was a part of the one entered into by S. A. D. Puter, Horace G. McKinley, D. W. Tarpley and

W. H. Davis Is Mayor of Albany. In the indictment just returned William H. Davis, Mayor of Albany and chairman mittee of Linn County, is the central ng ure. Ormsby and Loomis, Sorenson and Young have all been before the public from the opening of the land-fraud trial several weeks ago, but Dr. Davis had not been brought into the case by the Govern

ment until the latter part of the week just passed, when he appeared before the grand jury by his own request. The Government expects to prove by the evidence against the Albany man that he the conspiracy to defraud the Government knowingly, and a year after he had abandoned his claim as the result of correspondence with the land office at

The story shows that Davis went into the forest in 1892 in company with William Horn, a timber-locator, of Albany. Horn located him on a claim and built a cabin or him in the same year. The cabin was afterwards destroyed by a tree falling upon it and the next year Horn built another. In 1893 Dr. Davis went to his claim for a day or so, and again in 1892 he spent a short time there while on a fishing trip. He also went fishing in the vicinity

Davis made his final proof before R. B. Montague, of Albany, in 1900 and awore that he had cultivated five acres of ground each year since residing on the land; that he had raised crops and had place his residence except for short periods in the Winter, when he was compelled to leave to make a living for himself and family.

Wrote to Binger Hermann.

In 1901 C. E. Loomie came to Albany to make a report on the claim of Dr. Davis, in connection with about 45 other claims held up by the department. It is said that the doctor became uneasy about this time and wrote to Binger Hermann, then commissioner of the general land office, ask ing his advice in regard to his filing. He also asked Mr. Loomis to write to the de-

partment in regard to his claim.
Under date of March 11, 1901, Loomis wrote a personal letter to Mr. Herman asking his advice in relation to the claim He stated that Dr. Davis was in trouble over it; that he had dropped the land upon its being put into the Cascade forest reserve, but that he had later, upon the advice of Colonel Bob Miller, made his had advised Dr. Davis to the effect that all the time elapsing since the crea-tion of the reserve and the date of actual entry and since the survey had been made would be recognized by the depart ment as residence. The letter closed with the statement that Mr. Loomis would be The letter closed with giad to gain any information which might be of use to "some very good friends" of Mr. Hermann's in Linn County.

This letter was given to George R. Og-den, a clerk in the department, by Mr. Hermann, who replied March 26, 1901 den called attention to the fact that the doctor had sworn to his cultivation and residence in his affidavit and said that if it appeared from the facts that the claim had been abandoned such affidavits would make Dr. Davis, or any other persons, liable to prosecution for perjury.

Ormsby Sent to Investigate. Upon receipt of this letter Dr. Davis abandoned effort to secure the claim and pothing more was done about it until May, 1963, when Ormsby was sent to make a re-port on the lands. Some of the claims had been recommended for cancellation by Loomis and among them was the Davis claim. D. W. Tarpley came to Davis about this time, so it is said, and made a propo-sition to him which he accepted. Davis was to secure \$300 each from the men wh had filed upon the claims and afterward abandoned them. Tarpley was to receive a share, and so was Ormsby, who had to lift before attempting to been sent by the Government to make his the harbor.

report. Through Ormsby it was expected that the claims could be passed to patent. Dr. Davis, it is said, then secured pledges from 14 men, each of whom prom-ised to donate \$200 toward securing pat-

of the Rockies.

Telegraph Lines Disabled and

Railroad Trains Delayed.

TWO LIVES LOST IN CHICAGO

York, and From Winnipeg to

New Orleans is Visited by

Severe Weather.

CHICAGO, Dec. 27 .- One of the severest

storms of recent years has raged through-

out the territory lying between the Rocky

Mountains and the Great Lakes since

early this morning, and has caused much

trouble to street-car companies, railroads

and telegraph companies. The latter were

the greatest sufferers from the blizzard

which swept through the West and North-

west during the last 24 hours, and which

was preceded by a heavy fog and driz-

zling rain, which made the wires almost

The intense cold and terrific gale that

followed close upon the fog coated the

wires with ice, and later in the day threw

poles to the ground, crippling the com-

panies badly. Railroad trains were bad-

ly delayed all through the West, some of

them being 24 hours late. Street-car

traffic in all the cities of the West and

Northwest was practically at a standstill

In its extent the storm was the most

widespread of any during the last 15

years. Counting the fog as a component

part of the storm, it stretched from the

Rocky Mountains to New York, and from

Deaths in Chicago.

