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The weather—Occasional rain to night and Friday; westerly winds.

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PORTLAND, OREGON, THURSDAY EVENING, DECEMBER 26, 1907.—SIXTEEN PAGES.

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Oregon Journal

JOURNAL CIRCULATION

YESTERDAY WAS

28,330

STEEL IS GOOD FRIEND OF TILE GUARANTEE

EXPERIENCE IN OREGON TRUST DID NOT HELP HIM USE BETTER JUDGMENT

BANK WAS TOTTERING

After American Surety Company Made Good First Loss State Treasurer Went to Shaky Institution With Funds.

One of the remarkable disclosures resulting from the investigation of the books of the Title Guarantee & Trust company bank is the fact that when the American Surety company paid over the sum of \$34,009.25 to reimburse the state for losses in the Oregon Trust & Savings bank, State Treasurer Steel promptly plunked the money into the coffers of the Title Guarantee, which was even then undergoing a run from its depositors.

As a result, the American Surety company was finally called on to make good a second time the loss sustained by the state in the failure of the Oregon Trust & Savings bank. This it did, through the arrangement effected a few weeks ago with Governor Chamberlain.

The surety company paid to State Treasurer Steel the sum of \$34,009.25 on September 21. The books of the Title Guarantee show that on the same day Steel deposited the check in the Rops bank. The deposit was undoubtedly most welcome for the Title Guarantee officials have stated repeatedly that at that time their bank was undergoing the heavy drain which finally forced the disclosure of its insolvent condition.

The action of the state treasurer in this transaction is the more remarkable because of the object lesson which he had had so recently in the failure of the Oregon Trust.

Steel's relations with the officials of the Title Guarantee bank were very close. They were reaching out in every direction to gather in every dollar of cash on which they could lay their hands. Steel had already made enormous deposits of state funds in their bank and they had been the subject of common gossip that after the Oregon Trust failure the Title Guarantee was being subjected to a heavy drain by depositors. Steel came again to the rescue with the money paid to him by the Surety company.

The accounts of George Steel, state treasurer, with the Title Guarantee bank present many peculiar features which will require explanation. One of them is the fact that for several months an extraordinarily large proportion of the state funds were carried in the so-called "active fund" balance.

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Could Not Be Loaned. Under the loan could not be loaned by the bank, but these transfers were never for the full amount of the active fund balance. For example, the active fund showed a balance of \$295,232.40 on October 30, the day after the beginning of the holiday period declared by the governor, the balance in the active fund was \$47,482.81.

Swindlers' Association. Naples, Dec. 26.—A discovery has been made here of a vast association of swindlers, thieves and forgers, with an immense magazine of the objects robbed, amounting to a great value. Many suspects have been arrested and some have left for the other side of the Atlantic. American ports have been advised by our police.

Annual Meeting. (United Press Leased Wire.) Chicago, Dec. 26.—The annual meeting of the American Mathematical society began here today with a good attendance. The sessions will continue three days.

UNCLE SAM HAS BUT TWO MILLIONS CASH IN PUBLIC TREASURY

(United Press Leased Wire.) Washington, D. C., Dec. 26.—Uncle Sam has today a working balance of only a trifle over \$2,000,000 in actual cash. He has deposited in banks, how-

SKETCHES OF FAMOUS LORD KELVIN



SKETCHES OF LORD KELVIN, WHO DIED A FEW DAYS AGO AT THE AGE OF 83 YEARS. THESE SKETCHES WERE DRAWN FROM LIFE WHEN THE GREATEST SCIENTIST OF GREAT BRITAIN WAS IN THIS COUNTRY. LORD KELVIN, BEFORE HE WAS KNIGHTED, WAS WILLIAM THOMPSON, PROFESSOR OF PHILOSOPHY AT GLASGOW. PHOTO AND DRAWINGS SECURED EXCLUSIVELY FOR THE AMERICAN-JOURNAL SERVICE.

SIMON HAS NOT MADE DENIAL

Ex-United States Senator Is a Tentative Candidate for a Seat With the Millionaires to Succeed Senator Fulton, Whose Term Will Soon Expire.

Ex-United States Senator Simon is a tentative candidate for the Republican nomination and consequent election as United States senator to succeed Senator Fulton, the present incumbent of the office. Notwithstanding the denials that have been printed as coming from various sources to the effect that Mr. Simon had stated it as his intention not to enter the race, it is still possible that he may get into the fight when the proper time arrives for him to do so.

