

REPLY TO LETTERS
REPLY TO LETTERS

Correspondence Introduced to
Show Hyde Was Aided in
Face of Protests.

LAND CLERK BRIBETAKER

Documents Ask Defendant to Hasten
Applications of Mitchell's Friend.
Replies Are Also Read.
Benson Employee Tells.

(Continued From First Page.)

fraudulent operations of Hyde and Benson. These letters from Zabriskie to Hermann were written in April, May, June and July, 1902. We will also show by this correspondence that Hermann purposely deferred acquainting Secretary Hitchcock of the frauds being committed by Hyde and Benson and others, of which he had knowledge through the exchange of school lands within reserves for more valuable lands outside. It will also be apparent that the reason he did not convey this information to the Secretary of the Interior was because he feared that if he did, it might interfere with the creation of the Blue Mountain Forest Reserve, which he would recommend in the interest of his friends.

Letters Are Stepping-Stone.

"From the beginning of this trial," said Judge Wolverton, in overruling the objection of the defense, "the court has exercised the discretion of allowing the prosecution to put in such evidence as was deemed best and valuable for the Government. For that reason the prosecution has not been required to establish the alleged conspiracy at the outset of the trial. These letters appear to be only another step in connection with the Zabriskie letters which were offered for the purpose of showing that many frauds were being committed and that reserves were being promoted by many people for the purpose of acquiring school lands fraudulently within the reserves and extending the right of obtaining such lands on that basis. The letters show that Hermann had before him applications for such selections and was acting upon them. There is no attempt on the part of the Government to retry the Hyde and Benson case. The letters will be admitted for the purpose intended and the defense will be allowed an exception."

The first letter from Mitchell to Hermann was dated October 3, 1902, and included applications, principally from Hyde, for the selection of lieu lands outside of reserves in exchange for several thousand acres of school lands he had acquired within the reserves. In his letter Mitchell advised Hermann that the applications were those of Mitchell's "friends."

Hermann Promises Aid.

The replies of Hermann to Mitchell's letters were also read. The Commissioner assured the Senator that the applications had been received and in every instance the status of each application designated in the original application furnished by Hyde was furnished. On one or two occasions Hermann supplemented his formal reply with a personal note to Mitchell. Appended to one of Hermann's replies to Mitchell was a note in his own handwriting: "Applications have received my personal attention and will go forward at once to the department. As soon as possible I will advise you of the results." The dates of Hermann's letters, replying to Mitchell, were: October 10, 1901; January 29, 1902; June 9, 1902; William E. Valk, the Government clerk who was in the employ of John A. Benson, also testified that he had seen Hyde in the firm of Hyde & Co., was the only witness of importance called by the Government in that connection. Valk, on cross-examination by Attorney Worthington, said he had received \$2000 from Benson in payment for his service in expedited the applications of Benson for lieu land selections in exchange for his school-land purchases.

Valk was called by the prosecution to identify a letter dated January 25, 1900, and filed in the General Land Office six days later, which was signed "American Citizen." It consisted of an exhaustive expose of the crooked operations of the Blue Mountain acquisition of worthless school lands which were used as a basis for exchange. Valk testified that while Hermann was Commissioner of the General Land Office, he (Valk) was in charge of Division P, which had to do with all lieu land selections. He was introduced to show that A. G. King, ex-County Clerk of Malheur County, was in Portland and registered at the Hotel Portland in those months that the evidence was corroborative of the testimony of King for the Government. King had testified that he was in those months that he came to Portland and conferred with Mays as to the preliminary details of proceeding to secure the creation of the Blue Mountain reserve. The register for September, 1901, also showed that Binger Hermann was registered at the Imperial on September 8, 1901.

Hermann Advocates Coming.

ROSEBURG, Or., Jan. 25.—Twenty-five or more Roseburg friends of Binger Hermann, headed by J. W. Perkins and E. L. Parrott, left in special car tomorrow night for Portland to hear the closing arguments and demonstrate their loyalty to the defendant.

Forest Grove Pioneer Dies.

