## WILL BUILD A NETWORK OF ROADS

Oregon Electric to Gridiron Willamette Valley.

### WORK WILL BEGIN AT ONCE

Capitalization Is Increased to \$10,000,000 to Carry On Operations.

#### 301 MILES OF NEW LINES

Extension From Hillsboro to Tillamook Among Projects.

FEEDERS ON ALL SIDES

Company's Financial Backing Ample to Carry Out Enterprises-Will Be Immense Factor in Development of Oregon.

#### \*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\* FACTS ABOUT OREGON ELECTRIC RAILWAY.

in capitalization, \$7,800,000. Present capitalization, \$10,000,000. Present mileage, 50. Prejected mileage, 301.

Extensions just announced, Garden Home to Hillsboro, Hillsboro to Tillamook, Tigardville to Bugene, Salem

To gridiron the Willamette Valley with lines is the avowed purpose of the Oregon Electric Rallway Company, The original capitalization of \$2,500,000 was increased yesterday to \$10,000,000. Extensions to the system were authorized ag-gregating 501 miles. Work will be comed on the first of these lines this

Stockholders and directors of the company met in the headquarters in the Corbett building yesterday morning and authorized the filing of new articles of n, providing for the increase in the capital stock and the construction of new main lines throughout the Willamette Valley, as well as feeders running into the country on both the east and west side of the Williamette River. It is estimated that the additional capitalization will provide for the new line If insufficient, however, the company is prepared to secure whatever

amount is needed for the work, The plans of the Oregon Electric to develop this state with trolley lines is the most important railroad annous Portland has had since the North Bank road was projected from Pasco, Wash., to this city. It means the development of the Willamette Valley to a remarkable degree for the system of roads mapped out will serve the territory to be entered in the most satisfactory way,

#### New Lines Authorized.

The following new lines were authorized by the directors of the company at yes-terday's meeting: Salem to Albany, 18 miles; Garden Home to Hillsboro, 12 miles; Hillsboro to Tillamook, 67 miles; Tigardville to Eugene, 125 miles; Salem to Mill City, 54 miles, and Albany to Cascadia, 35 miles. Total mileage, 301. With the 50 miles already constructed by the company between Portland and Salem, the construction of the new lines just authorized will give the Oregon Electric 351 miles of standard gauge railroad in the state.

The capitalization of the company will be equally divided between common and preferred stock, of which 50,000 each will issued, of the par value of \$100. The vised articles of incorporation were sent to Salem by special messenger yesterday for filing with the Secretary of State and they were also placed on record at the

Courthouse here. Stockholders met first in the offices of General Manager Talbot in the Corbett building. Upon their authorization of the increase of capital stock and the new extensions, directors met in the same offices and ratified the action of stockholders. The following directors of the Oregon Electric Railway, enough to make a quorum, were present: Guy W. Talbot. James B. Kerr, Edward Cookingham and George F. Nevins.

#### Where Money Comes From

Moffatt & White, 5 Nassau street, New York City, are managers of the syndi-cate that is supplying the capital for the Oregon Electric operations in this state.

The executive committee is made up of the following New York capitalists: A. C. Bedford, George Barclay Moffatt and William A. White.

In a general way the extensions of the his father, who is dying.

widely separated parallel lines up the Willamette Valley from Portland, one on each side of the river, together with a main line running to the Coast at Tilamook and a number of feeders and laterals throughout the territory reached. From the Portland-Salem line, a road will be built through Washington and Tillamook counties to Hillsboro and Tillamook Bay. This line will tap one of the richest dairy and farming sections on the Pacific Coast. From Tigardville, also on he Portland-Salem line, a main trunk oad will be built through Washington, famhill, Polk, Benton and Lane counties brough Corvallis to Eugene. Another ne will be built from Dallas to Salem and thence easterly through Marior County to Mill City. There will also be a road constructed from Albany, which will be reached by an extension of the main line from Salem, southeast through Lebanon to Cascadia.

Start Hillsboro Line Today.

