

BLUE LEDGE ROAD BONDS INVALIDATED

Judge Hamilton at Roseburg Overrules Demurrer to Injunction Restraining City, Southern Oregon Traction Company and S. S. Bullis From Entering Into Contract for Sale of \$300,000 Bonds to Build Blue Ledge Railroad.

In a decision rendered Tuesday at Roseburg, Circuit Judge J. H. Hamilton has overruled the demurrer filed by the city and other defendants in the injunction proceedings filed by Charles H. Colby and other taxpayers of Medford against the city council, the Southern Oregon Traction Company and S. S. Bullis, to prevent the city from entering into the promised contract for the sale of \$300,000 of Blue Ledge railroad bonds.

The decision sustains and perpetuates the injunction, is sweeping in its scope, rendering it practically useless for the city to undertake to proceed further in the matter as the court holds that the contract entered into between the city and the Southern Oregon Traction Company is not the contract authorized by the voters, but one entirely different, and not binding the company to build any stated amount of roads or in any manner following out the intention of the voters.

Conspiracy Charges.

The court also holds that the assumption of the \$57,000 mortgage upon the Rogue River Valley railroad by the city was not authorized by the charter amendment. Sufficient evidence of conspiracy and fraud is declared existing to invalidate proceedings through the agreement declared in the complaint existing between the city and Mr. Bullis, whereby the transaction is merely a loan of credit by the city to the traction company.

The demurrer was argued before Judge Hamilton at Roseburg by Attorney F. J. Newman, on behalf of plaintiff, the city being represented on the demurrer by City Attorney McCabe, Judge Crewes, C. M. Thomas and J. Newbury also appearing on the demurrer.

Decision As Rendered.

The decision in full is as follows: In the Circuit court of the State of Oregon, for Jackson county.

Chas. D. Colby, plaintiff, vs. City of Medford et al., defendants.

Opinion. The plaintiff alleges that at all of the times stated in his complaint he was a voter, taxpayer and citizen of the City of Medford and it appears from his statements that there has been submitted to the voters of said city the question of amending the charter of Medford so as to enable the city council for and in behalf of said city to build, equip, acquire, lease, own and operate railways—running from a point within the City of Medford to other towns, cities and points without the boundaries of said city—and to create a railway construction, maintenance and redemption fund; and to authorize a millage tax to provide the same; to authorize the issuance of general obligation bonds not to exceed \$300,000 in addition to the warrants and bonds authorized in section 72 and 72a of said charter.

Situation Reviewed.

The ballot title of such proposed amendment reads as follows: "An Act to Amend the Charter of the City of Medford by adding thereto section 139, authorizing and empowering the council to borrow \$300,000 to build, equip and operate railways within or without the city, and to that end"

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ZEPPELIN ALARM SOUNDS IN PARIS

PARIS, Jan. 12.—The Zeppelin alarm which was sounded here last night, was, as it turned out, due not to Zeppelins but to airships. As soon as the warning was received the city was plunged into darkness and the street cars stopped. There was little excitement.

ALLIES REPLY OFFERS NO HOPE OF EARLY PEACE

Officials View Situation With Increasing Soberness—Entente State Terms, Refuse Conference, While Central Powers Refuse Terms, Consent to Conference.

WASHINGTON, Jan. 12.—President Wilson today began a careful examination of the entente's reply to his peace note, to determine what opportunity it presents for a further move on his part and in what way one may be accomplished. The entente note was discussed at the regular meeting of the cabinet and privately between the president and Secretary Lansing.

All quarters agreed that while the entente had made a complete reply to the president's requests for a statement of terms, the note seemed to offer no hope for an early end of the war but, fortunately, still did not close the door on further efforts on the president's part.

Possible Answers.

Several sources of action lie before the president. Among them is another move to ask Germany to state specific terms, as the allies have done. Diplomats say that with replies from both sets of belligerents in hand it would be legitimate to communicate the answer of one set to the other.

The German diplomats here were outspoken in their denunciation of the allied note and their declarations that such terms never would be accepted.