FOREST GROVE, Or., Jan. 25.—(Special.)—Hiram Henry Clark, aged 89 years, one of Forest Grove's oldest residents, died at his home here today. He was born in Davis County, Iowa, in 1820 and came to Washington, D. C., with his parents in 1825, and resided here since almost continuously. Besides his widow, Mr. Clark is survived by two daughters, Mrs. Nettie Renshaw, of Portland, and Mrs. May Lambert, of Tacoma; also two sisters and three brothers. He was a prominent member of the local Oddfellows, Masonic and Woodmen lodges.

Two weeks' sale now on at Harris Trunk Co.

Henny got before the jury the fact that the only reason Valk was not discharged summarily from the Government service at the time of his confession was because he was wanted by the prosecution as a witness in some of the cases in which his testimony furnished returning indictments. When these cases had been disposed of, Valk admitted that he was discharged from the office, which had paid him a salary of \$2000 a year.

"What caused you to experience a change of mind and make your confession to the Government officials?" required Juror Metcalf of the witness, at the conclusion of his examination by Attorney Henny.

Hermann's Course Condemned.

Attorney Henny continued direct examination of M. J. McVean yesterday morning, instead of turning the witness over to the defense as he announced was his intention. McVean, as clerk in the office of Hermann, had charge of much of the work of the General Land Office relating to the withdrawal of lands for forest reserve purposes.

Throughout the morning Attorney Henny centered his fire against the action of Hermann for departing from his policy of opposing more forest reserves by recommending withdrawal of the Blue Mountain reserve in July, 1902. Reading from annual reports submitted by the Commissioner in 1900, 1901 and at the end of March, 1902, the prosecution showed that Hermann had refused to make withdrawals of public domain for forest reserve purposes, except in isolated cases, where it became necessary to protect watersheds upon which city water supplies were dependent.

To show the attitude of Hermann concerning forest reserves other than the Blue Mountain reserve, Attorney Henny read a letter Hermann sent to the Secretary of the Interior January 11, 1902, concerning the proposed Rogue River reserve. He also quoted a letter from Attorney J. J. Huntley, of Curry County, protesting against the inclusion of half that county within its boundaries.

System Termed Lax.

Again taking up reports of Hermann proceeding the creation of the Blue Mountain reserve, Attorney Henny read arguments which Hermann advanced for the amendment of the lieu land law. Hermann suggested that such a system of creating forest reserves was lax, but that they were necessary, because much of the timber of the West was then in the hands of large companies and speculators. It was incumbent on the Government, he said, to withdraw and protect the remaining timber for future use by the people by placing the lands in reserves. Hermann wanted the lieu land law changed so that speculators might not take advantage of it. He suggested that exchanges of lands should be made upon a basis of even values.

McVean identified a letter from the acting chief of the Geological Survey recommending the creation of four reserves, including the Wallowa and Blue Mountain reserves. He testified that Hermann favored the Blue Mountain reserve, but opposed other withdrawals, and July 25, the day following the receipt of Mays' last letter to Hermann, the Commissioner ordered the withdrawal.

Henny then again referred to the telegram of July 25, 1902, to intimate that evidently there were points which only Mays and Hermann understood in connection with the formation of the Blue Mountain reserve. The message informed Mays that the Secretary had approved the "original Strawberry and Blue Mountain" withdrawals with later additions. McVean stated that at that time there were no additions to the reserve contemplated, and that the area was considered as a whole when acted upon by the Forestry Department of the General Land Office.

Hermann Acquaintance Shown.

Late in the afternoon Attorney Henny recalled E. P. McCormack, the last witness of the day. Mr. McCormack testified that he was clerk of the State Land Board from 1878 to 1887 and had known Hermann for 30 years. He said he had always openly opposed Hermann as a candidate for Congress but always had a speaking and "handshaking" acquaintance with the defendant. McCormack explained that the purpose of McCormack's testimony was to show that Hermann knew McCormack, who was mentioned in the letter signed "American Citizen" addressed to Hermann in 1900, exposing the illegal operations of Hyde and Benson.

