

GAS INQUIRY IS NOW UNDER WAY

Corporation Outlines Its Defense, Which Will Be Technical.

WITNESSES ARE EXAMINED

Failure to Issue Subpoenas Delays the Investigation Somewhat, but Witnesses Will Be Called Next Week.

An investigation into the methods of the Portland Gas Company in its dealings with the public was begun yesterday afternoon in the Council chamber. Six members of the Council's special committee on investigation were on hand to hear the first day's testimony, and, despite the general unpreparedness of the public's side of the case, considerable progress was made. For, while a misunderstanding between the investigating committee and City Attorney McNary had brought about a failure to issue requisite subpoenas for important witnesses who have been complaining against the gas company, three complaints were presented by the company's lawyer, Joseph Teal, and a brace of gas experts. These experts were examined during the afternoon, but their testimony proved of little material value, being purely technical and having little or no direct bearing on the various charges involved in the investigation. The most important testimony of the day was that offered by J. H. Toomey, proprietor of the Barr Hotel, at Sixth and Gilliam streets. His testimony was brief, direct and incriminating, and efforts to bewilder him by cross-examination proved unavailing. Toomey established that he had a mind of his own and was molested no further, after declining altogether to be led in his testimony.

Leads the Gas Forces.

The gas forces, personally conducted by President C. F. Adams, were early in the field and made it plain that they intend to fight the issue to the bitter end. Mr. Adams was accompanied by the company's lawyer, Joseph Teal, and a brace of gas experts. These experts were examined during the afternoon, but their testimony proved of little material value, being purely technical and having little or no direct bearing on the various charges involved in the investigation. The most important testimony of the day was that offered by J. H. Toomey, proprietor of the Barr Hotel, at Sixth and Gilliam streets. His testimony was brief, direct and incriminating, and efforts to bewilder him by cross-examination proved unavailing. Toomey established that he had a mind of his own and was molested no further, after declining altogether to be led in his testimony.

Evidence of Toomey.

Toomey's evidence consisted of a statement of his gas bills for the past three years. He said he held no prejudices against the company, but felt it his duty to show the kind of bills he had been forced to pay. He showed that for the month ending January 5 of this year he paid \$14.45 more for his gas than he did for a corresponding period one year ago—and this without additional gas burners or change in the hours of light service in his hotel. He also showed that for the month ending February 5, of this year, he paid \$17.20 more than he did a year ago. His sworn statement as given from the witness chair follows:

His Sworn Statement.

"From November 5 to December 5, 1904, my gas bill amounted to \$42.60. The succeeding month I was charged \$42.10. For the month ending February 5, 1905, my bill came to \$35.65. This year my bill for the month ending January 5 amounted to \$56.55, or \$14.45 more than last year. Last month my bill was \$42.25, or \$7.20 more than a year ago."

Replying to a question from Councilman Masters the witness said he had not consumed any greater quantity of gas than when his bills were at the smaller figures of cost.

Attorney Teal stated that the men who read the meters might be late or might call when the meter was not accessible and return a few days later when more gas had been used. He asked the witness if such a condition of affairs might not account for the difference in his bills.

"Hardly so great a difference as that," replied the witness.

Abandon Cross-Examination.

Cross-examination of the witness was promptly abandoned as he seemed to show no inclination to yield to leading and soothing questioning. Mr. Teal took refuge in the statement that the "records" would be looked up and a satisfactory explanation of the witness' testimony accorded.

Two written complaints, addressed to City Auditor Devlin, were then read. One was from Colin V. Dymont, 450 1/2 Sixth street, and the other from H. L. Ward, of Chastano. Mr. Dymont asserted that the service has deteriorated and the gas bills increased in size, notwithstanding the supposed reduction in price. His communication was read before the committee, as follows:

Colin V. Dymont's Letter.

T. C. Devlin, Esq., City Auditor—Dear Sir: As data for the proposed gas service investigation by a special committee of the City Council, I beg to submit:

The quality of gas furnished has deteriorated during the past month to such an extent that it is now necessary to light two jets to obtain candle-power sufficient to read comfortably. Formerly one jet furnished abundance of light. The apparent decrease in candle-power is at least 50 per cent.

