REGULATION BY STATE IS

Grim Determination Marks Proceedings At Eugene.

SHIPPERS TRIFLE NO LONGER

Legislature Called Upon to Compel Railroads to Grant Needed Relief.

SPEAKERS FLAY MONOPOLY

Reciprocal Demurrage Law Will Be Insisted On.

Elective Commission Plan Favored. W. M. Killingsworth Bitterly Assails Southern Pacific's Land Policy, Urging Legislation.

BY E. W. WRIGHT. EUGENE, Or., Dec. 5 .- (Staff Corre spondence.)-A number of years ago, during a Legislative session, in the lobby of the old Cheme keta Hotel, at Salem, a well-Democratic statesman who in response to my query as to the reasons for his presence at Salem, said: "I am engaged in the creation of a sintinent, not the kind that ye rade about in the poetry, but the kind that raises

h-I when ye get it agoin. about the only task to occupy the attention of the Oregon shippers for several weeks, and they have certainly "got it agoin" to such an extent that at the meeting here today there was not a dissenting voice to the strongest anti-railroad talk that was made. It is a sentiment so rabidly antagonistic to the railroad companies that among some of the mild fears expressed that the remedies

direct at the "head of the great octopus by means of legislation which would produce results which time had proved it impossible to obtain through any efforts that might be put forth with local rail

road men. It was a noticeable feature of the set speeches made, that no attempt was made

to place the blame on local officials, those officials in nearly every case being men tioned in complimentary terms.

A definite understanding as to just what kind of legislation would be sought at Salem was not reached. Reciprocal de murrage and maximum rate bills are almost certain to be demanded, and there is considerable sentiment favoring a railroad commission bill. There is a difference of opinion, however, as to the kind of commission to be asked, and the ma jority of those favoring a commission are ot in favor of allowing the appointing power to rest with the Governor, their ontention being that the comm should not be in politics.

Want Elective Commission.

The extent to which this feeling per ades the shippers was shown this afternoon during the reading of a letter of regret from Joe Teal, who was not pre-Many passages of his letter where he dwelt on the iniquities of the railroads and the necessity for relief were greeted with great applause, but not even a murmur of approval was heard when he insisted that the rallroad commission should be appointed and not elected by the people, or chosen by the Legisla-

The interest which the coming Legisla ture will have in the matter was shown by the presence at the meeting today of the following members: Senators Kay, of Marion; Miller, of Linn, Marion and Lane; Booth of Douglas, Josephine and Lane: Mulit, of Jackson; Johnson, of Benton; Loughery, of Polk and Hodson, Multnomah, and Representatives Rodgers, of Marion: Brown and Upmeyer of Linn; Eaton and Edwards, of Lane Jackson, of Douglas, and Jones, of Lin

Attacks Land Monopoly.

The suggestion of W. M. Killingsworth that something be done to break the strangle hold of the Southern Pacific on such a large amount of the public domain was received with wild applause. This same subject was reverted to later by Representative-elect Mulit, of Ashland, who asserted that one-half the land of Jackson County was owned by the Southern Pacific. He most emphatically stated that at the coming session of the Legislature he would introduce a bill provid ing that action could be commenced MAXIMUM RATE BILL, TOO against the Southern Pacific for its refusal to sell these lands at the price fixed

Failing in this, he said he would en eavor to secure the passage of a resolution calling on Congress to pass a law forcing the road to sell the land.

It will be seen from this that car shortage legislation is not the only trouble that will confront the Southern Pacific at the next meeting of the Legislature, and if the sentiment of the people remains at its present white heat until the Legislature meets, it will be comparatively easy to pass almost any kind of an anti-railroad bill that may come up.

The attendance at the shippers meeting was so much larger than was expected that the original intention of holding it at the Commercial Club rooms was abandoned and the large courtroom at the Courthouse was secured. Even this was filled to overflowing, every seat being occupied at both afternoon and evening sessions. called to order by Chairman Whitson, who, in a few words, stated its object. H. L. Thompson was chosen secretary. The chairman then appointed as a committee on resolutions G. W. Griffin, George M. Cornwall, T. K. Campbell D. E. Yoran and George Kelly.