Utmost Deliberation.

The next steps by the United States will be chosen by the utmost deliberation and because of the delicate stage which the negotiations are certain to enter from this time it would be no surprise if they were conducted entirely in secret, without publication of the exchanges until some definite point has been reached.

President Wilson discussed both the entente and German notes with Colonel E. M. House, who arrived here last night. Colonel House had engagements with a number of government officials and planned to return to New York late today.

It was stated officially that whether the entente reply will be forwarded to the central powers and the latter's reply forwarded to the entente had not been decided pending a careful examination of the whole situation.

Situation Clarified.

Briefly, officials feel that the allies have stated terms while refusing a conference, whereas the Germans have suggested a conference without stating their terms. Nevertheless, it is felt that the international situation has been decidedly clarified.

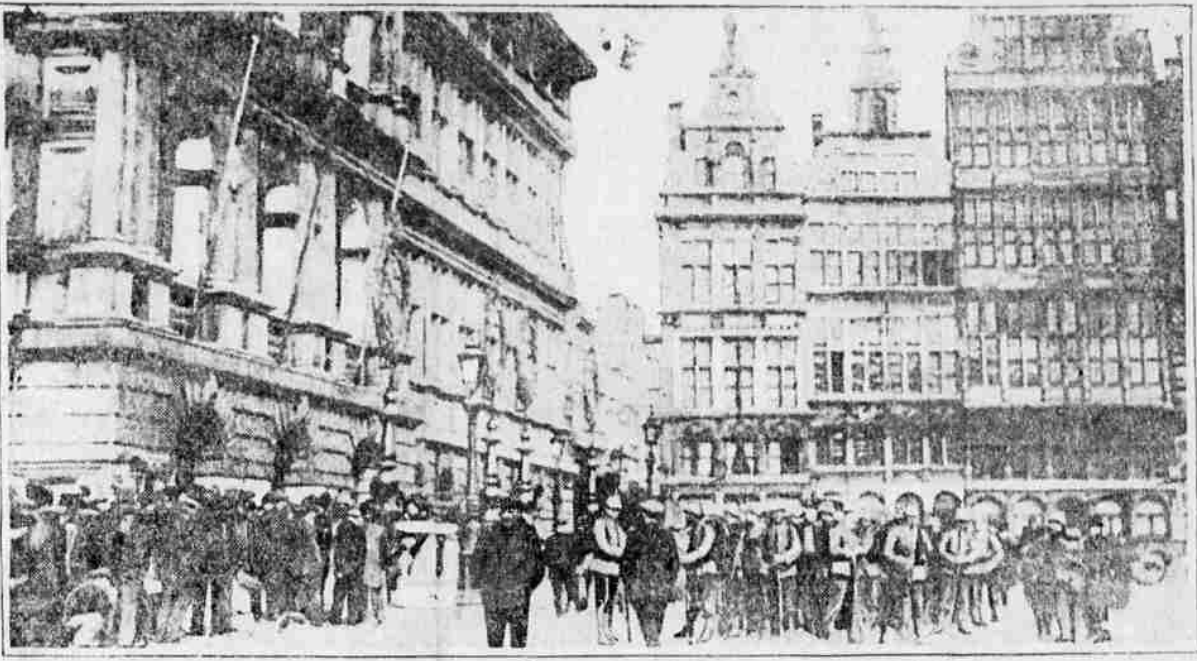
Officials obviously view the future with increasing soberness. President Wilson's original statement in his note that neutrality was becoming intolerable and Secretary Lansing's statement the United States was being drawn to the verge of war were recalled in view of the probability that hostilities are likely to continue.

Ambassador Bernstorff's reiterated assurance that Germany will not violate her maritime pledges to this country is held not incompatible with activities that could not be tolerated by this country but might be conducted on the basis that there is such a divergence of views as to the international law involved.

COLDEST WEATHER AT NEW YORK

NEW YORK, Jan. 12.—New York faced its coldest day of the winter today, according to weather bureau records. At 5 a. m. the temperature stood at 7 degrees above zero, and cold weather was predicted for tonight.