Alexander Stefnert, a teamster, killed

while unloading coal. A chute was blown

from its fastenings and, striking Steiner

Thomas Walsh, a laborer, struck by a

heavy board while entering a new build-

on the head, killed him instantly,

at some time during the day.

Winnipeg to New Orleans

this city were:

unworkable.

ised to donate \$200 toward securing patnets to their old and abandoned lands. Of
this sum the doctor is said to have raised
\$1250. He gave \$250 of the sum to Tarpley
and the rest was to have been divided between Ormsby and a firm of Washington,
D. C., attorneys, who were to be employed
to look after the securing of the patents
at the General Land Office.

The report of Mr. Ormsby was favorable,
in spite of the fact that Loomis had once
reported against the claims, and in Octo-**Great Storm Rages East** reported against the claims, and in Octo-ber, 1902, patents issued to the lands.

Henry Young Is Well Known. **GALE WITH INTENSE COLD**

Henry Young, another one of those in-icted, is well known in Portland and in he Willamette Valley as an athlete. He ime from Astoria and was given a clerkship in the Secretary of State's office by Frank I. Dunbar during the early part of that official's first term. Young, how-ever, drank to excess and was discharged. He later was entangled with the law for having collected money from various persons in Salem under pretense of represent-ing a firm with which he had no connection and is supposed to have left the state under this cloud. He was at one time a member of the Multnomah football team and was known as "Spike" Young.
Young represented himself as George A.
Graham before Judge Galloway, then of
the Oregon City Land Office, and also
made affidavit before R. E. Montague as

Henry Young.
Young is now in the East, but the Gov-Territory From the Mountains to New ernment does not have any great desire to apprehend him, as he is of too little moment, at the present time. As the of-fense for which he is indicted is not extraditable, it is thought that Young will not be one of those to attend the

Sorenson Once Deputy Sheriff. George Sorenson is also a well-known



W. H. Davis, Mayor of Albany, Indicted in land fraud cases.

Portland characters He was at one time a Deputy Sheriff of Multnomah County under Sheriff Frazier and was charged with grafting Chinamen and was discharged. He then went into the real es-tate business. He has been implicated in many things in Portland not to his credit, and about a month ago, when the land-fraud cases drew near, left the city. He is now supposed to be in Missouri.
Ormsby is supposed to be at his in Salem, while Loomis is in Eugene and

Horace McKinley Admits He Figured

in Land Frauds.

SHATTLE, Wash., Dec. 27 .- (Special.)-

Horace G. Mckinley here to meet an

Oregon timberman registering as George

Sorenson, of St. Paul, acknowledged to-

day that Oregon timber lands had been

secured by fraud; that he had a part

in the deal; but he denied that United

States Attorneys Hall and Heney had

promised him immunity from punish-

Senator Mitchell and Congressman Her-

mann. Said Mr. McKinley, in answer to

question asking how he became in-

"It's a pretty long story, but-oh, well

ou know. Land laws were pretty lax

safely put a bet down that frauds have

be returned against Mitchell and Her-

"How extensive were these land

"They reached out pretty extensively, tell you," declared Mr. McKinley,

for years, and some people

They have been going on there you

would never suspect, would never dream

of, have been getting the long, end of it

right along. Those very same people should have protected us, but instead

they endeavored to make us the scape

goat, and that, you know, doesn't always

cally in great shape. If they indict Mitchell and Hermann, and the Govern-

ent officers say they certainly will, ther

that means the end of the Mitchell party

in Oregon, as the Senator has controlled

politics there for years. And I notice, as a general thing, that when the Govern-

ment starts out to do a thing, it gets

"That is something hard to tell, of ourse," he replied slowly. "The prosecution said they would ap-

any information we would give

of the trouble?" asked the reporter

and that's all they did say, and to

the truth, we don't know how to bank

prosecution, but that is not so. The Gov

"If Messrs. Mitchell and Hermann will

"Right away. It would not surprise us

be indicted, when do you think it will

at all if they were tried during the next term of court."

Steamers Wait for Fog to Lift.

NEW YORK, Dec. 37.—So dense was the blanket of fog which hung over the harbor all day that business at the Gov-

ernment quarantine station was almost entirely suspended. Not a single steamer arrived. A little puff of wind from the

West this afternoon tore a hole in the fog bank, revealing four steamers which had come in during the night and found

Several steamers were due from foreign ports today and it is supposed they are

lying off Sandy Hook waiting for the fog

an anchorage off the station.

