

LILLEY EXPOSES SUBMARINE LOBBY

Boatbuilders Claimed Influence Over Cannon and Members.

EXORBITANT PRICES PAID

House Committee Begins Inquiry and Lilley Names Men He Accuses—Detectives Follow Accuser at Every Step.

WASHINGTON, March 12.—The Lilley submarine boat inquiry was begun in earnest today by a special House committee. Beginning at 10 o'clock the committee continued its work during the greater part of the day. Representative Lilley was heard at length. He began his testimony by reading a long typewritten statement, a part of which was in the nature of an affidavit in which he outlined his charges in detail. When he had completed this formal presentation he was questioned at length by Representative Olmstead of the committee, who was designated by Chairman Boutell to perform that service.

Has Influence With Cannon.

During the afternoon session, Representative Richmond P. Hobson testified that he had been approached by a man representing the Electric Boat Company, who told him that, if he would support the claims of that company before Congress, the company could bring influence to bear upon Speaker Cannon to have him (Hobson) appointed on the committee on naval affairs.

At the suggestion of Boutell the names of the attorneys representing interested parties were entered upon the record. Lilley introduced Frank T. Brown, of New York, and himself represented the Electric Boat Company. In reply to one of Olmstead's questions, Lilley said the Electric Boat Company had no plant and no assets. He declared that that company did not build boats, its only business being to secure contracts for boats and then subcontract.

Men Who Expected Rewards.

Lilley gave the names of the Connecticut manufacturer and the attorney who had asked him, according to his statement, to vote for an appropriation for submarine boat legislation. The manufacturer, he said, were Franklin H. Taylor, of Waterbury, and A. M. Ferris, of the Bridgeport Brass Company; the attorney was John T. Kellogg, of Waterbury. Lilley said it was his understanding that there was an agreement between the Electric Boat Company and Vickers Sons & Maxon, of England, who are building English submarine boats, whereby all the improvements made by the Electric Boat Company are turned over to the English company, but under which all the improvements made by Vickers Sons & Maxon are not given to the Electric Company.

Working the Newspapers.

A discussion arose between Olmstead and Lilley over that portion of Lilley's statement relating to newspaper correspondents and the part they have taken in reading what Lilley termed a sentiment for submarines, particularly on the Pacific Coast. Lilley said:

"While I have no direct testimony to offer on that subject, I do feel that the Electric Boat Company have men who attend meetings of the Boards of Trade, Chambers of Commerce, etc., and who set up in their meetings and make addresses on the unpreparedness of the Pacific Coast and the fact that the Japanese will be upon the next boat, and thus get resolutions passed, instructing their members to vote for a large number of submarines as the best means of protecting them from invasion. I think it reprehensible conduct on the part of the company to hire lawyers and newspaper men to go about and create war scares and work through Boards of Trade and Chambers of Commerce to bring pressure to bear on members of the House to vote the government's money for their boats."

Air Full of Influence.

Lilley said he could only name two newspaper men at this time who had worked for the Electric Boat Company, and he gave the names of two who, he said, had admitted having worked for the company.

Lilley insisted that, if the committee would call the witnesses who say they had given, it would ascertain that there were a great many such men employed, and that a great deal of money had been spent that way. "The air is full of it," he said.

During his examination, Lilley mentioned the fact that he had consulted ex-Senator Thurston, of this city, who is the attorney here for the Lake Submarine Boat Company, but insisted that that gentleman had not formulated his (Lilley's) charges.

Hobson Scorned Help.

Hobson testified that Lawrence Spear, of New York, told him last November that the Electric Boat Company would be able to help Hobson to get a place on the naval committee if he stood right on submarines, that it had influence with the Speaker, Mr. Hobson said:

"I told Mr. Spear that I did not want the influence that his company had, and I made no promise to support any naval proposition he might have to offer."