FIRST PICTURE OF DEPORTATION OF BELGIANS



This picture, exclusive to the Mail Tribune, is the first to reach this country, showing Belgians being gathered in the public square at Antwerp, Belgium, preparatory to deportation into Germany, where they are put to work in German fields and factories. The Belgians, at left, are shown under German military guard. It is this deportation against which a storm of protest has arisen.

TEUTONS CAPTURE TOWN OF LABURTEA IN RUMAN DRIVE

PETROGRAD, Jan. 12.—In the Otuz valley on the Northern Rumanian front, the Russians have been pressed back further by the Teutonic forces, the war office announces. In the region near the Kasino river the Rumanians took the offensive and drove back their opponents more than one mile.

BERLIN, Jan. 12.—The Rumanian town of Laburtea was captured yesterday by the invading Teutonic troops, the war office announces. The Russians were driven back toward the Sereth between Braila and Galatz.

There appears from today's German headquarters statement to have been a renewal of heavy fighting on the Somme from north of the Ancre. Two attacks by the British are reported, neither of which resulted in a net gain for them, although near Baccourt initial successes were won.

On the northern end of the Russian front, the battle is increasing in intensity and scope. The Russians have been attacking both along the Dvina and in the Riga region and south of Dvinsk.

BERLIN, Jan. 12.—Heavy fighting, which increased in violence yesterday, is in progress on the northern end of the Russian front, both along the Dvina and south of Dvinsk. The Russians attacked along the Vilna-Dvinsk railroad, but were repulsed with heavy losses, army headquarters announced today.

GERMAN RECEIPTS SHOW INCREASE

BERLIN, Jan. 12.—It is announced that the Prussian budget for 1917 to be presented to parliament will provide for a considerable increase in receipts, says an Overseas News agency statement today.

Regarding the receipts of the railway service, it is pointed out that railroad traffic generally is equal to that of peace times and freight traffic even better than normal, the income from these sources of revenue being sufficient, it is said, to meet credit demands and leave a balance for loans.

PHILLIPS ASSISTANT SECRETARY OF STATE

WASHINGTON, Jan. 12.—William Phillips of Massachusetts, third assistant secretary of state, was nominated by President Wilson as assistant secretary of state to succeed John E. Osborne, who recently resigned. Oscar (Bud) Long, a St. Louis lawyer, was nominated as third assistant secretary of state.

ITALIAN BATTLESHIP, BRITISH CRUISER MEET DESTRUCTION

BERLIN, Jan. 12.—A British vessel, has been destroyed by Turkish gun fire, it is announced in the Turkish headquarters report of Jan. 11.

BERLIN, Jan. 12.—The loss of 600 lives by the destruction of an Italian battleship is reported by the Anzeiger of Basel, Switzerland, according to the Overseas News agency.

"The Anzeiger of Basel reports from Rome the destruction of the Italian battleship Reina Margherita," says the news agency. "It is contended that she was sunk off Aolona, Albania, by a mine or a torpedo. Six hundred out of 830 sailors perished."

FIFTH AUSTRIAN WAR LOAN A SUCCESS

VIENNA, Jan. 12.—Incomplete returns from the fifth Austrian war loan show 4,412,000,000 crowns subscribed with approximately 300,000,000 already subscribed, but still outstanding. The loan is thus the largest yet raised in Austria.

The first levy was 2,217,000,000 crowns, the second 2,688,000,000, the third 4,292,000,000, the fourth 4,529,000,000. The new loan makes the total raised for war by Austria about 18,400,000,000 crowns.

The Hungarian returns are still incomplete, but show about half of what Austria has raised. This sum, the Austrian and Hungarian loans, makes the sum raised by the dual monarchy for war purposes of 26,000,000,000 crowns.