W. M. Kilingsworth's Speech.

W. M. Killingsworth, of Portland, road companies that among some of the was the first regular speaker on the more conservative delegates there are programme. In substance, he said: I am a friend of railroads; if for no other

more conservative delegates there are mild fears expressed that the remedies demanded will be so severe as to defeat the end sought.

Most of the arguments put forth were unanswerable, and had they been otherwise the delegates were in no frame of mind to listen to more than one side of the story. They claim that they have been listening to the other side for the last five years and that their ears are tired.

Railroad Men Out of Place.

The railroad interests were represented by W. E. Coman and H. E. Lounsbury, of the traffic department of the Harrimans system in Oregon. Both young men are well known and deservedly popular from one end of the Willametto Valley to the other, but peculiar conditions, today were such that the proverbial cat in the strange garret felt perfectly at home in comparison with these two innocent but helpless representatives of a system which, from one speaker or another, received about all the opprobrious epithets that could be used without violating the laws governing the kind of language that can be transmitted lawfully by mail.

Railroad legislation, drastic to the limit, seems to be the penalty that will be inflicted on the Harriman system for

Still Another Grant.

Rallroad legislation, drastic to the limit, seems to be the penalty that will be inflicted on the Harriman system for its failure to supply cars to the Oregon shippers. The meeting today brought to gether, among other delegates, a number of men who have been practically ruined by the car shortage and many others who are hovering on the brink of bankruptey.

Meeting Well Attended.

The meeting was well attended. Unlike the usual run of gatherings of this nature, very few of the shippers, especially lumbermen, were too busy to attend. If fact, most of them for several weeks have had nothing to do except to lie around in idleness and curse the rallroad companies.

This sentiment of resentment, which was so pronounced, was at the beginning of the meeting reflected in the introductory remarks of Chairman L. L. Whitson, president of the Eugene Commercial Club, when he stated that this meeting was not for the purpose of a heart-to-heart talk with the railroad men. He declared that it was too late for any more conferences and that the time had now come when the shippers must strike direct at the "head of the great octopus" by means of legislation which would pro-

Forty Years of Walting.

On the contrary, they have not done so. But have seemingly placed every obstacle in the way of securing needed relief. Forty years we have wailed, most patiently waited. The railroad covporations have monepolised the outlets of our rich valleys and productive hands. The districts of Tillamook, Coos Bay and Southern Oregon, in fact all

(Concluded on Page &)

CALIFORNIA IS IN REBELLIOUS MOOD

Resents Roosevelt's Words on Japan.

ANGER FANNED INTO FLAME

Will Increase School Restrictions on Orientals.

NEWSPAPERS VENT WRATH

Delegation in Congress Will Demand Japanese Exclusion - Attorneys Arrange Basis for Test Suit. Opinions of Leaders.

SAN FRANCISCO, Dec. 5 .- (Special.)-Popular sentiment in California, which has been smouldering quietly during the discussion of the Japanese question, has been fanned into flame by the heated leclaration in the President's message. Resentment is general. The impression prevals in both high and low places that Mr. Roosevelt has done the state and the ntire Pacific Coast a grave injustice. His flat assertion that the Japanese have een driven from the common schools; his nference of a low civilization; the reference to the discrimination as a "wicked absurdity," and finally his suggestion of he use of military force have made of a question which has heretofore excited but little interest a burning topic. proposal to grant citizenship to the Japanese is roundly denounced by the press

of the state. State in Passive Rebellion

California at the moment is in a state of passive rebellion. No action will be taken until the question has been threshed out in all its legal phases. Professor Louis Hengstler, head of the de tional law at the University of California declared today that Mr. Roosevelt in his ontention did "not have a leg to stand

