

RECEIVER DID NOT KNOW OF CONTRACT

Devlin Says Morris Did Not Tell Him Oregon Trust Had Telephone Bonds.

KNOWLEDGE WAS ACCIDENT

Papers Found by Assistant in Vault, Friede to Be Called—Questions of Gordon About System of Accounting Are Puzles.

W. Cooper Morris, ex-cashier of the Oregon Trust & Savings Bank, didn't tell Receiver Devlin that the contracts for the purchase by the bank of Puget Sound Home Telephone stock were in existence, according to Mr. Devlin's testimony on the witness stand yesterday afternoon in the case where in Morris is on trial for the alleged embezzlement of \$125,000. Devlin said one of his assistants stumbled upon the contracts in the vault. They were found in one of the 25 or 30 files of miscellaneous papers, he said. He was questioned by M. J. Gordon, counsel for Morris, as to the value of the Puget Sound Home Telephone bonds, which a large number of Oregon Trust depositors had taken in cash, and said he never considered them worth par. He denied ever having encouraged depositors in newspaper articles to take them.

Presence of Bonds Questioned.

A. C. Potter, auditor for the Puget Sound Home Telephone Company, was examined after Devlin's testimony was finished, the state endeavoring to show by him that Morris had no Puget Sound telephone stock at the time he is said to have taken notes on the bank and \$75,000 worth of notes out. The state had finished questioning him at 2 o'clock, when Judge Gordon announced he would make Potter his own witness.

Deputy District Attorney Fitzgerald said last night the state will call Leo Friede as a witness to show that while entries and counter entries were made to loans and discounts, cash or bonds and warrants on December 15, 1908, were made without authority from the board of directors. This is expected to place the entire blame on Morris.

"You were to have shown that while everything to you when you took over the bank's affairs," said Attorney Clark on re-direct examination. "Did he ever explain to you how this note was cancelled?"

"He said once he would rather not discuss that with me," replied Devlin. "He never did discuss it with me to the extent of making any explanation."

Morris Didn't Mention Contracts.

"Did he ever talk to you about the purchase of this Puget Sound Home Telephone stock until December, 1907?" This question was objected to by Judge Gordon as not proper re-direct examination, but Judge Gastenbein allowed it to be answered.

"Morris had never told me anything about the contracts for the telephone bonds," answered Devlin. "It was spoken about at the time this matter came up, along in December, 1907, or it may have been mentioned in 1908."

On re-cross examination Devlin was asked when and where his conversation with Morris took place when Morris declined to answer the question as to whether he had ever seen the contracts.

"I had never heard of the existence of these contracts, so had never questioned him about it," said the witness.

A copy of the contract by which the German-American Bank took over the assets of the Oregon Trust Bank was introduced by the defense yesterday, a mild protest being made by Attorney Clark for the state.

How Depositors Took Bonds.

The purpose of this is believed to be to show that all depositors of the Oregon Trust were paid in full. But upon the re-direct examination yesterday afternoon Attorney Clark called attention to the provision that contracts previously made by the Oregon Trust whereby depositors were to take bonds in lieu of their cash were to be carried out by the creditors. Devlin said Puget Sound and Omnia bonds were disposed of to depositors to the amount of between \$7000 and \$8000, par.

"Under this contract these depositors had no option to take anything but bonds," said Devlin.

A complication of entries and counter entries was then taken up, and Judge Gordon asked on re-cross examination, "Is there any law against carrying these accounts in loans and discounts?"

"Yes, sir, there is," replied Devlin, firmly. "There is the law of common right."

"Would it make any difference where it was carried? Wouldn't it be just a matter of figures?" persisted Gordon.

"It would make a difference," was the answer.

Counsel then put a long question in which he asked if it would make a particle of difference to the financial condition of a bank whether \$30,000 was spent for improvements, it was charged to the "betterment" account or to "furniture and fixtures."

"This bank had no 'betterment' account," said Devlin. "If this were carried as 'furniture and fixtures,' people doing business with the bank would know it was invested in furniture and fixtures."

"Would the disappearance of an item necessarily indicate that anyone had taken the money?" was then asked.

"Finance Stumps Devlin." "That kind of finance is beyond me," answered Devlin.

"I am not asking for your judgment as to whether this is the way you would have it."

"Well, I don't think I could answer that question."

"You can't conceive, then, that that would be a mere matter of bookkeeping?" "Not according to my methods."

"Would it necessarily indicate that the money was taken?" "I don't think \$50,000 was expended for

the safety deposit vaults," was the answer. Judge Gordon asked to have it stricken out and discontinued this line of examination after Devlin had said he couldn't swear that Moore or Morris ever took a dollar of the bank's money.

ALASKA INDIAN WILL BE THE SPEAKER AT M. C. A. SUNDAY MEETING.



Edward Marsden, Educated Member of Tsimpsian Tribe. Edward Marsden, of Saxman, Alaska, a full-blooded Alaskan Indian of the Tsimpsian tribe, will be the speaker at the regular meeting in the auditorium of the Young Men's Christian Association next Sunday afternoon at 7:30 o'clock. The meeting, which is usually held separately, will be merged with the men's meeting on this occasion.

