

NEHALEM ROAD A GO!

Bonds are to be Bought
by Eastern Parties.

WORK TO COMMENCE IN 60 DAYS.

An Independent Road and to be
Finished in Two Years.

(From the Oregonian.)

According to the first annual report of President John McCracken, of the Portland, Nehalem & Tillamook Railway Company, actual construction of that road will probably be commenced within the coming 60 days.

Not all the details of the negotiations were revealed, for they are not yet entirely concluded, but enough of the particulars were given to justify the company in making arrangements for building the railroad, and a permanent executive committee has been chosen for that purpose.

This committee already has two bids for the bonds of the corporation, one offering 97 cents and the other 97 1/2 cents on the dollar. Each stipulates that the stock of the company shall go with the bonds. The bids are for \$18,000 per mile for 88 miles, a total of \$1,584,000. One of the bidders stand ready to enter at once upon construction of the road itself, the other bidder might let the job to contractors. At any rate, there seems no doubt that the road will be built this year. Another important thing is that the line will start from Portland and it will be independent. It will reach the Terminal grounds in this city over its own tracks.

All this information developed at the annual meeting of the stockholders Wednesday, and the meeting of the directors and of the executive committee yesterday at the office of the company in the Worcester building. The report made to the stockholders by President McCracken was surprising favorable. It recited the efforts of the company to get connection with other railroad lines entering Portland, the failure to get satisfactory terms, the further examination of the country to be traversed and the selection of a practicable independent route, and announced that negotiations for capital had so far progressed that construction work would probably be commenced within 60 days. The report was accepted, and the suggestion made there in that a committee be appointed to have charge of selling stock and bonds, and the construction, operation, equipment and management of the railway was adopted. A resolution of thanks to Secretary William Reid was passed. The following seven men were chosen directors of the company for the coming year:

John McCracken, George T. Myers, H. L. Pittock, William Fiedner, H. S. Rowe, C. F. Pearson and John Stewart.

These directors met at 11 o'clock yesterday morning and elected officers as follows:

President—Colonel John McCracken.
Vice-president—George T. Myers.
Secretary and attorney—William Reid.

As members of the executive committee President McCracken, H. L. Pittock and George T. Myers were chosen, their duty being to make all necessary financial arrangements and see to the construction and operation of the road. Secretary Reid, of the board of directors, was made secretary and attorney of the executive committee also. The board adjourned until 11 A. M. Saturday.

At a meeting of the executive committee held immediately after adjournment of the board of directors, President McCracken and Secretary Reid made a statement to the other members of the committee as to details of the negotiations. The first mortgage bonds, which it is proposed to issue, will bear 5 per cent interest, and will be due in 20 years. They are deemed first-class securities because of the moderate sum in which they will be issued, and the fact that the lumber and coal traffic that may be said to be already in such will pay operating expenses or more, leaving the miscellaneous traffic to pay interest and profits.

Report of the President.

Following is the full report of President McCracken as submitted to the board:

Portland, Feb. 25.—Gentlemen: It was deemed best, when we met together a year ago, that, in order to save the cost of construction of a half-mile tunnel, and also 10 miles of extra railway into Portland, we should utilize the present lines of the Northern and Southern Pacific at points 10 miles outside this city and connect with them. Negotiations had previously been made to secure outside capital, believing we could in this way best serve the interests of Portland. Long-pending negotiations were had both with the Southern and Northern Pacific lines, to carry out the objects in view. Thinking that the "community of interests" between the three transcontinental companies would thus give Portland greater facilities and increased markets for local produce shipped from our railway to points over all of the Southern, Northern and O. R. & N. Co.'s lines, we obtained, after a long correspondence and personal interviews with President Hayes, and with his successor, Mr. Knitschmitt, at San Francisco, the option of selecting two courses: First, a close traffic agreement with, or second, trackage rights to run our trains over the Southern Pacific and the use of its terminals at Portland. We chose the second course and designated Shattuck, nine miles from Portland, as our proposed point of connection with its West Side line. After further delay, caused by consultation with the Southern Pacific Company's New York office, and with Traffic Director Stubbs, we were informed, on November 11 last, that we could have the trackage asked into Portland, but not from Shattuck, and only from near Hillsboro, 20 to 21 miles from