Consul-General Miller, of Yokohama who is in California on a visit, met this morning with the school board and re ceived full statistics on the subject. United States District Attorney Robert T. Promptly at 3 o'clock the meeting was Devlin, acting on instructions from Attorney-General Moody, at the request of Sec-retary of State Root, conferred at length

Will Stiffen School Law.

a unit in their assertion that the state was postponed until Friday by unanimous the providing for several schools for law providing for separate schools for Japanese will be strengthened instead of

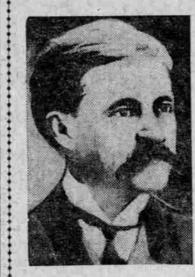
eluxed, and the California delegation in Congress will be instructed to redouble its efforts to secure the passage of a Jap-

Calls Roosevelt Insincere. Following are extracts from the state

press:

San Francisco Chronicle—This is an implied threat to use the military forces to put Japanese children into our schools, when he well knows that he has no authority to do anything of the kind and that any such attempt could only lead to his own impeachment. That expression will strike the country as an exhibition of impotent rage which it is very mortifying to see in a formal message of the President. But the worst of all is the President's evident, insincerity. When referring to Hawaii, he says:
"Hawaii is now making an effort to secure immigration fit in the end to assume the duttes and burdens of full American eltigenship."

That language and the context show that the President recognizes that the immigra-tion which Hawaii has been receiving is not



er in Movement for Direct Election of Senators.

to fit. That immigration, however, has re-New Subject for Rhetoric.

Call—There is a good deal of excited rhetoric in the message, based on misinformation. We refuse to accept a rebuke that springs from misapprehension, and, as for these "mutterings" of which the President amusingly speaks, they take their rise in a sense that the American standard of living is impossible in competition with the Japanese. We commend that to the President as a subject worthy of his elegence. anese. We commend that to the President as a subject worthy of his eloquence. Sacramento Union—The President has dealt with this matter impetuously; he has argued from wrong premises and he has reached wrong conclusions. Not even the big stick is big enough to compet the people of California to do a thing which they have a fixed determination not to do.

LAWYERS AGREE ON TEST SUIT

Validity of School Law to Be Tried by Government.

BAN FRANCISCO, Dec. 5 In accordance with instructions received from At-torney-General Moody, United States Dis-trict Attorney Robert Deviln this after-The promoters invested \$100,000 in the on held a conference in his office with Fresident Aaron Altman, of the Board of Education: City Attorney William G. Burke and Assistant City Attorneys Will-lam Bagget and John Williams to discuss ision of Japanese from schools liam Burke in an endeavor to arrive at an agreement on the law involved, with a view to a test suit in the state or Federal courts.

Of Mongolian parentage in separate schools. Proceedings, technically known as a "controversy without action," will be brought either in the Supreme Court of

California or in a Federal court Agree on Disputed Points.

(Concluded on Page 4.)

UNITED RAILWAYS

Loss Seeks Riddance of White Elephant.

ITS FINANCES IN A BAD WAY

Company Burdened With Debt; Assets Are Only Nominal.

CARNIVAL OF HIGH FINANCE

Half a Dozen Promoters, Make Fat Stakes, While Men Who Put Up Money Hold \$450,000 Bonds of Questionable Value.

HIGH PINANCE OF THEFE

	labilities.	Annels.
lapital stock		*****
Bonds	450,000	******
interest on bonds	11,250	*****
Claims	116,000	
W. Hazen Track built by Ore- gon Traction	3,500	
Co,	******	\$30,000
United Rys	*******	45,000
Totals		\$75,000 amosts.

Assets are all attached by claimants. Tracks on Stark, Twelfth and Pettygrove streets must be finished next April; on Front, Flanders, Seventh and Taylor, next June.