Mr. Simon today refused to be interviewed on the subject, saying that he did not wish to discuss the matter at this time. Other than that he would make no statement either denying the story of his candidacy or affirming it. From authoritative sources, supposed to be close to the senator, it is said, however, that should sufficient assurance of support be given to Mr. Simon he would enter the contest and make an earnest fight for the nomination. Previous to the first story published in The Journal of Sunday last, Mr. Simon was asked the truth of the rumor that he was to be a candidate and while he knew that the Journal was to print the story he did not then deny the assumption. After its publication he was again asked for an interview, and said that he "wanted a little more

LAUGHLIN TIN PLANT RESUMES OPERATIONS

(United Press Leased Wire.) Wheeling, W. Va., Dec. 26.—Sixteen mills at Martin Ferry, belonging to the Laughlin tin plant, resumed operations this morning after several weeks of idleness. The furnaces of the other mills are being prepared for operation, and work will be commenced next week.

FULTON AND ELLIS LEAVE FOR PORTLAND

(Special Dispatch to The Journal.) Washington, Dec. 26.—Senator Fulton and Congressman Ellis leave tonight to remain in Oregon till January 6, the first day they can register.

STATE WINS POINT OVER PETTIBONE

Judge Wood Holds Conspiracy Has Been Shown and That Possibly Defendant Was Party to Plot to Murder Steunenberg.

Prosecutors Will Not Have to Show Connection of Accused Man With Killing Other Than Knowledge of Schemers' Plans.

(United Press Leased Wire.) Boise, Ida., Dec. 26.—"I think that the facts already in evidence tend to show a conspiracy as contended by the prosecution, and I think that the independent testimony sufficiently tends to connect the defendant, Pettibone, therewith to require the submission thereof to the jury."

Judge Fremont Wood, with the above words, after reading a lengthy ruling, denied the motion of the defense in the Pettibone trial or instructed verdict of acquittal. Judge Wood held, in his ruling, that there is not sufficient corroborative evidence on Orchard's testimony of the killing of Steunenberg, as a separate transaction, to warrant conviction, but on all other crimes confessed by Orchard he said there was corroboration tending to show the existence of a conspiracy, and that Pettibone was a member of it.

The ruling means that the state will not be required to show by independent testimony that Pettibone had any connection with the Steunenberg murder, but that it is sufficient to show the existence of a conspiracy of which the killing of Steunenberg was an incident, and that Pettibone was a party to the conspiracy.

Judge Wood excused the jury until 2 o'clock this afternoon, when Clarence Darrow will make the opening address for the defense to the jury.

LOCAL COLOR GETS AUTHOR

Booth Tarkington Landed in Jail for Trying to Exterminate Police Force.

(United Press Leased Wire.) Indianapolis, Ind., Dec. 26.—Booth Tarkington, the author, is pondering today on whether he will "see a finish," a scheme he has hatched to get "local color" for a new story he is to write. While celebrating on Christmas eve Tarkington fell into the hands of the Bluecoats. Tarkington became pugilistic in his desires and a fight ensued. The police won the argument—also the fight. The author was taken to a cell all night, and forced to remain in a cell all night.

CHRISTMAS SOIREES CAUSE TWO MURDERS

(United Press Leased Wire.) Wilkesbarre, Pa., Dec. 26.—Two murders resulted from Christmas soirees lasting till daylight. Frank Smith was set upon and horribly butchered by unknown assailants. Five suspects have already been arrested, but the evidence against them is not strong. George Moore was stabbed by his brother-in-law, John Gallop, at the two were going home from a Christmas party.

ANONYMOUS LETTERS CAUSE OF MURDER

(Special Dispatch to The Journal.) Dighton, Mass., Dec. 26.—Two anonymous letters given to the police today are believed to be responsible for the jealous rage which drove Dr. Walter R. Amesbury to kill his talented wife, a member of the faculty of Roanoke college, at the dinner table at their home in Hyde Park. The letters reflected on the honor of his wife.

STATE MUST PAY FOR CARELESS POLICEMAN

(United Press Leased Wire.) Salem, Or., Dec. 26.—Governor Chamberlain today notified through the state department that German Ambassador Sternberg would claim indemnity from the state or from the city of Salem for the shooting of Francis Xavier Dick, a German subject, by Policeman Busick in November, 1906.

VALLEY SAYS HE WAS HIT OVER HEAD AND SUM TAKEN FROM HIM—BUSINESS PARTNER SKEPTICAL OF STORY.

Charles Le Valley Says He Was Hit Over Head and Sum Taken From Him—Business Partner Skeptical of Story.

Victim of Alleged Robbery in Bed Suffering From Wounds Which Doctor Is Unable to Find—Police Asked to Investigate.