Portland; also, that an ironclad agreement must be signed whereby all our business in freights and passengers, and of whatever other nature, should be exclusively consigned to and over the Southern and Union Pacific lines, and none other. In explanation, we were informed by letter from the assistant to President Harriman that "the mere money contribution of rent for the use of our (their) tracks to Portland would not be any adequate incentive to such an agreement as you (P. N. & T.) seek, but close traffic relations, bringing to us all your business, would alone warrant or induce us to do what you ask." It was thus apparent that the purpose for which Portland created this railway company, namely, to secure to all shippers free and uninterrupted connection with be frustrated, and, as the progress of the Nehalem and Tillamook countries would be retarded if Portland people became parties to any exclusive monopoly therein, it was deemed best last November to abandon all thought of using the tracks of any other railway company to reach Nehalem or Tillamook from Portland. A few of the directors, therefore, in conjunction with the secretary, during the last three winter months, have been fully employed in examination of surveys. The secretary has been examining the passes and mountains surrounding Portland in order to make another attempt to secure, if possible, a direct and economical route into the Union Depot Terminal grounds at North Portland, without using the half-mile tunnel route which we formerly had surveyed, or paralleling any other railway.

Discovered Good Route.

I am pleased to report that your company has been, so far, successful, having recently discovered a very practicable route through a new pass hitherto unexplored, not eight miles from this city, on maximum descent of a 2 per cent grade, and without a tunnel or excessive rock-cutting. In order to satisfy ourselves of the practicability of this new route, in contrast to others, we re-invited from California that engineer and superintendent of railroad construction who last Fall examined our line from Tillamook to Glencoe en foot, to examine in person, which he has recently done these eight miles, and he reports it a thoroughly practicable line, at reasonable cost, saving less than \$150,000 over our tunnel route, and he claims it is the best of the other local routes to Portland, which he also examined. Accordingly, renewed application, with specifications of details of traffic, etc., of the direct line into Portland, have been transmitted to those various financiers who last Summer entertained our trackage connection bonds and at that time made special examination of the country and resources tributary to our lines. We have therein pointed out the particular advantages of the security of our new mortgage bond, proposed for \$18,000 per mile of railway direct into Portland, with terminals here, and we are gratified with the replies already received. Two of such financiers have since sent their separate representative (now here) to negotiate with me, as president, and the secretary as to the terms on which they can acquire our bonds and stocks, and while such negotiations are necessarily slow, on account of the frequent reference to their principals, there is every indication that they will be able to give your company obligations to commence construction within 60 days and contract for completion of our first 88 miles of railway in exchange for stock and proceeds of bonds to be delivered them only after each 10 miles of railway are completed, your directors equipping the road. I would, therefore, suggest that to an executive committee of three directors, with the president an ex-officio member, there be delegated full powers to make all contracts for the sale of the company's bonds, stock, construction, operation equipment and management of the railway to be built, until the railway reaches Nehalem or Tillamook Bay, and in all-rail connection from which is obtained into Portland, when your directors' functions will cease, and control and management be then turned over to the bondholders, or their assigns. I regret that Mr. Reid, our secretary, will not consent to become a director, so that we cannot hope for his vote as a member of the executive committee; nevertheless, he agrees to give us his railroad experience as permanent secretary of the company, and also as secretary to the executive committee, if the new directors desire same.

Negotiations With Railroads.