Following the reduction in charges from \$150 per thousand to \$115 per thousand, meter readings have risen until monthly bills are equal to or in excess of corresponding monthly bills under the old rate. Possibly this is due to the necessity of using more jets to obtain an equal amount of light. Respectfully, COLIN V. DYMENT.

What H. L. Ward Says.

Mr. Ward set out in his communication that the gas company had ruined his business and caused him a loss of \$350 through turning off his gas. His statement says:

Mr. Devlin, City Auditor—Dear Sir: I wish to tell you how the Portland Gas Company used me. In 1904 I owned and managed a restaurant in Portland and was using gas for short coals, a coffee urn and a 550 c. p. lamp when, without notice and without just cause, they removed the meter which cut off the supply, and thus my business, which cost me \$550, was ruined. I had to sell for what I could get, losing \$350. Subpoena me if you wish. Respectfully, Feb. 14, Chastano, Or. H. L. WARD.

A third communication was read from Mrs. A. Lindsey, 20 East Alder street, in which she stated that her gas bills are "not unreasonable," and that she therefore felt impelled to say so.

Attitude of Gas Company.

The attitude the gas company is to assume throughout the investigation was clearly developed at yesterday's proceedings. It was made plain that the company means to meet all charges by laying anything that cannot be explained to mere business errors rather than to wrong intent. When the committee was

HARRY MURPHY ATTENDS THE FIRST SESSION OF THE COUNCIL GAS INVESTIGATING COMMITTEE AMONG THOSE PRESENT WERE:



THE STAR FEATURE OF THE PROGRAMME WAS JOE TEAL ATTENDING IN ALL THE IRIDESCENT GLORY OF A BRAND NEW WIG.

MR. SAYS JOE, IT'S A BUM FIT BEHIND.

GAS ADAMS CONSUMED A LARGE NUMBER OF EXPENSIVE CIGARS FOR THE CONSUMER OF GAS.

C.E. S. WOOD, FIRST WHILE ADVOCATE OF UNIVERSAL BROTHERHOOD, AND DAUNTLESS DEFENDER OF THE DOWN-TRODDEN, FOUND HIMSELF IN SINGULAR COMPANY.

MR. WHITEHOUSE WHO IS ASHAMED TO SAY HOW LONG HE HAS BEEN WITH THE GAS COMPANY.

convened shortly after 2 P. M., Attorney Teal, on behalf of the defendant company, arose to say that the company asked the right to file a sworn answer to charges against it through The Oregonian.

Attorney Teal's Address.

Attorney Teal then proceeded with a verbose address. He said that the integrity of the officers of the company had been questioned, which, being a personal matter, should be cleared up. He defined the company as a public service corporation, which always welcomed investigation, and asserted that should it ever be desired to acquire the company as a municipal ownership utility, no objection would be met with. Concerning the manifold charges that have been brought against the company, he said they were not in the least true, and that the company either exonerated or else branded as all that it is accused of being. Continuing, he said the company did not claim to make no mistakes or to be altogether free from criticism. After eulogizing the corporation and its officers, he attributed the general complaints that have been made to "personal motives" rather than to the good of the public service.

Deposits for Meters.

Regarding the practice of requiring deposits on meters, he asserted that was nothing more than a system of providing security for the company. As to the slot-machine meters, he asserted that they were used where another kind of meter cannot be installed. The price of gas had not been reduced in them for the reason that they are twice as expensive as the ordinary kind, and, furthermore, are often robbed by dishonest patrons, who put lead slugs and all kinds of things in the slots instead of quarter pieces, he said.

Regarding the price of gas, Attorney Teal said it was the company's policy to make reductions whenever possible to do so, but that it was difficult, in view of extensive improvements that were being

made in the system at this time. He then proceeded to read articles bearing on the gas company that have appeared in The Oregonian, and declared they were unwarranted and untrue, asking that those responsible for their appearance in print be called before the committee. This request was allowed, and an order for subpoenas issued.