(United Press Leased Wire.) Charles M. Le Valley, who lives at 620 Gantenbein avenue, says he was held up and robbed of over \$600 about 6:30 o'clock this morning as he was waiting for a car at the corner of Gantenbein avenue and Sellwood street. All but \$45 of the money belonged to the firm of Le Valley & Duane, who are partners in the Bay City market, Fourth and Yamhill streets. Duane is skeptical of the story his partner tells and has asked the police to investigate.

Le Valley says the highwayman poked a huge gun in his face and also hit him on the head with something, dragged him into the basement of the burned Forbes Presbyterian church and relieved him of the large sum named. The robber slit the bags that contained the money, took the money and left the coin sacker. He overtook \$194 or so that Le Valley had in his inside coat pocket in clearing house certificates. Le Valley sent these to his partner, James Duane, who refused to receive them.

Le Valley is lying in bed at his home on Gantenbein avenue suffering from an aching head and a stiff neck, which he says is the result of the conflict with the burly robber, who was about the same size as Duane. The latter heard the news from Dr. Curtis Holcomb, 124 1/2 Russell street, who called and says he found no marks or bruises on Le Valley's head but that he has known of cases similar where the victim had died even when there were no marks of brutality.

Le Valley was manager of the Bay City market and was trusted implicitly by his partner, James Duane. Le Valley has carried all the cash of the country since the failure of the Merchants National in November. Duane had requested last Saturday he be allowed to take care of the money, but Le Valley became vexed at this. Duane was afraid that Le Valley would be held up, and Duane lives just above the store on Fourth street.

COLD TOWELS ON HEAD.

Le Valley lies in bed at home attended by his wife who brings cold clothes every few minutes to soothe his aching head. When asked he said he was lying up the street toward the corner this morning while waiting for a car. As he came alongside the door that leads into the concrete basement of the Presbyterian church which burned last Saturday, a big man stepped in front of him, pulled out a revolver, held it to his face and then hit him with a blunt weapon. He dragged Le Valley into the basement in a dazed condition and went through his pockets.

Le Valley had two small bags, one of which contained the gold and the other the silver. The money consisted of the receipts for the Christmas business. He also had \$100 in his pocket in clearing house certificates, which the robber did not take.

The victim was able to get home and aided the policeman on the beat to find the bags that had been slit open with a knife. The robber had taken the money and left the bags on the scene of the robbery. They are in the possession of the police.

SCISSORS CUTS IN BAG.

Several holes of a peculiar nature, more like those made by a pair of scissors, are in the bags beside the big opening. The bags were tied with common store twine, very easily cut with a sharp knife. Detectives Coleman and Price were assigned to the case and pronounce the robbery a very peculiar one. Dr. Curtis Holcomb, who attended the injured man, states the latter's injuries are out of the ordinary and that he is recovering. James Duane, declares the circumstances look "very funny" to him.

Mr. Duane issued a statement this morning regarding his connection with Le Valley, telling when and how he first met Le Valley and how they came to be in business together. Duane is not well enough educated to carry on his business alone and offered to take Le Valley in when him, furnishing most of the money to conduct the business. Duane at no time knew the status of the business or whether the market was paying or going behind.

Le Valley has been in Portland about three years. He formerly traveled for the Sisco Sign company of Canton, Ohio. He has had experience in the grocery business. Statement by Duane. James Duane makes the following statement: "The early part of May last I, James Duane, purchased an undivided half interest in the business known as the Bay City Market & Poultry market, located at Fourth and Yamhill streets, from M. A. Cochran, for which I paid in cash \$200. The man that was to hold the other half interest and act as conductor the said business was Charles Le Valley, who has been my partner in the business from the time mentioned up to the present date. "About three months ago we moved in a place where we are now doing business. Prior to making the move

SENATOR PATTERSON ATTACKED

Proprietor of Denver Post Takes Exception to Articles in Times Accusing Him of "Pressure on Business Men."

Bonfils Meets Enemy at Door of Latter's Home and Administers Severe Beating—Kicked Rival Several Times.

(United Press Leased Wire.) Denver, Dec. 26.—As a result of a newspaper controversy which has been waged for years, Senator T. M. Patterson was attacked and severely beaten by F. C. Bonfils, proprietor of the Denver Post, this morning. The fight was directly caused by an article appearing in Patterson's morning paper, the News, this morning, charging that undue pressure had been brought on Denver business men by the Post.

Bonfils met Senator Patterson at the door of the latter's home. He knocked Patterson down and kicked him several times. Senator Patterson is 70 years old and was severely injured by the rival editor's attack. Senator Patterson has had a strenuous time with his newspaper venture. About one year ago he hired Edward Livernash for managing editor, and while the senator was in Washington Livernash came out against Denver's alleged grafters in a manner that made the corruptionists shout for help. Patterson left Washington for Denver on a special train in response to an appeal from some of his political supporters there. He wired that Livernash be discharged. Later he tried to retain the editor but Livernash was obstinate and refused to go on with his contract with the News. The affair created much bitterness of feeling among the various factions in Denver.