Mr. Marsden is a graduate of the Carlisle Indian School, of Marietta College and of an Eastern theological school. Since completing his education he has been doing missionary work among the Indians at Metlakahla on Annette Island, Alaska.

SEWER BATTLE AT HAND

TERRA COTTA AND CEMENT CONCERNS TO COMBAT.

Two Proposed Ordinances, Bearing on Matter, Will Be Considered by Sewer Committee.

Another skirmish between the representatives of terra cotta and cement sewer pipe is scheduled to take place this morning at 10 o'clock, when the sewer committee of the City Council is to meet. Two proposed ordinances are to be considered. One by Councilman Driscoll prohibits the use of any but terra cotta pipe, and the other, by Councilman Ellis, amends the specifications so that glazed cement may also be used.

A great fight is in progress, with the Oregon & Washington Pipe Company, commonly called "the trust," on the one side, and the Portland Glazed Cement Company on the other. Mayor Simon is deeply interested in the subject from the standpoint of competition, to the end that the property owners of the city may be relieved from what he declares to be excessive prices for sewer pipe. He favors amending the specifications, and is therefore zealous of seeing Councilman Ellis' ordinance recommended for passage at the meeting to be held this morning.

Engineer Morris is also favorable to this action.

Councilman Rushlight, who is one of the chief master plumbers of Portland, is favorable to the proposed ordinance which prohibits the use of any but terra cotta (tried) sewer pipe in the city. He is backed by Plumbing Inspector Hey, who has declared in a letter now before the committee that cement pipe is worthless, being unsatisfactory. He declares he will refuse to permit its use unless compelled to act otherwise by an ordinance.

It is generally believed that the sewer committee of the Council will this morning vote to pass the Driscoll measure, and that it will go to the Council with that recommendation; that the Ellis ordinance will be recommended not to pass, and that "the trust" will thus win a temporary victory.

However, with Mayor Simon strongly opposed to it, there is certain defeat ahead for it, even should the Council pass it—which is not by any means sure. It is regarded as a close question, but the Mayor said yesterday that he believes the Council will amend the specifications by passing the Ellis measure sooner or later. But should the Council pass the Driscoll ordinance, it is certain the Mayor will veto it and that his veto will be sustained, as enough votes to sustain his objection are known to be safe.

RECORD LAND PRICE PAID

Minnesota's Purchase Is 6000 Acres for \$500,000.

The highest price ever paid for timber lands in the Nohalem Valley was paid for a tract of 6000 acres, which has just been purchased by Mike Kelly, of Duluth, Minn. Mr. Kelly bought 6000 acres located in township 5, range 7 west, Clatsop County, from A. S. Kerry, of Seattle, through Elwood & Sons, the agents for Mr. Kerry. The price paid for the timber land is given as \$800,000 even.

This great body of standing timber was purchased by Mr. Kerry from the original entrymen only a few years ago at a remarkably low figure, and the profits realized by the Seattle man are said to have been enormous.

The land is all heavily timbered with a fine stand of choice timber. Mr. Kelly, the purchaser, is a timber investor and not a logger, and has no plans for logging the land, but will hold it for a resale at some later date. The land is, however, accessible and is connected with the main routes of rail transportation by a logging railroad running in from the Columbia River.

LIEN LAW IS UPSET

Notice on Building Not Protection, Rules Judge.

IMPROVEMENT NOT EXEMPT

Decision Regarded as Almost Revolutionary in Effect Upon Prevailing Practice and New Litigation Will Be Result.

That a notice posted upon a building, stating that the owner will not be responsible for unauthorized work, does not protect the building from the operation of the mechanics' lien law, is the purport of a decision by Judge Morrow in the suit of Fuller & Co. against McLoughlin. The decision was upon a demurrer to the defendant's answer, the court sustaining the plaintiff.

This decision is considered to be almost revolutionary in its effect upon the prevailing practice. It has been customary for owners to protect themselves by placing notices upon their buildings, giving warning that they will not be responsible for any work done thereon without the owner's authority, and it always has been considered that this notice absolved the owner from liability upon his buildings if work were ordered by any other person.

Judge Morrow finds that the law does not expressly state this rule. Through an obscure and involved wording of the statute which gives these notices effect, their operation is made effective upon the land, but not upon any buildings on the land, holds Judge Morrow in his opinion.

TWO WIVES WOULD BE FREE

Suits for Separation Are Filed in Circuit Court.

Mae Whitfield filed a divorce suit in the Circuit Court yesterday against Willis P. Whitfield, who she married at Chehalis, Wash., July 5, 1906. She alleges he deserted her in October, 1906. She desires to resume her maiden name, Mae Lough.