Gratified at the seeming popularity among financiers with which your company's bonds are received, when covering a direct line into Portland free of any trackage over other lines, it is not a question to Portland who (after this road reaches the Terminal grounds and connects with and has competition for the freight of its producers with four transcontinental lines) may become its eventual owners. Since our own local capitalists cannot build, own and control it perpetually themselves, it matters little whether the Southern, Northern, Union, Great Northern or O. R. & N. Co., or any unknown syndicate, controls its operations. We will then have accomplished that for which we created this railway company—a direct railway connecting at Portland with all lines here. Still, we felt that if the transcontinental community-of-interest lines did not have an opportunity from us of acquiring our railway before we turned the scheme over to outside capitalists to complete, they might challenge us unnecessarily hereafter. The Northern and

the Southern both had formal offers from us to build it, and had declined, indicating their preference that the Portland people should build the same, and they would act in harmony and co-operate with Portland owners in doing so. The O. R. & N. Co. had not been consulted, consequently we felt it was only due to that company to give it also the opportunity. Accordingly, last month the president and executive committee of the O. R. & N. Co. were officially notified that we had secured a direct survey line into the Union Depot grounds, and intended to contract with outside capitalists for its construction, but, if the O. R. & N. Co. preferred to own it as a feeder to its main line, the Portland people, in exchange for an obligation, under the seal of the O. R. & N. Co., to commence construction within four months, and complete the line thereafter into the Union Depot grounds, would, in that event, transfer your company's ownership and rights, without any profit, including surveys and engineering facilities and expenditure, all at naked cost, to the O. R. & N. Co.

Receiving a reply that it was not convenient to discuss any line to the Nehalem at present, but that the officers of the O. R. & N. Co. were in full accord with the people of Portland in their efforts to construct such a line, your directors feel that they have left no stone unturned or room for challenge hereafter that the transcontinental lines were not offered the line your company proposes now to build, and when built will turn over to outside capitalists; consequently, with the harmony and proffered friendship of the three transcontinental lines, your directors feel that Portland's direct railroad connection with the Nehalem and Tillamook countries will be mutually advantageous to Portland interests and to the people of Nehalem and Tillamook.

Protection to Portland Stockholders.

Since Portland cannot own the railway when finished, protection of its 52 stockholders' interest therein will be secured by the following by-law: Pursuant to article 5 of the articles of incorporation, two classes of shares are hereby created, the first to be called preferred stock, of the aggregate value of \$500,000, and no more; the second class, common or ordinary shares, limited to \$995,000. Each of the original 52 persons who first agreed to subscribe up to February, 1901, shares on the company's stock, shall be each entitled, upon payment of the face value of \$25 per share, paid into preferred stock, which, when delivered, shall entitle the holder, cumulative with other holders of preferred stock up to but not exceeding \$500,000 in the aggregate, to rank in priority of dividends, and in precedence of security over the common stock. The holders of such preferred stock shall at all times receive a preferable dividend of 6 per cent annually out of the profits of the company before any dividends are paid upon the common stock, and said \$500,000 preferred stock shall be, and is hereby created a prior lien and security over such common stock, redeemable any time after 90 days' notice from the company, at the par or face value thereof.

Condition of Company's Affairs.

The actual cash expenditure in running the company's business for 13 months, according to detailed statements made by the secretary, amount to \$111,677, which sum includes \$11,855 for disbursements paid for incorporation expenses, so that \$99,822 are the true expenses, and include maps, stationery and postage, in addition. Besides, various sums were paid to engineers for making reconnoissances and surveys in 1901 which have not been paid by, and will not be charged against, your company, while no moneys have yet been paid for clerical help or as salary to secretary. Indeed, no assessment has yet been made upon stockholders for anything whatever. Neither the directors, president nor secretary has incurred any liability except for the following bills, unpaid:

F. W. Bates & Co., for printing, etc.	\$29 75
Oregon Publishing Company, for advertising annual meeting of stockholders for one month	7 85
C. F. Pearson, expenses for disbursements	10 25
Total	\$47 85

Coal Development.