Hobson said that he had seen Mr. Spear since this conversation occurred, and in reply to a question propounded by Mr. Littleton, said that he and Mr. Spear had been classmates at Annapolis, and that they had belonged to the same corps in the Navy. Their relations had been cordial.

Detectives Shadow Lilley.

Lilley was recalled. He was questioned by Olmstead regarding the statement he made to the committee that he was being shadowed by detectives, and was asked if they were harping him in his work before the committee. He said:

"I have had a very large number of men shadowing me since the resolution was introduced. One man has been standing near my door daily in this office building, and two more usually at the entrances. Frequently I have run into three here. At the hotel there have never been less than three, so the House detective tells me. The detective stationed at the House of Representatives says there have been at least six in there. I did not protest against this proceeding until they began to shadow the members of my family, and Major Sylvester, the Chief of Police here, told me he would have them arrested if I so desired."

Influence, Not Bribery.

Lilley in his prepared statement says he does not charge that any member of Congress was actually bribed or knowingly participated in wrongful attempts of the Electric Boat Company to influence legislation, but purports to show

that wrongful methods were used by that company to secure legislation. He was prepared to name witnesses. Whether money had been improperly used could be shown only by the examination of the officers, attorneys and agents of the Electric Boat Company and a careful scrutiny of the company's books, vouchers, check stubs and accounts.

He then demanded the summoning of Isaac Rice, president of the Electric Boat Company; Edwin B. Frost, vice-president; Maurice Barnett, treasurer; August Treadwell, assistant treasurer, and that they be required to lay before the committee documentary evidence in their possession. He opposed beginning the investigation by informing the accused of the precise character of the evidence to be produced. He declared the persons named to be the ones, if any, who had made improper efforts to influence legislation, said they were reluctant and adverse witnesses, and that the facts in their knowledge could only be elicited by careful and thorough examination.

Objects to Procedure.

He opposed following the lines of procedure proposed by the committee, and asked for the opening of the summoning witnesses as necessary to bring out the facts fully and to substantiate the charges. He asked whether the committee still adhered to its decision to prohibit him from calling the witnesses and presenting their testimony under the examination of its attorneys.

Boutell replied that the business of the committee was to conduct an investigation, not as prosecutors, and it would allow Mr. Lilley to appear as prosecutor. Witnesses would be called as the necessity for their presence developed.

Expensive Lobby at Capitol.

Lilley promised to show that for several years the Holland Boat Company and its successor, the Electric Boat Company, maintained a lobby in Washington to influence submarine boat legislation. He said it retained C. E. Gracey, General Officer Hutton, ex-United States Senator Marion Butler, S. V. McNair, Dr. W. B. Kerr and others. Mr. Frost, he said, was a continuous visitor in Washington during sessions of Congress and spent thousands of dollars in entertaining Congressmen.

He said that the Senate amendment to the appropriation bill of March 2, 1907, was prepared and drafted by the attorney for the Electric Boat Company, for the purpose and with the intention to eliminate competition in submarine construction and to prevent the Secretary of the Navy from exercising any discretion in awarding contracts for submarines.

The Electric Boat Company, its officers and agents, he said, had contributed large sums to the campaign funds of Congressmen who favored the Electric Boat Company. He also charged that correspondents of leading newspapers had been paid for favorable articles.

Efforts had been made by the Electric Boat Company and its predecessors to influence the action of Navy Department officials, and such efforts became notorious as to call forth the condemnation of high officials of the Department.

Competition is Stifled.

These efforts had caused the suppression of competition since 1893 by securing the awarding of contracts either by specific appropriation or by appropriation so skillfully drawn as to render competition impossible. Former investigations, in which no report was made to the House, have shown, he says, that the companies named have made reprehensible efforts to influence Congressmen and Navy Department officials.

Lilley repeated the charge that a large manufacturer in his home town had told him that he (the manufacturer) had the promise of a large order for submarines if Lilley would vote for them, and that a lawyer of his home town tried to influence him. He told of efforts to influence him through promises to his constituents and of indirect efforts of other Congressmen to influence him.