The Portland papers declare been promised immunity

This thing will shake things up politi-

nmitted, all right, and just be

own there, and, well, anyway you

frauds?" asked the reporter.

ment, and predicted the indictment of

ing at Green street and Washington The board almost out head off. At 10 o'clock tonight the storm was re Davis is at Albany. The court fixed the onds of each of the men at \$4000 and they will be served with the indictments HIS TACIT CONFESSION.

ported as subsiding at Kansas City and other points in a north and south line from that city, but it will be several days before normal conditions are restored throughout the entire section.

At Chicago and east of here the storm was still raging with great violence and was expected to continue throughout the night, the center of the storm being between Chicago and Cleveland. Reports. from Kansas City early in the day were that the storm extended from the middle of Missouri as far south as Indian Territory, and was accompanied throughout its entire extent by the heavy winds and snow which on the level would have been about one foot deep. It was drifted so badly by the gale, however, that in nearly all the cities of Nebraska, Kansas and Western Missouri, street-car traffic

was at a standstill by noon Mercury Drops at St. Louis.

The storm by noon had reached East ern Missouri and the temperature in St. Louis went down 30 degrees in two hours, while the wind, blowing 40 miles an hour, piled the snow up in the streets in great drifts. It was found possible to keep the street-cars running, although great havoc was wrought with the telegraph

and telephone wires. At Omaha and Des Moines conditions similar to those in Kansas City were reported and both places were in bad shape early in the day. Before daylight most of the down-town electric light circuits in Omaha were out of business and the outlying districts were without light. All over the Western States the storm increased in violence throughout the morning and at noon was raging with great fury. All trains in this section were reported from one to six hours late and constantly losing time,

In the Northwest the storm was even more violent than throughout Missour and Iowa. In St. Paul the snow com menced falling early last night and grew heavier all through the night, while the wind increased until it was blowing at 50 miles an hour. The heavy snow and the gale worked havor with the railroads and some of the passenger trains from the Pacific Coast were reported tonight as 24 hours overdue and making slow progress.

Very Violent in Northwest. The storm reached westward from St. Paul until it covered almost the entire Northwest, and from the Dakotas, East ern Montana, Wyoming, Northern Michigan and Wisconsin the story was the same. The wires in all directions were down, the snow was filling the streets and railroad cuts so tightly that street cars were for the most part compelled to stop

running and all trains were far behind

time. In the South conditions were somewhat better, the snow in many places being changed into a heavy rainfall, preceded by thunder and lightning and followed by heavy winds. Nashville, Louisville, New Orleans, Montgomery and Memphis all reported exceedingly heavy rains, a rapidly falling thermometer and terrific winds, In the Ohio River Valley the first heavy rain in five months commenced falling early in the day and continued throughout the

boatmen along the Ohio and its tribu-tarles, for the stage of water in those streams has of late been very low and navigation was difficult in many places. Wind of Terrific Speed.

Oregontan.

The storm struck Chicago soon after soon and increased with great rapidity until it had assumed hurricane violence at 5:30, when the wind tore through the down-town streets at the rate of 72 miles an hour. It fell away after that, and by 7 o'clock had dropped to 50 miles an hour, where it remained throughout the night with occasional gusts that would howl through the streets with the force of a cyclone, tearing down signs, smashing in plate glass windows and in many sections of the down-town districts hurling pedes trians from their feet and overturning de-

livery wagons.

In all parts of the city chimneys were blown down. There were numerous instances of people being bruised by being blown from their feet while passing some of the high buildings of the downtown district, and in several places police were stationed to turn back light delivery wagons, which would infallibly be turned if they attempted pass the corners ahead of them.

Between noon and 7 o'clock in the evening the mercury dropped from 34 to 11, and was still falling.

Great Damage in Wisconsin. The late reports from Wisconsin are that the storm was the most severe ever known in that section. Damage in Madison is estimated at \$100,000. In Indiana the damage by the storm is estimated in the hundreds of thousands. The damage was especially heavy in the oil fields where fully 500 derricks were blown down and all operations suspended. Near Muncie. Frank Kavanaugh was killed by a falling derrick. The loss on derricks alone in the neighborhood of Muncle is placed at \$200,000.

that the storm was the most severe in many years and that all trains were delayed from two to 12 hours.

Late dispatches from Nebraska state

PORTER IS TO RETIRE. Meyer Will Succeed Him as Ambassador to France.

NEW YORK, Dec. 27.-The Herald will my temorrow: It has been definitely decided that General Horace Porter, of New York, shall retire as Ambassador to France and he will have his resignation in the hands of President Roosevelt before his inauguration. This announcement was ceived by the Republican State leaders. General Porter's successor to Paris will be George Von L. Meyer, the present Am-bussador to Haly.