Since Vice-President Myers started the first money contribution to aid in developing coal veins at Nehalem Bay (although neither he nor any director, except C. F. Pearson, is interested therein), it is a pleasure to report that coal experts have found many valuable seams of coal, 1400 acres in extent owned and now held by the Nehalem Coal Company, which has offered our company a contract for carrying its coal to Portland whenever the railway reaches Nehalem Bay. This item of transportation, on account of the superior quality of coal for steam purposes, will become a most important source of revenue to our railway company, increasing yearly its freight receipts and extending the manufacturing and steamship interests of the City of Portland. Very respectfully,
J. McCracken,
President Portland, Nehalem & Tillamook Railway Company.

Bond Buyers Wire Acceptance.

Terms of the sale of the bonds for construction of the Nehalem railroad were settled yesterday afternoon, the bond-buyers accepting the contract offered by the Portland, Nehalem & Tillamook Railway Company. The bonds are to be taken in the East. The principals telegraphed authority for their Portland agent to sign the contract. A large sum of money is to be put in a Portland bank immediately for construction of the line. The work is to begin before May 1, and the entire 88 miles of railroad are to be completed and in operation within two years. The bonds, \$18,000 per mile, will bring 97 cents on the dollar, and the bondholders will become stockholders. All this was finally agreed upon at a meeting of the executive committee of the company with the agent of the bondholders that closed a little before 6 o'clock last night.

While all these matters have been definitely agreed upon, the company will not finally bind itself until the principals who are to take the bonds shall actually sign the contract. Telegraphic authority is

(Continued on next page.)

Twin Family Medicines

Save a Doctor Bill and may be Your Life.

HOW IS YOUR LIVER? Rather a pointed question. So it is, and OREGON LIVER REGULATOR hits the point. For a sick headache, the kind that is caused from a deranged stomach, dizziness, nervousness, dyspepsia, constipation or any ailment of the stomach, liver or bowels, there is no medicine that will relieve you so quickly and permanently as OREGON LIVER REGULATOR. Regular size, 25c. and 1.

Star, Idaho.
D. J. Fry, Salem, Oregon.
Dear Sir.—Enclosed find 25c. for a package of Oregon Liver Regulator. We used the medicine when we lived in Salem and found it superior to anything we ever tried for headache and biliousness.
Yours truly,
REV. ANSON COX.

A FEW WORDS MORE. FRY'S LIGHTNING HEALER. Menning Best, Quick Cure. A new remedy for all aches and pains. It is the justly celebrated Pain-Killer—guaranteed or money back. Try it for an ache or pain, external or internal. Regular size, 50c.

BENJAMIN WHEELER, residence Highland Addition, Salem, Or., a sufferer from rheumatism, says: "Fry's Lightning Healer is the best and the only medicine that ever gave me relief. I believe it will do all that is claimed for it." Above medicines for sale by

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Is still here and expects to remain.

Thanking you for past favors and a continuance of your trade
Cash paid for HIDES and PELTS and FURS, Etc.
FAT HOGS WANTED right away to pack down.

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The Best, the Cheapest and the Easiest Running Machine in the World.

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Whisky, \$2.25 to \$8.00 per gal.
Wines, \$1.00 to \$3.00 per gal.
Don't drink cheap doctored stuff when you can buy it pure and unadulterated from me.

WINE AND LIQUOR HOUSE.
Billiard Parlors and General Social Resort.
C. E. HADLEY, Proprietor.

Agents for Kopp's Brewery, the Brewer of the Finest Beer in the Northwest. Strangers can find here a place to write, attend to correspondence, privately confer upon business or social matters and generally feel at home.
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First Class accommodation at Second Class Rate.

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Next to Sturgeon's Drug Store.

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BARBER AND HAIRDRESSER,
SHAVING, HAIR CUTTING,
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Electric Baths nicely fitted up. Good for
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