He expressed the opinion that the Electric Boat Company and its predecessor have already received an excessive profit of more than \$1,000,000 from the United States, and would receive another \$1,000,000 in excessive profits under the pending bill, and that this charge could be substantiated by expert officials and constructors. He charged that the submarines already built and now under contract were inferior in type, speed, power, armament and efficiency to those now in the possession and under contract for construction for foreign governments.

Mr. Lilley concluded his protest against the mode of procedure adopted by the committee and then offered himself as a witness.

STAYS TO PRESS RATE BILL

Fulton Will Not Return to Oregon Before Primaries.

OREGONIAN NEWS BUREAU, Washington, March 12.—On account of the pressure of public duties here, Senator Fulton probably will not return to Oregon prior to the primary elections further to answer Heney's charges or take part in his campaign. Advice received by Senator Fulton from many parties of the state indicate to him that Heney's charges had little injurious effect and had not jeopardized his chances for re-election.

Senator Fulton considers it essential that he remain here to press his amendment to the rate bill concerning the advances of freight charges, his revision of land grants, and the claims bill in his charge as chairman of the claims committee. While not fully determined, the chances are that Senator Fulton will remain here until the close of the session.

PENSION BILLS ARE KILLED

House Committee Against Dawes and Bradley Measures.

WASHINGTON, March 12.—By a tie vote, a motion was lost today in the House committee on military affairs to report favorably the Dawes bill creating a roll to be known as the volunteer roll, and placing therein, with retired pay, the surviving volunteer officers of the Army, Navy and Marine Corps of the Civil War. Estimates indicated that the first year's operation of such a law would cost the Government \$1,000,000. The committee similarly failed to act favorably on the Bradley bill, which, in addition to the provisions of the Dawes bill, proposed the payment of \$20 monthly to every surviving enlisted man in lieu of pensions now drawn. The War Department estimated that the operation of such a law would cost \$20,000,000 annually thereafter.

EXTRA OFFICERS FOR ARMY

Senate Committee Favors Bill Adding 651 Commissions.

WASHINGTON, March 12.—The Senate committee on military affairs today reported favorably a bill authorizing extra officers for the Army. It is intended to meet what is generally referred to as the absenteeism of company officers from their commands by reason of detached service. The bill reported would add 651 officers to the Army distributed as follows among the grades: Thirty-six Colonels, 24 Lieutenant-Colonels, 90 Majors, 162 Captains, 14 Lieutenants and 128 Second Lieutenants.

PRIEST'S SLAYER TO FORFEIT LIFE

Jury Convicts Alia of First Degree Murder, After Three Hours' Deliberation.

LAW GIVES SHORT DELAY

"Is There No Appeal?" Is Only Remark Made by Italian Who Killed Father Leo in Denver Church.

DENVER, March 12.—Giuseppe Alia, who shot Father Leo Heinrichs in St. Elizabeth's Catholic Church, in this city, Sunday, February 23, was today found guilty of murder in the first degree. Hanging was fixed by the jury as the penalty. The verdict was announced at 2:45 P. M., the case having been given to the jury at 11:45 A. M.

"Is There No Appeal?"

"Is there no appeal?" was the only words spoken by Alia when informed by Interpreter Matter that the jury found him guilty of murder in the first degree and fixed sentence at death. He cannot be hanged within 90 days of the rendering of the verdict under the laws of the state.

Masked Epilepsy Defense.

With a bare suggestion of "masked epilepsy" as his only defense, Alia awaited stoically the result of his trial on the charge of having murdered Father Leo. The evidence for the defense was completed yesterday. Only two witnesses were called and but one of them, Dr. Baron G. Tosti, the Italian Consul, testified that he considered the slayer of Father Leo insane, basing his opinion upon the fact that the murder was without apparent motive. No explanation of Alia's terrible act other than that given by him in his various conflicting statements made in jail, was offered and no evidence of any plot against Father Leo or priests in general has been presented at the trial.