William S. Barstow & Co., the engin ering firm which builds the lines of the Oregon Electric, has assembled construction materials and will begin work this morning on the Garden Home-Hills horo line. Upon its completion, attention will be turned to building from Salem to Albany. It is likely that at least three



General Manager Guy W. Talbot Company, Who Announces the Construction of 283 Miles New Railroad in Oregon.

years will be required to complete the stockholders and directors of the company at yesterday's meetings These are our plans for the future.

said Guy W. Talbot, vice-president and general manager of the Oregon Electric. They will be prosecuted as rapidly as is practicable. We will start the ball rolling by beginning work on the Hillshore extension tomorrow morning. This line and that from Salem to Albany will be the first constructed.
"The determination of our people to

build such an extensive system of rail-roads throughout the state, even in spite of unfavorable financial conditions in the East, shows the confidence they have in this state. The men behind the pro ject predict a great future for Oregon The fact that they are planning to spend \$7,500,000 additional to the \$2,000,000 already shows their faith in this country.

#### Will Open Splendld Country.

"A splendid country will be opened up by the lines just mapped out. There are great possibilities for the Valley and our rich in agricultural products and in dairy ing and fruttgrowing. Besides, a great timber country will be reached by the Tillamook line. We hope in the end to have a very successful enterprise

"All the new lines planned will be uniform with the Portland-Salem line, which is standard steam railroad construction throughout." The Oregon Electric's backers have

made good in this state. They have carried out faithfully whatever they have started and there is every reason to believe that the announcement just made means just what they say. Less than two years ago the first announcement of operations in this state by the New York banking firm of Moffat & White was made. Within that time the company has built 50 miles of standard railroad, besides assembling materials on the ground for the Hillsboro branch line of 18 miles. The Oregon Electric Rallway Company, which succeeded the original construction company, has had offices in Portland for the past 14 months. It principal officers are: President, George Barclay Moffatt

#### Portland; treasurer, H. W. Brower, New York. Road Will Be Independent.

New York; vice-president, Guy W. Talbot,

Portland; secretary, George F. Nevina

Officials of the company say it has no connection whatever with any other railroad interests and will remain entirely independent. It is promised that the an-nouncements of other companies to build in certain districts intended to be opened up by the Oregon Electric will make no difference in its plans and that the whole scheme of railroads just decided upon will be carried out on an entirely independent

basis. what it promises there can be no doubt because of its backing by large Eastern financial interests, while no one questions its good faith on account of having suc-cessfully carried out its projects in this state thus far.

#### PRISON FOR A GRAFTER Ex-Coroner of Los Angeles County

Sentenced to Prison.

LOS ANGELES, Cal., April 22.—Dr. R. S. Lanterman, ex-Coroner of this county, was today sentenced to serve a term of

sum or \$7500 in order that he might visit

# GALLAGHER'S LIFE

Ex-Supervisor's Home Is Dynamited.

#### GRAFTERS FEAR TESTIMONY

Friends of Accused Men Suspected of Bomb Outrage.

#### RESIDENCE IS DEMOLISHED

Intended Victim and Members of Family Escape Unbarmed-Chief Witness Against San Francisco Boodlers Is in Hiding.

OAKLAND, Cal.; April 22.-What is elieved by the police to have been an attempt to assassinate James L. Gallagher, one of the main witnesses for he prosecution in the San Francisco graft cases, was made shortly after ? clock tonight at the home of William H. Schenck, Gallagher's brother-in-law, East Twentieth street and Nineteenth avenue, East Oakland, when a huge bomb placed on the porch exploded and tore away the whole front of the house. Gallagher was up stairs with his wife at the time, and Mr. Schenck was in a rear room with his wife and four children and Dr. Guy All escaped but one boy, who was

hit in the neck by a flying missile, That none was killed was little short of a miracle. Gallagher's hat was pierced by a splinter, and taken away as a souvenir. The house was com-pletely wrecked. The report was heard all over Oakland and many win-dows in the neighborhood were broken. A post belonging to the porch was hurled 100 feet away.

#### Great Crowds Gather.

So quickly did the news spread that Gallagher's home was dynamited that 2000 people were on the premises in a few moments. The ex-Supervisor was spled in the crowd and someone remarked:

"I guess that was meant for you." "Yes, I guess it was," repiled Galla-gher, "but they missed me."

A man was seen running down Nine teenth avenue a few moments before the explosion, but up to a late hour tonight no arrest has been made by the police. Chief of Detectives A. Peterson made a careful inspection of the demolished house and had a long talk with Gallagher afterward. But little light could be thrown upon the matter , which is enshrouded in

Late tonight Gallagher went to San

ting Board of Supervisors and was chair-man of the finance committee. During the absences of Mayor Schmitz he was acting Mayor. According to the confes-sions of the several members of the board and himself, Gallagher acted as inter mediary between Ruef and the members of the board in distributing bribe money.