L. F. Mathews, whose wife, Mrs. M. Emma Mathews, is suing him in the Circuit Court for a divorce, says in an affidavit filed yesterday morning that he and his wife went to live with his mother-in-law immediately after the wedding. They lived there for three years. But as soon as he went to work for Monroe Purvine on the latter's ranch in Polk County, his troubles began, he says, Purvine making love to his wife. Mathews says that when he first met Mrs. Mathews he was earning but \$30 a month as clerk of a Salem grocery store. He was earning \$40 a month at a general merchandise store at Mill City, he says, when married. His wife knew his financial condition, he declares, when she married him.

To her charge of non-support he replies that he has provided for her as well as he could, he says, and that he is out of work and cannot advance \$150 attorney's fees and the \$50 support money she asks.

COBBLER ALLEGES INJURIES

Car Started too Quickly, Says Plaintiff, in Suit for \$5000.

Asserting that he was hurled to the street through the carelessness of a conductor in starting his car too soon, Frank DeBreen appeared in Judge Gatens' department of the Circuit Court yesterday afternoon to prosecute a suit against the Portland Railway, Light & Power Company for \$5000 damages.

The case is being heard before a jury. DeBreen declares that he is a cobbler and that last December he was proceeding homeward on a Williams-avenue car, and was about to alight when the car started forward suddenly, throwing him to the ground, making him unconscious and causing an attack of neuritis which unfit him to pursue his vocation. The streetcar company alleges contributory negligence.

In Judge Bronaugh's court Wednesday night, a similar case of Antoinette Rand against the same company resulted in a verdict for the plaintiff for \$200. The plaintiff sued for \$2500 for injuries received when alighting from a car on Villa street last January, asserting that she was taken past the proper stopping place and forced to alight on a rockpile.

Dakotans Sue in Oregon Court.

The morning session in Judge Gatens' department of the Circuit Court was occupied by a suit between two residents of North Dakota on a contract. The litigants were J. S. Sveve and G. S. Swartz. Sveve alleged in his complaint that he had, in August, 1909, sold to



The Bud Is Opening

—Each day is bringing nearer to completion plans which have been in course of development for months—plans which have to do with the building of a retail business in Portland, of Portland and for Portland—with the establishment of a store that shall win the confidence of the public by meriting the patronage of the public. —Thousands of dollars' worth of merchandise—for which careful buyers searched diligently for months throughout the Eastern markets—is now being unpacked.

Watch for the Blooming of the Rose



HOBSON IN PORTLAND

RIPARIA POSTMASTER BRAMES ANOTHER FOR TROUBLE.

Prisoner Hints That Former Government Employee's Machine-Guns Behind Charges.

Asserting that his troubles are more or less the direct result of the machinations of the man he supplanted in the Government service, William Hobson, late Postmaster at Riparia, Wash., was brought to Portland yesterday, under arrest upon a charge of embezzlement. Hobson nervously twisted his hands together as he sat in the office of Deputy

United States Marshal Hammersey awaiting bondsmen, and was only slightly cheered by a visit from his wife and two little children.

The ex-Postmaster is accused of informally resigning the responsibilities of his position and falling to account for \$1613 of postal funds. He was arrested at The Dalles while at dinner with his family.

Hobson did not give a lucid account of his predicament but hinted that the trouble was the result of the influence of Charles E. Shepherd, who was assistant to ex-Postmaster W. H. Stewart. Hobson accused Shepherd of paying attentions to a sister-in-law of the prisoner and intimated that it became necessary for him to interfere.

"Shepherd was let out as Assistant Postmaster when I received my commission in August, 1908. Since then I have run the postoffice, as well as attended to the business of Mr. Stewart, who is an old man."

"I left a note for Stewart which should have made everything plain, and told

him to keep the stamp cancellation account due me as well as the wages which I had not collected, and to remit this money to the depository. I told him to let me know at The Dalles if he failed to send the money and I would have a friend sell his team and send the money."

"My family left Riparia the day before, and after I joined them we drove to The Dalles. I do not care to say why I left in the manner outlined, but will say that I had no intention of going further than Portland. It was my intention to return to Riparia, where I have interests which I could not afford to abandon."

Hobson had not been able to furnish the \$1000 bond required by the court.

Gardiner Gets Water Pipe.

GARDINER, Or., May 5.—(Special.)—The schooner Lily, arriving from San Francisco, brought, besides general merchandise, one and a half miles of six and eight-inch water pipe for the new water system of the Gardiner Mill Company.

MADE IN PORTLAND THE BEVERAGE THAT PLEASES



Dark—Rich In Extract Nourishing

An Ideal Tonic and Invigorator

Recommended by Physicians as a Tissue Builder

Called for by People Who Like a Heavy Beer

Made From Selected Malt and Saazar Hops

Excels in Everything—The Peer of All Beers

ORDER DIRECT OR FROM ANY FIRST-CLASS FAMILY LIQUOR STORE. BREWERY'S OWN BOTTLING

HENRY WEINHARD BREWERY

A-1172 THIRTEENTH AND BURNSIDE Main 72

Some Sweet Day



You may be served with

Post Toasties

and Cream.

Then you will know what a dainty, tempting food you have been missing.

Every serving wins a friend—

"The Memory Lingers"

Sold by Grocers. Postum Cereal Co., Ltd., Battle Creek, Mich.