Gage of Battle.

"We may have been foolish," he added, "to wage a battle thrown down to us, but we mean to stand by it, and either stand or fall by it." To the fact that a scarcity of witnesses was on hand he also attached considerable importance, saying The Oregonian, and not the public, was chiefly interested, else witnesses would have been present; therefore, it was up to The Oregonian to substantiate the charges that had been made through its columns. At this juncture Councilman Annand informed him that a list of witnesses had been submitted to the City Attorney, but he had been too busy to issue the requisite subpoenas. Councilman Masters said it was the intention of the committee to make the investigation a thorough one.

C. E. S. Wood Also Appears.

Attorney C. E. S. Wood, who was seated at the right of President Adams, said he had been called into the case at the last moment, and held an impartial position. While he was not ready to believe The Oregonian was in any way influenced by personal motives, yet, the public having failed to respond, the charges made by The Oregonian should be corroborated by that source. Mr. Annand here repeated that the subpoenas had not been issued, thus accounting for the absence of witnesses.

B. S. Peterson, representative of an Indiana gas establishment, was introduced by the gas company as an expert who could throw some light on the subject of meters and the gas system in general. He defined the various kinds of gas. Regarding

the quality of gas used in Portland, Seattle and Los Angeles, Mr. Peterson said that the gas used in Portland and Los Angeles is about the same. Inasmuch as Portland consumers pay \$1.15 per thousand cubic feet, and Los Angeles consumers get their gas for \$2 cents, it was thus shown that Portland pays 30 cents more per thousand feet for the same quality of gas.

Gas Meters Examined.

The workings of a couple of gas meters were explained at the instance of the company's representatives and adjournment was then taken until Wednesday, February 28, at 7:30 P. M. At that time it is intended to have all subpoenas served.

The members of the committee in attendance were John Annand, F. S. Bennett, R. E. Menefee, A. G. Rushlight, Dan Keilaker and W. Y. Masters. W. T. Vaughn alone was absent.

Portland Railway Sued.

John Winters complains that as he was about to alight from a street-car at First and Arthur streets in October last because of the overcrowded condition of the car and other reasons he was thrown off the platform on to the ground and seriously injured about the head, face and body. Yesterday he filed suit in the State Circuit Court against the Portland Railway Company for \$200 damages.

FAVOR A FRANCHISE

Council Committee Reports for Mount Hood.

DISCUSSION OF PROVISIONS

Corporation Must Give Fifty Thousand-Dollar Bond for Faithful Performance of Its Agreement With the City.

Consideration of the application for a franchise of the Mount Hood Electric Company occupied the attention of the joint streets and judiciary and elections committees of the Council for three hours last night, with the result that the measure was recommended favorably to the Council upon the 1 per cent gross earnings basis, the same as in the case of the Cascade Power Company, and in fact the applications of both concerns have been shaped to meet similar conditions.

It is possible, however, that as a matter of form the franchise of the Mount Hood people may be referred to the Executive Board, at the Council meeting tonight, to fix anew the compensation required by the city. Such

A Great Advantage "SPLITS" OF Apollinaris

a step may be deemed necessary by reason of the fact that the original application of the corporation has been changed to such an extent, and adaptation of the City Attorney, that it has virtually become a new proceeding, and may be treated accordingly by the legislative body.

What the Franchise Gives.

The franchise as passed upon section by section by the committees last night, prescribes that the construction and installation of the plant shall begin within one year, and that the corporation or its assigns shall be prepared to furnish electric energy for use within the corporate limits of the city within two years from the date of acceptance of the franchise. Before availing itself of any of the provisions of the franchise within the city the company must furnish a bond in a sum not less than \$50,000, conditioned upon the faithful performance of its agreement to be ready to transact business here within two years, such bond to be waived after the expenditure of \$250,000 in construction work.