PORTLAND SHOULD PRESENT NEEDS

United States Engineers to Leave for Pacific Coast January 9.

(Washington Bureau of The Journal.) Washington, Dec. 26.—Colonels Leach and Lockwood of the board of United States engineers will leave for the Pacific coast on January 9, beginning with California and will hold public hearings on a number of projects, including Oregon undertakings. People will have the opportunity to present the local needs of their communities. Both the officers are loyal supporters of coastal development. It is suggested that Portland prepare to present necessary works for its section.

GATES DENIES THAT HE KILLED HIMSELF

(United Press Leased Wire.) Bellingham, Wash., Dec. 26.—H. M. Gates, the man who was supposed to have committed suicide from a dock in Seattle, Tuesday night, because a suit case containing a note saying he had ended his life was found, is here visiting friends. He believes the note was a trick of some friends, more or less intoxicated. Gates is a solicitor for Collier's Weekly.

90,000 NAMES IN DIRECTORY GIVE CITY 225,000 POPULATION

Portland's population is in round numbers 200,000. From whatever source statistics are taken, they prove that the population of this city has more than doubled since 1900. R. L. Polk & Co.'s new directory contains a total of 90,000 names, which multiplied by 2 1/2, the multiple always used in ascertaining population, gives the city a population of 225,000. The territory outside of the city, which was included in the new directory, consists of the towns in the Mount Scott district and St. Johns. The population of which is thought to be between 12,000 and 15,000. But these districts are to all intents and purposes a part of Portland and will no doubt be incorporated within the city's limits before another census year rolls around.

Another thing to be taken into consideration is the fact that the new directory does not contain the names of the city's Chinese and but a small per-

RIVER WILL RISE, SAYS FORECAST

Continuation of the Mild Weather and Intermittent Heavy Rains Will Bring Willamette Up by Next Sunday.

While Water May Encroach Upon Some Basements There Is Not Much Likelihood of Much Damage Being Done.

(United Press Leased Wire.) Continuation of the mild weather and intermittent heavy showers will bring the Willamette still higher on its banks and District Forecaster Beals, of the weather bureau, now predicts 15 feet of water above the zero mark next Sunday. Yesterday he was of the opinion that 15 feet would be the limit of the flood crest, but the copious rains altered the outlook materially, although his forecast for tomorrow will be for a rise. At the particular point the river seems rising in leaps and bounds and the current has attained the speed of a mill race. The lower decks of Astoria and Alaska docks are submerged and business there is being transacted on the upper decks. Ash street, too, is below the water level, and Alder street dock will soon be in the same condition. Couch, Oak and Washington street docks are above water, but Sunday will see them impassable without rubber boots.

Large quantities of drift are being brought down from the upper country and among the flotsam and jetsam is occasionally found property of value. Yesterday afternoon Captain Ames of the gasoline launch sighted a derelict gasoline launch speeding down the river toward the harbor. He immediately set out in a boat from the foot of Stark street to arrest its flight. He managed to tow the runaway boat ashore and moored it securely. The boat bears the name of "Dutchman." Later in the evening he towed a flat-bottomed sailboat to shore, it too, having broken from its moorings somewhere up the river.

James Peplin is fearful lest he will lose 100 cords of wood he piled up along the river bank behind the Alaska dock, because the river is now beginning to lap the sides of the understicks. Two or three feet more and there will be enough water to carry the sticks into the stream from now rushing madly towards the sea. Peplin spent all winter cutting the wood from drift he picked up along the river.

Yesterday's storm was one of the severest felt here this winter and the rainfall was most abundant, although not record-breaking. The heavy wind made it doubly unpleasant and furthermore robbed many of their only means of protection—the umbrella. Hundreds of dilapidated wrecks of steel and cloth were found in the gutters this morning, each one telling its little tale of the night before.

District Forecaster Beals has asked for special reports from all parts of the upper Willamette this evening and upon their receipt it will be less difficult to tell what might be expected in the way of a flood. Present indications are that the river will reach a stage of 16.7 feet tomorrow, 17.5 feet Saturday, and probably 18 feet Sunday. The Tualatin rose 2 1/2 feet during the past 24 hours, and is still coming up.

Stricken With Paralysis.

(Special Dispatch to The Journal.) Dayton, Or., Dec. 26.—E. A. Alderman, a native of Oregon and prominent citizen of this place, was stricken with paralysis yesterday afternoon. The stroke immediately followed and is supposed to be the result of heavy lifting in moving some farm buildings. His condition is serious.