Henny submitted in evidence extracts from the House and Senate Journals of the 1901 legislative session, showing that both of this county and co-defendants in the alleged Blue Mountain conspiracy, were members of the Senate and House, respectively, in that year; that on a number of ballots for United States Senator succeeded George W. McClellan, Hermann declared a "regular" dividend of 1 per cent and an extra dividend of 1/2 per cent. Dividends for the first quarter, 1/2 of 1 per cent; for the second quarter, 1/2 of 1 per cent; for the third, 1 per cent, and today's 1 1/2 per cent.

Although an extra dividend had long been rumored in the market, the behavior of the common shares today, and more particularly toward the close, in no way bore out the facts. According to the best information obtainable the corporation has a division among the directors, and the outcome probably was in doubt up to the time of the meeting. Rumor credits the Morgan faction in the board with having favored an extra dividend, but Chairman Gary said action had been unanimous. The regular quarterly dividend of 1 1/2 per cent was declared on the preferred shares. For the first time in reports of the corporation there appeared an item of \$2,200,000 to be taken from the reserve fund "to cover advanced mining royalties."

Total earnings for 1903 amounted to \$11,479,975. The record year of the corporation was 1907, with earnings of \$10,964,673. Since its organization in April, 1901, the corporation has earned \$1,071,720,945.

MORTGAGE CALLED FRAUD.

Walla Walla Insurance Company Denies Charge of Portland Man.

DAYTON, Wash., Jan. 25.—(Special.)—Dorsey M. Hill, receiver of the Walla Walla Fire Insurance Company, today filed an answer in the Superior Court to the complaint of Hollon Parker, a Portland capitalist, who goes to have a \$20,000 mortgage, issued by the insurance company, of which his son was a member, set aside, alleging fraud. Hill denies practically every charge made by Parker. Parker alleges that the capital invested in the Walla Walla Fire Insurance Company belonged largely to him and that, owing to advancing age and business interests, he allowed his son and C. K. Holmway to conduct the business independently. The insurance company, he says,

LARGE TRACTS IN OREGON, WASHINGTON AND CALIFORNIA

P. C. LAVEY & COMPANY
INCORPORATED

LUMBERMENS BANK BUILDING, CORNER FIFTH AND STARK STREETS
PORTLAND, OREGON

WHOLESALE REAL ESTATE
LARGEST FIRM ON PACIFIC COAST

January 25, 1910.

TO AMBITIOUS MEN AND WOMEN EVERYWHERE:

I have been given full power and authority to sell under any fair and honest plan which I propose the three Southern Pacific townsites of Mt. Hebron, California, Dorris, California, and Worden, Oregon, and to begin the sale not later than February 1st.

I have decided upon a plan of sale that will permit the poorest and most humble citizen, who aspires to own a home, to own a lot in each of these three towns and pay for all three of them under one contract at the rate of ONE DOLLAR PER WEEK.

These three towns are the official Southern Pacific townsites,—any of the road's officials will testify to that fact. They are twenty miles apart and no other towns of any consequence will ever compete with them. THEY ARE LOCATED ON THE NEW MAIN LINE WHICH IS TO CONNECT SAN FRANCISCO AND PORTLAND, the two greatest cities on the Pacific Coast and are surrounded by the most prolific agricultural country that ever lay out of doors.

Watch for my full-page advertisement in this paper on TUESDAY, FEBRUARY 1st and then act quickly, because if you don't you will certainly lose out. I predict that my offer will be considered the most extraordinary, the fairest offer ever made in the history of Pacific Coast real estate,—one that can never be duplicated.

Very truly yours,

P. C. LAVEY,
Pres. P. C. Lavey & Company

U. S. STEEL CUTS MELON

DIVIDENDS ON COMMON SHARES
REVERT TO 4 PER CENT.

Division of Opinion Reported Among Directors Over "Extra Dividend."

NEW YORK, Jan. 25.—In accordance with the proposal, directors of the United States Steel Corporation announced today, after the close of the stock market, that dividends on common shares of the corporation had reverted to the original rate of 4 per cent annually. Directors declared a "regular" dividend of 1 per cent and an extra dividend of 1/2 per cent. Dividends for the first quarter, 1/2 of 1 per cent; for the second quarter, 1/2 of 1 per cent; for the third, 1 per cent, and today's 1 1/2 per cent.