A franchise bubble - the United Railways Company of Portland-is offered for sale by its possessor, C. E. Loss, who is trying to unload it on somebody ere it shall burst. The company has only about wo and a half miles of track, which is with a debt of \$450,000 bonds and some \$120,000 other claims and has a full stock issue of \$3,000,000, for which little or

The promoters invested \$100,000 in the Chamber of Commerce building and \$15,000 making these properties assets of the company, while in fact they were kept The cash outlay in separate ownerships. for the United Railways (tself, probably this afternoon with City Attorney Wil- which requires the segregation of children did not sum up more than \$25,000, by means of which small amount of money the scheme, inflated with "high finance" and plausible promise, secured 25-year franchises from the city last June on Front street, Flanders, Seventh and Taylor, agreeing to finish the road in the Governor-elect Gillett refused to discuss
the issue, but members of the Legislature agreed upon at today's conference, but two years, or to forfeit a \$100,000 bond, which will meet in January are almost the drafting of the statement of facts given by prominent local citizens, who were indemniffed by a surety company and C. E. Loss, in twice their liability. If the city should look to the bond, it is

said to be full of toopholes of escape for

The sale of the franchises by Loss, their resent possessor, is hampered by the city lines, but more by the heavy debts which cannot be disposed of for less than \$150,000, according to the statement of

Such a carnival of high finance as has been carried on in Portland in the past year by the United Railways schemers, this city never naw before. As usual in such affairs, those men who put up little or no money have come out best. Loss himself has cleaned up about \$35,000, and is trying to pocket that much more by selling out. H. St. John Dix, the busy agent of Loss, has put away some \$12,000 and put off to London, immediately after securing \$2500 from Loss on a promissor note. J. Whyte Evans, original head of the company, has gained perhaps les than \$10,000, and W. L. Benham, now president of the enterprise and possesson of one share of stock, has made a stake of semething like \$5000. The men who advanced \$160,000 on the Chamber of Com merce purchase, and did the heavy investing, have nothing to show for it but \$450,000 bonds, which Loss forced them to take at the time he assumed control.

Franchise of Oregon Traction.

Tied up with the United Railways is the franchise of the Oregon Traction Company, on Stark, Twelfth and Pettygrove streets-the line projected to Hills boro. The United Rallways, on taking over this franchise, March 15, 1906, agreed to assume the \$36,000 debts of the Traction Company and pay its stockholders for their stock, a sum probably abou \$40,000, thus indefinitely named because the United Railways had aiready secured the stock of a number of the Traction Company stockholders.

This \$40,000 has not been paid, although the stock has been delivered. Nor have the \$36,000 debts been discharged, although their payment is secured by a check, certified by the Merchants' National Bank, payable to W. T. Muir, trustee for the creditors. This check is based on a note, signed by J. Whyte Evans, W. D. Larrabee, H. W. Lemcke, George Lemcke and Wilmot Griffiss, original promoters of the United Rall-

The Oregon Traction stockholders have brought suit against the United Railways, stock and bond holders, through L. Y. Kendy, one of their number, for \$40,000,-money which they allege the United Rallways agreed to pay for the Oregon Traction stock. Suit by the creditors of the Traction Company is threat ened against Muir and the Merchants National Bank, Suit already has been begun by L. Y. Keady and Thomas Mc-Cusker, for \$15,000 for services lasting through last Spring and Summer and an additional suit similar to the one \$40,000 is to be brought by Keady for practically its sole asset, yet is freighted between \$10,000 and \$18,000 for accumulating claims of Oregon Traction stock-

Two Sets of Financiers.

Two sets of financiers have had the United Railways in hand-the first being a bunch of Los Angeles men, headed by Evans, who came to Portland last January; the second being those led by Loss, a railroad construction contractor, builder of several railroads sion of the Drain-Coos Bay line of the Southern Pacific. He took hold last June, after the job grew too heavy for the first crowd.