FAIRBANKS IS A MASON.

Great Gathering Sees Initiation Ceremonies at Indianapolis. The only fatalities due to the storm in

INDIANAPOLIS. Dec. 27.—Senator Charles W. Fairbanks, Vice-President-elect, was initiated into the secrets of Masonry today. The initiation was made the occasion of one of the most notable gatherings of Masons ever held in In-

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Action Against Paper Company at St. Paul.

FILED BY GOVERNMENT

Unlawful Combination to Control Sales is Alleged.

PRICE OF PRODUCTS INCREASE

Attorney-General Moody Acts for the United States Through the District Attorney and the Federal Court.

ST. PAUL, Dec. 27.-Atterney-General Moody, for the United States, through District Attorney Haupt and Frank B. Kellogg and James M. Beck, special Assistant Attorney-General of the States, today filed a petition in the United States Court in which he makes the General Paper Company the principal defendant and its numerous constituent companies party defendants in a suit to enjoin them and restrain them from doing usiness through the General Paper Company as sales agent, in violation of the provisions of sections 1 and 2 of the act of Congress approved July 2, entitled "An act to protect trade and commerce against unlawful restraints and monopolles."

The petition alleges that the defendants entered into an agreement to combine and control the sale of the product of the different companies through the General Paper Company, in that the General Paper Company regulated the prices, sales and shipment and territory for the sale of the same, and, after deducting operating expenses of the General Paper Company, divided the surplus among the members of the corporations. The petition recites that the General

Paper Company was organized under the laws of Wisconsin, May 26, 1906, with a capital stock of \$100,000, divided into 1000 shares, which were distributed among and are now held by certain of the defendants named, and that later the others were taken in the gribine, naming them have the order in which they entered the trust, and goes on to state that the General Paper Company became the exclusive selling agent for the defendants, with absolute power to control the output of the various mills, fix the price of all the paper sold and to whom and upon what terms and conditions the paper should be sold; and into what states and places it should be shipped and what publishers and other customers each mill should supply.

The petition alleges that in consequence of the combination all competition in the manufacture sale and distribution of paper has been restricted and the price of all paper products greatly increased, particularly that of news print paper, which has been increased about 50 per cent. It further states that no dealers or newspapers or other consumers in the territory west of the Mississippi, with the exception of certain newspaper publishers in St. Louis and Chicago, can purchase any paper except directly through the General Paper Company, and then only upon terms dictated by the latter.

The court is asked to declare the alleged combination unlawful, and that the defendants be perpetually enjoined from doing any act in pursuance of the same; that the General Paper Company be enjoined from acting as sales agent for the other defendants, and that the latter be enjoined from continuing their arrangement with the General Paper Company, The court is also asked to direct the defendants to come into court and answer all questions relating to allegations of the petition as may be necessary,

MOODY MAKES STATEMENT. Suit Begun After Careful Examina-

tion by Special Attorneys. WASHINGTON, Dec. 27 .- Attorney-Gen-

eral Moody tonight gave out the following statement regarding the suit instituted at St. Paul today by the Federal Government against the paper manufacturing companies: the complaint of many newspaper publishers last Spring that a combination

restraint of commerce existed among manufacturers of paper to control the distribution and sale of their products among the states of the Union, the department began an investigation of that subject, and to further the department in that espect the Attorney-General appointed Kellogg, of the St. Paul bar, J. M. Beck, of the New York bar, as special attorneys to collect the evidence and make a report thereon. "These gentlemen, after an exhaustive

examination of the matter simultane with that conducted by the Department of Justice, have reported to the Attorney-General that in their opinion the facts ascertained support the complaint and justify, in the public interests, the filing of a petition to enjoin the operations of the General Paper Company, a corporation of Wisconsin, which is the instru-mentality through which the alleged combination to control the prices and distribution of those products in the Western States is conducted. In this opinion the Department of Justice concurs

"The Attorney-General today directed that a petition be filed against the General Paper Company and the 24 paper manufacturing companies located in the gan, which it represents, to have such combination declared to be an unlawful restraint upon interstate commerce and a United States Circuit Court for the District of Minnesota as soon as the neces-

sary papers can be prepared. Attorney-General Moody and William A. Dain, the assistant to the Attorney-General, called at the White House tonight. They spent several hours in con ference with the President, presumably discussing the proceedings instituted today against the paper manufacturers.