Although an extra dividend had long been rumored in the market, the behavior of the common shares today, and more particularly toward the close, in no way bore out the facts. According to the best information obtainable the corporation has a division among the directors, and the outcome probably was in doubt up to the time of the meeting. Rumor credits the Morgan faction in the board with having favored an extra dividend, but Chairman Gary said action had been unanimous. The regular quarterly dividend of 1 1/2 per cent was declared on the preferred shares. For the first time in reports of the corporation there appeared an item of \$2,200,000 to be taken from the reserve fund "to cover advanced mining royalties."

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WAGER-WALKER HERE SOON

New Yorker Reaches Hood River and Now on Way to Portland.

HOOD RIVER, Or., Jan. 25.—(Special.)—N. R. Grantham, who left New York City August 22, clad in a suit of newspapers and barefooted, on a wager of \$5000 to walk around the United States, arrived here today from the

Dallas five days ahead of his schedule. To win the wager Grantham must arrive in New York one year from the time he left and must arrive and depart from his stopping places penniless. He is allowed, however, to earn or bring money enough to feed and lodge himself.

WAGER-WALKER HERE SOON

He will leave Hood River tomorrow morning and expects to arrive in Portland Thursday.

Avalanche Kills Smugglers.

BERNE, Switzerland, Jan. 25.—Seven Italian smugglers engaged in carrying contraband through the wild Alpine Pass above Chiavenna, Italy, were overwhelmed by an avalanche today. All except one were swept over a precipice and killed.

MOTHER'S FRIEND

A LINIMENT FOR EXTERNAL USE.
No woman who bears children need suffer during the period of waiting, nor at any time of baby's coming, if Mother's Friend is used as a massage for the muscles, tendons and glands of the body. Mother's Friend is a penetrating, healthful liniment which strengthens the ligaments, lubricates and renders pliant those muscles on which the strain is greatest, prevents caking of the breasts by keeping the ducts open, and relieves nausea, backache, numbness, nervousness, etc. Its regular use will prepare every portion of the system for the safety of both mother and child and greatly reduce the pain and danger when the little one comes. Mother's Friend is sold at drug stores. Write for our free book containing valuable information for expectant mothers.

THE BRADFELD CO., ATLANTA, GA.

INDIGESTION, GAS ON STOMACH OR HEARTBURN WILL SIMPLY VANISH

Your Out-of-Order Stomach Feels Fine Five Minutes After Taking a Little Diapiesin.

Every year regularly more than a million stomach sufferers in the United States, England and Canada take Pape's Diapiesin and realize not only immediate but lasting relief. This harmless preparation will digest anything you eat and overcome a sour, gassy or out-of-order stomach five minutes after it is taken. If your meals don't fit comfortably, or if what you eat lays like a lump of lead in your stomach, or if you have heartburn, that is a sign of indigestion. Get from your Pharmacist a 50-cent case of Pape's Diapiesin and take a dose just as soon as you can. There will be no sour risings, no belch-

ing, no gas, no stomach pain, no heartburn, fullness or heavy feeling in the stomach, nausea, debilitating headaches, dizziness or intestinal griping. This will all go, and besides, there will be no sour food left over in the stomach to poison your breath with nauseous odors.

Pape's Diapiesin is a certain cure for out-of-order stomachs, because it takes hold of your food and digests it just the same as if your stomach wasn't there.

Relief in five minutes from all stomach misery is waiting for you at any drugstore.

These large 50-cent cases contain more than sufficient to thoroughly cure almost any case of Dyspepsia, Indigestion or any other stomach disorder.

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Wheat, fruit, and agricultural lands, especially near power sites. Thousands of acres.

AMUSEMENTS.
TONIGHT
8:15
CARRENO
BUNGALOW THEATER
Carriages 10 o'clock.

SEATS NOW SELLING
BUNGALOW THEATER.
OLGA NETHERSOLE
Tomorrow Night and Saturday Matinee.
"The Writing on the Wall."
Friday Night—"Camille."
Saturday Night—"Napoli."
Prices—Night and Matinee, \$2 to 75c.