PRESIDENT AWARDS BARBUDA HEROES

WASHINGTON, Jan. 12.—President Wilson today recognized the bravery of two Barbuda citizens when he sent to each a pair of binoculars suitably inscribed, as a reward for their rescue of the crew of the wrecked American schooner Fairfield. The men, Henry Harris and Frederick Jeffrey, took from the Fairfield Captain M. G. Dow and his crew of seven when the vessel went on the rocks off the island of Barbuda, West Indies, November 17, 1915.

The two men swam to the wreck with a line after every boat on the island had given up the attempt to rescue the crew.

ARNOLD DALY TO RECOVER FROM RECENT OPERATION

NEW YORK, Jan. 12.—Arnold Daly has so improved, his physician announced today, that unless there are complications the patient will recover. Mr. Daly was operated on recently.

THAW TO RECOVER FROM WOUNDS IN TWO WEEKS

PHILADELPHIA, Jan. 12.—Harry K. Thaw who slashed his throat with a razor and cut an artery in his wrist in an attempt to commit suicide here yesterday, will be able to leave the hospital within two weeks, unless he also swallowed poison tablets, according to statements of his physician today. Several poison tablets which produce a slow death were found in his pockets, and if he took any of them it may be twenty-four hours before the symptoms manifest themselves, the doctors say.

Relatives are on guard at Thaw's bedside and a warrant for his arrest is ready to be served the moment he is considered out of danger. Assistant District Attorney Black of New York was expected here today to make arrangements to have him taken to New York as soon as possible.

Patient Under Guard.

Thaw's attempt at self-destruction was the climax to a search for him which began here on Tuesday. He is wanted by the New York authorities on charges of kidnaping and assisting Frederick Gump, Jr., the 19-year-old Kansas City high school youth.

The patient, under guard of two detectives and a nurse, spent a good night and slept well. He has had little to say since he was brought to the hospital. Thaw asked for his doctor during the night, but did not ask for any members of his family.

Dr. Kirby said he found Thaw's mind still somewhat hazy this morning as though he were suffering from the after-effects of a drug or liquor.

To Be Arraigned.

When Thaw is able to leave the hospital, Captain of Detectives Tate said, he will be arraigned before a police magistrate on a charge of attempting suicide. Whether the family will contest the efforts of the New York state authorities to have Thaw surrendered to them is not definitely known here. It is said a conference of members of the Thaw family and close friends will be held later in the day to determine what steps to take to combat the New York charges.

According to private detectives in the employ of the Thaw family, the Gump charges are looked upon as an attempt at blackmail.

Mrs. Thaw, it is said, will not come here unless her son's condition demands her presence or unless he insists that she be sent for. The hospital authorities here are keeping her informed of his condition.

OLD AGE PENSION BILL IN CONGRESS

WASHINGTON, Jan. 12.—Every American citizen over 65 who is incapable of manual labor and whose annual income is less than \$200 would get a pension of \$2 a week under a bill before the house pension committee today. Representative Sherwood of Ohio is author of the bill.

ANARCHIST PLOT TO KILL JOHNSON ALLEGED IN TRIAL

SAN FRANCISCO, Jan. 12.—Anarchist plots to assassinate Governor Hiram W. Johnson, United States senator elect from California, were revealed in letters seized in the office of Alexander Berkman several weeks ago, Assistant District Attorney Edward A. Cunha told Judge Franklin A. Griffin in the Mooney murder trial today.

"I found evidence in those letters," Cunha declared, "to prove that Berkman and others conspired to destroy government, blow up California and kill Governor Johnson." He was pleading with Griffin not to permit the defense in the Mooney case to have access to the letters, which the court impounded.

"If you have such evidence why don't you place it before the grand jury immediately?" Judge Griffin asked.

"I wanted to use the letters as evidence in this case and I can get Berkman and his conspirators any time," Cunha replied.

Last week W. Bourke Cockran, chief counsel for Mooney, succeeded in having the court impound the letters, after several had been published in newspapers.

Miss Eleanor Fitzgerald, associate editor of Berkman's paper "The Blast," was on the witness stand, telling how Cunha's agents injured her when they raided "The Blast" two weeks ago and took the correspondence. She showed a bruised arm.