#### WORK FOR IMMUNITY BATH

Ex-Supervisors Tell How They Were Bribed by Ford.

SAN FRANCISCO. April 22—Rapid progress was made today in the case of Tirey L. Ford, on trial for the third time on the charge of bribery in connection with the obtaining of a trolley franchise for the United Railroads, for which correction has converted course.

poration he is general counsel.

Following the conclusion of the cross-examination of ex-Supervisor James L. Gallagher, the prosecution's most important witness, who told in detail of receiving from Abraham Ruef and of dividing areas than the country loss of the supervisors. ing among the other supervisors the al-leged bribe money, seven other supervis-



r and Witness for Prose-Whose Assassination by lite Was Attempted Last

ors repeated their testimony given in the ors repeated their testimony given in the two former trials of Ford, and again retold the story of their own dishonesty and the corruption of the beard of which they were members. Of the 15 supervisors who confessed to taking bribes, the following testified today: John J. Furoy, Cornelius J. Harrigan, Max Mamlock, James F. Kelly, Edward I. Walsh, Charles Boxton and Sam Davis.

With the exception of Gallagher, the cross-examination of the former super-

ross-examination of the former super-

and would have voted for it even if there had been no money consideration in it. Both Mamilock and Waish testified at the former trials that they received some large bills in their first payment and this time stated that they were paid in small bills. Attorney Moore confronted them with their former testimony and remarked that "their recollection, like old wine, proceed. This afternoon, at the close of improved with age."

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THE GOVERNOR-"WHAT'S THAT? THEY WANT ME TO

WITHDRAW AS A CANDIDATE FOR SENATOR?"

## TREASURER STEEL HAS BAD MEMORY

Fails When the State Questions Him.

#### ROSS ON STAND SHORT TIME

Denies Converting a Dollar of School Funds.

#### CASE GOES TO JURY TODAY

Judge Burnett, Overruling Motion of Prosecution, Holds Sufficient Evidence Has Been Submitted. Steel's Poor Recollection.

PROGRESS OF THE ROSS TRIAL. Judge Burnett ruled that the offi

cers of the Title Guarantee & Trust Company are criminally liable if the bank converted money known by them to be school funds.

Evidence for the state was com-pleted and Ross was on the stand only long shough to deny that he ever converted any of the school funds to his own use State Treasurer Steel's lax memor

been a great aid to the defense. The case will be argued and submitted today.

able or unwilling to break the mysteriou ties that bind him to the interests of J Thorburn Ross, State Treasurer Steel couldn't ren ember the incidents concern ing which the state wanted him to testify today in the case against the former pres-ident of the defunct Title Guarantee & Trust Company When M. L. Pipes, attorney for the

versations with Mr. Ross, he couldn't rereas-examination of the former super-visors by counsel for Ford was very brief; in some instances confined to few questions.

Without exception the supervisors ad ruitted that it is were in aver of the or-dinance. I so haten'to be oppose 't and would have voted for it even if there and would have voted for it even if there is mark the unwillingness of the witness. attorney for Ross, asked questions, his snawers were prompt and complete. So

improved with age."

It was shown by Gallagher's testimony that he was one of the last of the supervisors to confess and Moore brought out the witnesses had personally carried fense had completed its evidence, the taken the witnesses had personally carried fense had completed its evidence, the taken the mount of the complete its evidence, the taken the complete its evidence, the taken the complete its evidence, the taken the complete its evidence. on all negotiations for the immunity ing of testimony was closed and the case carried over until tomorrow, when the ar-

ruments will be heard and the case sub Defense Disappointed at Decision

Judge Burnett's decision this morning upon the technical questions raised in be-half of Ross was a great disappointment to the defense. They had contended that under the constitution as interpreted by custom and by the Supreme Court of deposit of school funds subject to check Mr. McCamant found his authority for this position in the decision of the Su-preme Court in the case of Baker vs

Williams, in which the court declared that a public officer "is required to keep such funds safely, and for that purpose may deposit them in a bank, provided they are at all times subject to his order." McCamant thought that language conclu-

But Judge Burnett saw it otherwise. He moted from the same decision to show that a deposit remains the property of the state, while a general deposit subject to check would be a loan to the bank The court went back to the principle that



vania, Advocate of Strict Fed-eral Control of Railronds.

source and held that the bank cannot secure from Steel the right to loan public funds, for Steel has not that right him under the constitution.