PORTLAND THEATER
M 443-A-7085
Florence Roberts
in
"GLORIA"
With White Whitties.
The Delightful of Comedies.

BAKER THEATER
MAIN 2, A 1029.
MATINEE EVERY DAY.
15-25-500
NIGHTS
THEATER 15-25-50-750
WEEK JANUARY 24—Seldom's Venus, Toby Claude, The Five Movatts, Kate Watson (in costume), "The Impassioned Girl," Knight and Sawtelle, Lester and Kellert, Carrey Twin Brothers, Pictures, Orchestra.

GRAND WEEK JANUARY 24.
The sensation of the Columbia Comedy, a European watering place, a social resort.
NORD
The diving beauty, most beautiful in the world.
Matinee every day, 2:30; any seat, 15c. Evening performance, 7:30, 9:15; balcony, 10c; lower floor, 25c; box seats, 40c.

FUNERAL NOTICE.
PORTLAND CHAPTER, No. 3, I. O. O. F.—The funeral of Brother John T. Gregg, late a member of the Chemeketa Lodge, No. 1, Salem, Ore., Services at Taylor-Street M. E. Church at 2 P. M. Interment River View Cemetery. Members are invited to be present. All Oddfellows invited to attend. J. C. JAMESON, Secretary.

WASHINGTON COUNCIL, No. 5, I. O. O. F.—Stated assembly this evening at 7:30 P. M. in the M. E. Church at 2 P. M. Interment River View Cemetery. Members are invited to be present. All Oddfellows invited to attend. J. C. JAMESON, Secretary.

J. O. O. F.—The general relief committee will meet at Oddfellows Temple, First and Alder sts., at 1:30 P. M. today (Wednesday) to conduct the funeral of Brother John T. Gregg, late a member of the Chemeketa Lodge, No. 1, Salem, Ore., Services at Taylor-Street M. E. Church at 2 P. M. Interment River View Cemetery. Members are invited to be present. All Oddfellows invited to attend. J. C. JAMESON, Secretary.

SALEM CHAPTER, No. 2, I. O. O. F.—Regular meeting this Wednesday evening at 8 o'clock. Third degree. Visitors always welcome. R. OSVOLD, Secretary.

AUCTION SALE TODAY.
At Wilson's Auction House, corner 2d and Yamhill. Sale at 10 A. M. J. T. Wilson, auctioneer.

OREGON HUMANE SOCIETY
PRESIDENT, Main 204.
SECRETARY, Main 208.
HUMANE OFFICER, East 47th.

NEW TODAY.
\$37,500
50x100 on the S. E. corner of Morrison and Chapman. A good business corner and one that will enhance in value rapidly.

KEASEY & JEFFERY
14 CHAMBER OF COMMERCE
M 1189 A 3814
CANNOT BE DUPLICATED
PORTLAND HEIGHTS
A BUNGALOW SITE
Near carline, a good view, fractional lot; price \$1100, if taken this week; \$650 cash, balance 2 years.

CHAPIN & HERLOW,
332 Cham. Com.
TAKES MONEY, BUT—
700-acre up-to-date ranch, near Eugene. Finest soil, in crops, splendid buildings; blooded stock. All in shape and running. Pays big interest on investment. Call up the foreman at Eugene and he will drive you out and bring you back. Stock goes with place—18 head horses, 17 head cows, 45 hogs, 15 goats and pedigree bull and boar—price of land. Don't all unless you can swing it.

OREGON LAND COMPANY,
215-217 Henry Bldg.
Main 7415.
E. MADISON ST. HOME, \$1000
Nice modern, two-story, large, seven-room house, furnished, fireplace, gas and electric, full cement basement, laundry trays, extra large rooms, on a lot 60x100; street improvements and cement walk paid; on E. Madison, near 71st, walking distance from school, from car, in the midst of fine homes. Price \$1500, \$1000 cash, balance to suit.

GRUSSI & ZADOW
317 Bond of Trade Bldg., 4th and Oak.
I NEED \$50
Will sell lot in vicinity of New Albion High School.
518 Bond of Trade.