A special guard of armed deputies was stationed in one of the side rooms of the courthouse this morning, but there was no demonstration or apparent reason for this precaution.

In his instructions, Judge Whitford informed the jury it could find a verdict of murder in the first degree, murder in the second degree, voluntary manslaughter or not guilty. He then defined the meaning of the law in regard to murder in its various forms.

Judge Instructs the Jury.

"If the jury entertains a reasonable doubt of the sanity of Alia at the time of the commission of the act," Judge Whitford said, "it should acquit the defendant. But if the jury believes the prisoner to have been of sound mind, but carried away by passion or revenge, and not influenced by an unsound mind, it should convict."

First Assistant District Attorney John C. Hiles made the opening address for the state.

He asked the jury to find a verdict of murder in the first degree. He reviewed the testimony to show that the murder was willful, malicious and premeditated. Mr. Wildecombe, attorney for the defense, dwelt upon the point that the state produced the evidence of witnesses to show that the prisoner was sane when the law itself presumed him to be sane. This action was taken because Alia's act was one to indicate to the District Attorney that the defendant was crazy.

District Attorney George A. Stidger made the closing argument in the case.



TWO LEADERS—Our double-breasted Sailor Suit and our Russian Sailor Blouse—full knee pants.

With the improvements we have added, these new Spring Suits are the most graceful garments little boys can wear.

LION CLOTHING CO

GusKuhmProp
166-168 Third Street.

sale of liquor, the vote for the saloons carried by a majority of 109.

ANOTHER BLOW AT RACES

HUGHES WINNING FIGHT IN NEW YORK.

Assembly Committee Reports Bill That Will Put End to Practice of Playing the Ponies.

ALBANY, N. Y., March 12.—Another substantial step toward the statute books was taken today by the legislation to abolish gambling at racetracks in this state, as recommended by Governor Hughes in his annual message to the Legislature.

After a protracted meeting, the assembly committee on codes reported without amendment the bills embodying the Governor's recommendations.

The committee by a vote of ten to two refused to accept the amendment made yesterday by the corresponding committee of the Senate which would defer the taking effect of the legislation until September 1, and thus exempt most of this year's racing schedule.

It is the general opinion here tonight that while there may be a stirring debate in the Senate over the measure, they are practically as good as passed in the form desired by the Governor. Senator Rayner, the majority leader of the Senate said this afternoon:

There will be no deadlock between the

"NEW PROCESS" GAS RANGES

Are heavily built and in several sizes, to meet the demands of any kitchen—bodies are of polished steel—no enamel finish to peel off—tops and frames of cast iron—efficient burners—can be taken apart in an instant and cleaned—most economical in operation—double the amount of work is obtained for every foot of gas used. Burners are all operated independently, thus enabling baking, roasting, frying, broiling, stewing and boiling to be done at the same time, if desired. The remarkable efficiency and economy of the "New Process" Gas Ranges are important features that command the attention of those who contemplate installing a gas cooking apparatus in the home. The complete line of these ranges displayed in the Basement Department.

SALE OF UPHOLSTERY FABRICS

In the Decorative Department—Sixth Floor—A large assortment of fine and medium-price imported Furniture Coverings, discontinued patterns, which we are unable to duplicate—to be closed out this week at about one-half of their regular values. Bring in the sizes or send in your pieces of furniture. You will be able to select suitable coverings at a saving.

TULL & GIBBS

COMPLETE-HOUSE-FURNISHERS

GREAT SALE OF GRANITE-WARE TODAY IN THE BASEMENT

DOMESTIC AND IMPORTED ART WALL-PAPERS

FUGITIVE'S WIFE ON STAND

Mrs. John Dalzell Robertson Weeps Before Grand Jury.