The Evans bunch contained Wilmot Griffis, R. H. Phillipps, T. H. Dudley, H. W. Lemcke, George Lemcke, E. C. Herlow, W. D. Larrabee, J. W. E. Tay lor and M. H. French. The men who put up the most of the money were the Lemckes, Griffis, Phillipps, ley and Herlow. They all advanced some \$125,000 in cash, only a few thousand of which went into the railway project. For the Chamber of Commerce building purchase, they put up \$100, for a piece of waterfront land, \$15,000.

These payments made it appear that the company had big supplies of money, The promoters said they could finance the lines through the city and to Hillsboro and Salem without a stagger. They asked for franchises on Front street, Flanders, Seventh and Taylor, which the city granted May 23, 1906. and the Mayor allowed to go into force June 5. That same night, Evans declared that the company had \$5,000,000 for construction. On or before July 3 the company was to give \$100,000 bond, as guarantee of good faith toward the city, and of construction of the city lines within one year and of the Salem line within two years.

Money Runs Short.

Difficulties ensued, in giving the bond. The promoters ran short of money. Obligations pressing on all Good roads convention in session. Page 8. sides and time running short for signing the bonds made things strenuous Then hove in sight H. St. John Dix, a plausible chap of confidential manner, who six years ago was convicted (it is said unjustly) for irregularities in a bank at Bellingham, Wash. This fact was hushed up, for it was said that Dix represented moneyed men, was a person of responsibility and was innocent of blame for the Bellingham University of Washington forbids students troubles. Dix brought to Portland to appear in light opera. Page 7.

troubles. Dix brought to Portland from San Francisco, C. E. Loss. The Los Angeles financiers had put on big display up to this time. They obtained possession of the franchise of the Oregon Traction Company (Hillsboro line), and merged that company with their own, without payment of money. They competed with the Willamette Valley Traction Company, now building to Salem, for a franchise on Front and Flanders streets, and wo after a long tussle. They announced before obtaining the franchises and immediately afterward that they would begin construction at once.

They declared war on the Portland General Electric Company for alleged refusal to supply them with electric power. They made it appear that they were about to open an era of unprecedented progress for Portland. They evidenced their confidence in Portland's growth by purchasing the Chamber of Commerce building, making thereon a payment of \$103,000.

But as the time approached for sign-(Concluded on Page 3.)

CONFESSIONS OF LABOR SLUGGER

Broke Arms and Legs of Negroes.

BECAUSE SHEA ORDERED IT

Schultz Reveals Brutality of Teamsters.

ACID THROWN AT HORSES

Squirted From Syringes to Make Them Run Away or Thrown in Eggs - Bricks Thrown at Strikebreakers' Teams.

CHICAGO, Dec. 5 .- A startling exposure of the methods employed in the teamsters' strike was given in the trial of Cornelius B. Shea and his fellow labor leaders beore Judge Ball in the Criminal Court today, when Joseph Schultz, an alleged dugger, who with Albert Young turned state's evidence, was on the stand as a witness for the state, Schultz declared that Shea had told him to break the lega and arms of the strike-breakers and espedally to attack the negro strike-breakers. When this means of bringing about decided results did not work satisfactorily. Schultz asserted that Shea ordered the hired pickets to throw eggs filled with acids at the horses being driven by noninion men

Break Legs and Arms.

After Schultz had been on the stand sevral hours he was asked by Assistant States Attorney Miller:

"What did Mr. Shea say concerning the

"He said break their legs or arms, so hey won't be able to work." "Do you remember in the early part of April, 1905, seeing the negroes coming out of the alley back of the store of Montgomery, Ward & Co?"

"Yes," replied Schultz, "I saw the men and Shea was there. As they passed us, Shea said to me: There is one of the finks. Get him when he gets a little further.' We caught him a block away and slugged him. A man named Scully

"After that where did you go?" "I went down to South Water street, We saw some more finks and followed hem to a streetcar in Wabash avenue. I

saw Jerry McCarthy, the business agent (Concluded on Page 7.)

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THE MAYOR PLAYS THE LIMIT