The bond feature is precisely the same as in the case of the Cascade Power Company's franchise recommended by the same committee last Friday. In fact there is a similarity between the two all the way through, and to make the relationship appear more binding, Attorney "Pike" Davis, Engineer W. B. Chase and A. C. Churchill, of the Cascade Power Company, were on hand last night to lend the moral support of their presence to the efforts of the Mount Hood people, and there appeared to be a unique spirit of friendliness between the two aspirants for lighting honors all the way through.

Cobb Talks for Company.

S. B. Cobb, president of the Mount Hood Electric Company, did most of the talking for his corporation. He was accompanied by Vice-President J. E. Davis, Treasurer C. W. Nottingham, Secretary Samuel Connell and Directors G. W. Waterbury and Elmer B. Colwell. The other directors are Richard Connell, C. W. Pallett, C. C. Woodcock, H. C. James and C. W. Miller, the latter being general manager also.

There was some discussion over the question of compelling the company to put its wires underground, but its officials raised such a storm of objections to such a course that the committee re-

framed from pressing the issue. It was claimed that the June floods would fill up the conduits and put the transmission lines out of commission, and this argument had the desired effect.

Cobb alleged that his company was going ahead rapidly with construction work at the present time, and expected to expend fully \$1,000,000 in the next two years, having already contracted for the sale of their bonds under those conditions.

Menefee insisted strongly upon the good-faith bond feature, and thought \$50,000 should be given as security to protect the city against any tendency to speculate upon its credit and commercial integrity.

FRONT-STREET FRANCHISE.

Three Applications Will Come Up for Hearing Today.

The front-street franchises will occupy the attention of the joint streets and judiciary and elections committees of the Council this afternoon. Three different sets of applications are contending for the right to use the street as a gateway to the city.

George B. Moffatt, the New York capitalist, behind the Willamette Valley Traction Company, gave the following reasons why his company should be given the front-street franchise:

"The reason we are entitled to the franchise at this time is that we were the first to make application and this application covers a limited part of the city. It is a public service corporation to transfer cars to our road and all other roads to terminals in various parts of the city. It is a commercial railroad, not a street railway at all, that is asking admittance to Portland, and under the understanding that Portland desired a commercial railway connecting it with its markets, capital has been raised and the work of construction commenced in the Willamette Valley. No road can be built that cannot gain not only an entrance to the city, but also an entrance to the terminals of the various transcontinental lines. We safeguard the city by stating what price in cash will be paid for the franchise, and we offer to put up either cash or a bond to assure the city that the road, not only in the city limits but all the way to Salem, will be completed within an agreed time. Furthermore, to assure the city that this road will be operated independently and in the interests of all shippers, the company offers the city an option to buy the road at its cost and interest after five years. Property-owners along Front street who opposed the franchise now favor it, provided no stream will be used in the operation of the road."

J. White Evans, president of the United Railways Company, believes his company should be given the front-street franchise for the following reasons: "We have the material on the ground," said he, "and the implements for construction ready for immediate work. There is no railroad or railroads directly or indirectly interested with the United Railways Company. We have shown evidence, we believe, of good faith. We do not ask for six months' time to begin, but will begin now and continue, weather permitting, of course, until we connect Portland by electric railways with the finest suburban country in the United States. We shall go in every direction but will confine our present efforts to Salem, Hillsboro and Forest Grove, together with the city lines we are asking for. We are builders of railways, not promoters. We have shown our good faith by the purchase of the Clatsop of Commerce building, and we are here with our families to make Portland our home and we will bring thousands of people here through means at our command. A bureau of information is now being established in Los Angeles to exploit Portland. In our party are men well versed in real estate matters who see here opportunities in realty which they will doubtless take advantage of when they get here. Our slogan is 210,000 people for Portland in 1911."

Thomas McCusker represents the third applicant—his claims for consideration being based on an application for a franchise, which will probably be acted upon by the committee this afternoon. He names Thomas D. Honeyman and Edward Newbegin as his backers.

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is more than a fat food. There is no animal fat that compares with it in nourishing and building up the wasted, emaciated body. That is why children and anæmic girls thrive and grow fat upon it. That is why persons with consumptive tendencies gain flesh and strength enough to check the progress of the disease.

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