Taking up the question of the Hability of individual officers of the bank for the acts of the corporation, Judge Burnett sited the statutes making an accomplic liable as a principal and held that the defendants would be thus liable, if, through them the bank converted funds which they knew to be school funds.

Treasurer Steel on Stand.

The court having overruled the defend ants' objections, the presecution called State Treasurer Steel and asked him regarding funds deposited in the Title Guarantee & Trust Company bank.

He told very readily of finding when e took the office in January, 1967, that his predecessor had \$35,000 on deposit in this bank but when he was asked about his own transactions his memory failed. His chief clerk had transacted nearly all the business, he said, and he could not remember having talked with Ross about state deposits and could not recollect any tional fund or about the law by means of which that enermous fund was turned over to the Ross bank without interest, Though he segregated the funds in the for four new battleships, according to Ross bank when the new law went into effect and called one fund "educational," he dld not remember ever having told the bank officials that this fund was made up of school funds. The educa tional fund at the time of the segrega-(Concluded on Page 4.)

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## THREATS BRING SENATE TO TIME

Roosevelt Extorts Cash For Warships.

#### HALE INSERTS APPROPRIATION

House Votes Battleships Without Money to Build.

#### VETO CLUB IS SWINGING

Then Hale Hurries to Make Amendment and Save Whole Naval Bill. Warren Defends Taft From Criticisms of Hale.

WASHINGTON, April 22.-President Roosevelt will veto the Navai appro-priation bill, should the Senate, as did the House, fall to make any appropriation for the two battleships which are authorized in the measure. The prompt announcement of this fact to Senate leaders today is regarded as responsible for the announcement by Hale that he would propose an amend. ment appropriating \$7,000,000 toward the construction of those ships,

The President stated his position on this point with unusual emphasis and the bill as passed by the House was imply a "paper" provision for Naval nerense. Authorization of the ships was made, but no money carried to make the provision effective. Such legislation as this, the President made known to his numerous Congressional callers, was a travesty as to effective less, as well as bearing all the earnarks of legislative legerdemain inended to make ridiculous his campaign for the greater Navy.

#### Hale Hurries to Avert Veto.

That the President's quick and vigrous action is to be effective is evidenced by the action of Chairman Hale, of the Senate Naval committee. in announcing that at the proper time he will propose the \$7,000,000 amendment. As to his threat of veto, the President made it plain that, should the wisdom of Congress result in the passage of a bill providing, for Naval increase whatever, he would have no ground whatever upon which to veto the measure. Any attempt at what he regards as a travesty on legislation, by authorizing and not appropriating for ships, he declares he will defeat by the exercise of his constitutional power to veto

#### Forlorn Hope Not Given Up.

There is not the slightest indication that the President has ceased his fight with him today. Senators who are with the President in his fight on this proposition admit tonight that a careful survey of their strength in the Senate gives but a vote of 25 in that body in favor of the President's Naval programme for four ships.

Significance is attached to:this poll

of the Senate in that it is said to show a loss to the President of some of his heretofore staunchest supporters in that body. Senator Lodge is understood to have quit the fight for the full Naval programme advocated by the President, and to have given his reaons personally to the President for so doing. The loss of the influence of the Massachusetts Senator is regarded as responsible for the weakness shown by the poll, as it is believed by those favoring the programme that, had the President's Senatorial supporters entered the fight with the vigor he has evidenced, his desire in this direction might have been realized.

#### WILL PROVIDE APPROPRIATION

Hale Offers Amendment - Warren Defends Taft Against Critics.

WASHINGTON, April 22.-When consideration of the Navy appropriation bill was resumed in the Senate today, Hale, referring to a publication, "in a New York paper," which, he said, announced war cutside and inside the Senate, explained why an appropriation for the two new battleships and submarines had not been placed in the bill either in the House or the Senate. The House, he said, voted the appropriation down on the ground that it would not be needed until next December and the Senate committee had none put in the bill because no estimate of the amount that could be expended had been received from the Department Since the bill was reported, he said, the estimates, amounting to \$7,000,000, had been received, and he would add that amount as an amendment to the bill thus increasing to that extent the already heavy appropriations for the Navy.
"I say this," added Hale, "in order that

Senators and newspaper men and all others may possess their souls in peace. Expense of Maintaining Navy.

Answering an inquiry by Clay, Hale said it was necessary to begin to renair the vessels almost as soon as they are set affoat. When repairs reach the original cost, he added, "It is discovered a vessel is obsolete"

Hale sald he had recently talked with Sir William White, formerly chief designer of the British Admiralty, who has

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