SAN FRANCISCO, March 12.—Mrs. John Dalzell Robertson, wife of the fugitive assistant treasurer of the defunct California Safe Deposit & Trust Company, was on the witness stand for two hours this morning before the grand jury, which is investigating the failure of the corporation. She went through a terrible ordeal and was on the verge of collapse when she left the jury room. Her cheeks were wet with tears.

Mrs. Robertson was discovered at her Greenwich-street home, from which she and her husband fled to New York several months ago, and to which she returned quietly two days ago. She came back to look after their property interests while her husband remains a fugitive in Scotland.

Shortly after their flight it was learned that Robertson had hypothecated the bonds of the Colton estate which had been left in the hands of Walter J. Barnett as trustee. A contest over the Colton will is being waged in New York.

PROSECUTE THE QUACKS

Coroner's Jury Strikes at Cause of Murder by Eckler.

SAN FRANCISCO, March 12.—Fredrick Eckler, a waiter who shot and killed Fred Beddell, a chemist, employed by a medical company with offices at Geary and Fillmore streets, on

Friday evening last, and fatally wounded Richard Parker, was held to be incompetent by a Coroner's jury today. The jury further recommended that Eckler be examined by the insanity Commissioners. The verdict concluded:

We further recommend that the chief of police make a thorough investigation of the institutions such as Dr. Miles & Co., the California Medical Institute and all institutions of that character, as they tend to prey upon the minds of weak and unfortunate persons in circumstances similar to those of Eckler.

National Creamery-Owners Meet.

ST. PAUL, March 12.—The members of the National Creamery Buttermakers' Association assembled here this morning for a two days' session. The convention was called to order by President Farrell A. Jensen, of St. Helena, Cal., who delivered an address on "How to Secure Uniformity in Over-Run and Quality of Butter."

What Quality Means

Among the best beers, the differences are not largely due to materials. 'T would be folly to skimp there.

Most differences in taste are due to the skill, or the lack of skill, in the brewing. And to the yeast.

But quality refers, above all, to the purity. Pure beer has no germs in it, and it does not cause biliousness. It is not only good, but good for you.

Purity is rare because it is costly. And because its lack is not easily noticed. But in Schlitz beer it is the first requirement. We spend more to attain it than on any other cost of our brewing.

Schlitz

The Beer That Made Milwaukee Famous.

Sherwood & Sherwood, 8 Front Street, Portland.

CANNOT DRINK ON CAMPUS

NEW RULES ANNOUNCED FOR STANFORD STUDENTS.

Undergraduates Bitterly Opposed to Regulations That Punish Misuse of Liquor With Suspension.

STANFORD UNIVERSITY, March 12.—The student affairs committee made public today a set of rules governing the use of intoxicating liquors by Stanford men. The rules forbid the use of intoxicating liquors on the campus, and state that violations of this rule will be punishable by suspension.

The committee also states that a similar penalty will be inflicted on students who become intoxicated off the campus. The students' body is bitterly opposed to the new regulations, and is awaiting with interest the first move of the committee under these regulations.

WOULD SHELVE HIGH LICENSE

San Francisco Committee Opposed to Raising Tax.

SAN FRANCISCO, March 12.—An effort was made today by the license committee of the Board of Supervisors to shelve the agitation to raise the retail liquor license in this city from \$600 to \$1000 per year. At an executive meeting the committee adopted the following:

We recommend the indefinite postponement of all the proposed liquor ordinances now pending. In the opinion of this committee a radical change in the license tax as proposed in said ordinance, should not be made unless the question has been first submitted to a vote of the people and approved by them.

The matter will now be fought out before the full board.

City Votes for Saloons.

MODESTO, Cal., March 12.—At an election which called out the largest vote ever polled in this city, on the question as to whether or not the city trustees should grant licenses for the

THIS WEEK ONLY A Lady's Suit FREE

WITH EACH ORDER FOR A GENTLEMAN'S SUIT.

J. M. Acheson Co.