"Under the common law of the nation there can be no such secret file as the district attorney contends for," declared Cockran.

"These letters are direct evidence in this trial and they show a conspiracy, as I said before, to destroy government and kill Governor Johnson and it is proper to keep them secret," Cunha replied.

UNITED WORKMEN TREASURER SHY \$16,000

GRAND ISLAND, Neb., Jan. 12.—After an all-day session of the financial committee of the grand lodge, Ancient Order of United Workmen, during which the accounts of Treasurer E. L. Badder of Omaha, who committed suicide last week were investigated, it was given out that a shortage of \$16,000 was indicated, and that a complete statement would be made as soon as the two expert accountants put on the books today had completed their audit. The order is protected from any loss that may result by a surety company bond in the sum of \$50,000.

HOUSE ORDERS LEAK SCANDAL PROBE RENEWED

Taunted by Republicans, Who Charged They Dare Not Investigate Further, Democrats Abandon Plan for Closing Inquiry—Lawson to be Recalled and Punished for Contempt.

WASHINGTON, Jan. 12.—Taunted by republicans, who charged they did not dare investigate further the charges of a stock market leak on President Wilson's peace note, the house democrats today abandoned their plans for closing the inquiry and recommitted the Wood resolution to the rules committee for further action without a vote.

Conflicting Reports.

The democrats had solidly contended there was absolutely nothing to support the leak charges of Thomas W. Lawson and argued further that another resolution for investigation still was pending until Representative C. C. Brannan, a democrat of the rules committee, broke away from his colleagues and said he believed there should be further investigation.

Some applause from the democrats and a howl of delight from the republicans greeted his action.

Central declared he was at odds with both the majority and minority of the committee and wanted Lawson brought in and forced to answer questions on pain of being brought before the house for contempt. Lawson had declared he could name a cabinet officer, a senator and a banker who shared profits in a stock gambling partnership.

The "leak" investigation was brought into the house today with a report by the democratic majority of the rules committee that no evidence had been found and opposition from the republican minority which contended that evidence of a "leak" had been shown.

Representative Campbell of Kansas, republican, charged that the "leak" to Wall street on President Wilson's peace note went from Washington over the private wire of F. A. Connolly & Co., local brokers. That is the firm in which H. W. Bolling, a brother of President Wilson's wife, is a partner.

The majority report was brief. Presented by Chairman Henry, it merely said "no evidence was adduced sustaining the charges in the (Wood) resolution."

Henry's Statement.

"Not one particle of evidence was adduced to sustain the resolution offered by Representative Wood," said Chairman Henry. "No democrat will submit that there was any warrant found for these charges, and surely no republican will assert that there was any evidence found to sustain them."

"There is another resolution, the original resolution for an inquiry into the leak in the president's message, still before the committee. A subcommittee has been appointed to consider the conduct of a contumacious wit, Thomas W. Lawson, who refused to answer certain questions. Those matters may be considered by the committee and the house later."

Wood's Statement.

Representative Wood of Indiana, author of the resolution, addressed the house, declaring he had no apology to make for his action.

"I was compelled to introduce the resolution," said Wood, "because everywhere, both in and out of congress, there were reports that men in high places had profited on the stock market through advance information. There still is a general belief throughout the country that there is something wrong somewhere. That there was a leak, every member of this house believes. To deny it would be ridiculous."

CANADA PURCHASES NEW BRUNSWICK ROAD

ST. JOHN, N. B., Jan. 12.—The purchase by the Canadian government of the International railroad of New Brunswick, which extends from Campbellton, near the Quebec line, to St. Leonard on the Maine border, was reported today. The price, it was stated, was between \$2,000,000 and \$3,000,000.

SEIZE FISHING SCHOONER FOR BOOTLEGGING

SEATTLE, Wash., Jan. 12.—The Booth Fisheries company steamer Chicago was seized by the police dry squad today on a search warrant charging that the Chicago brought forty cases of liquor into Seattle under fish labels.