

CREATED A STIR AT SALEM

BANKER BUSH'S ALLEGATIONS AGAINST METSCHAN.

Ex-State Treasurer Has Nothing to Say Until the Case Comes Up in the Courts.

SALEM, Oct. 5.—Banker Bush's opposition to the payment of interest on the claims of the State Treasurer, Metchan and E. C. Giltner, from the assets of the defunct Williams & England Bank, has created a small stir in this vicinity. Of course, it is not to be taken for granted that the deposits upon which Mr. Bush objects to the payment of interest were public funds. Mr. Bush has alleged that they were public funds, but the proof is yet to be given. It is reliably reported here that Mr. Metchan has said he will contend in the courts for the interest to which objection is made and will insist upon having the remainder of the principal. In fact, Mr. Metchan has now appeared by his attorney, L. R. Webster, to defend against the objections which were to have been filed on September 20 by Mr. Bush.

The controversy over this matter has been brewing for some time, as is learned from outsiders. Mr. Bush was long of the opinion that if state funds were lent they could not be recovered, the official who loaned them, if such recovery should be at the expense of legitimate depositors in a defunct bank. He made no objection, however, to the payment of the principal of the amount alleged to have been deposited by Mr. Metchan, for it appeared that the assets of the bank would be sufficient to pay the depositors in full. A few weeks ago, W. T. Slater, receiver of the bank, had in his hands a sufficient sum to pay the remainder of the deposits, and to pay a small amount on the interest. Mr. Bush announced his intention to file objections to the payment of any more money on funds which he alleged belonged to the state, either principal or interest, and September 29 was set for hearing of the objections. At that time, Mr. Metchan's attorney was present, and the matter was taken up, but no objections were filed. Consent was given by attorneys that an order should be made directing the receiver to pay the remainder of 5 per cent on the principal. The receiver began paying the dividend as ordered, whereupon Mr. Bush protested, and filed his objections to have been filed yesterday's dispatches. At the time of the hearing on September 29, Mr. Bush appeared by George G. Bingham, but has now filed objections by W. H. and Webster Holmer. Mr. Metchan is a warm friend of Mr. Metchan, and it is surmised that this is the reason he withdrew from the case.

The Reason for the Opposition.

The reason for the opposition to the payment of interest or the remainder of the principal on the Metchan claims is thus stated: "The said Ladd & Bush allege in support of their objections that there is a large balance due to the creditors, over and above the amounts received by them from the receiver aforesaid, and that this said corporation defendant, heretofore, Williams & England, are insolvent, and that there will not be sufficient funds to pay all of the depositors and creditors in full.

"That in order that the objects herein and other persons who were lawfully entitled to receive the full amount due them, according to the nature of their respective contracts with the Williams & England bank, it will be necessary to refuse payment of the interest on the claims of the parties presenting them as hereinbefore stated."

The claims in brief are: Edmund C. Giltner, "agent," a 5 per cent dividend on \$25,000, and interest on the same amount. Phil Metchan, \$78 73, which amount is alleged to be itself interest on state funds upon which interest was paid.

Phil Metchan, Treasurer, \$2613 69, upon which a 5 per cent dividend is due, and upon which interest is asked. W. H. Odell, \$247 27, interest upon which is objected to.

E. J. Swafford, \$7319 83, interest upon which is objected to. In regard to the latter claim against the defunct bank, Mr. Bush alleges that "said funds were funds belonging to the City of Salem, and the same were wrongfully and unlawfully allowed to accumulate in the hands of the State Treasurer, and he was not authorized to loan the same, and that no interest whatever should be allowed."

The receiver has paid 25 per cent of all these claims, and has paid 10 per cent of the Swafford claim, but has paid no interest. Mr. Bush wants to prevent further payment of principal and any payment of interest. He also asks that "the receiver be directed from time to time to take such further steps as the creditors and depositors may ask for, consistent with law and justice, looking to the recovery of any and all funds which may have been heretofore disbursed contrary to law and justice."

This last clause has reference to the claim for \$78 73, which stood on deposit in Mr. Metchan's name, without the qualifying term "Treasurer." It is alleged that this sum is interest which had been computed upon state funds, and then placed in Metchan's credit. The Giltner claim is alleged to be for state money deposited by Giltner as agent for Metchan.

Some Depositors Must Lose. Since it appears that there will not be sufficient funds to pay all depositors it follows that some, or all, must lose a part of the interest on their deposits. In this condition of affairs Mr. Bush hopes to limit the payment of interest to only those who deposited their money before interest should be paid to others who deposited public money. It would be at the expense of those who helped pay the taxes to form the public funds, and who also lost their savings when the bank closed.

The strenuous protest framed by Mr. Bush calls attention to the fact that there is a criminal statute against the loan of public funds, whether with or without interest. This is section 1771 of Hill's annotated laws, which reads as follows: "If any person shall receive any money whatever for this state, or for any county, town or other municipal or public corporation therein, or shall have in his possession any money whatever belonging to such state, county, town or corporation, or in which such state, county, town or corporation has an interest, and shall in any way convert to his own use any portion thereof, or shall loan, with or without interest, any portion thereof, or shall neglect or refuse to pay over any portion thereof, as by law directed and required, or when lawfully demanded to do so, such person shall be deemed guilty of larceny, and upon conviction thereof shall be punished by imprisonment in the penitentiary not less than one nor more than 15 years, and by fine equal to twice the amount so converted, loaned or neglected, or refused to be paid, as the case may be."

SWAFFORD AND ODELL TALK.

They Got No Interest on Public Money—Giltner Will Say Nothing.

SALEM, Oct. 5.—General W. H. Odell, ex-clerk of the School Land Board, when asked this evening to make a statement regarding the allegations of Mr. Bush, said: "It was his custom, as it had been the custom of other clerks, to make deposits in local banks until the end of the month, when the money collections were turned into the State Treasury. These deposits drew no interest, but were made as a matter of convenience, because payments came principally in bank paper, and it would be very inconvenient to carry cash to the Statehouse every evening at the close of banking hours.

"When the bank failed in November, 1885, I had some money on deposit, but on the first day of December I paid into the State Treasury every cent I had collected during November. The state did not lose the use of the money a single day. I was out \$507 37 by the failure of the bank, and I am unable to follow the line of reasoning which makes my claim one for state money."

BLOW AT BEET SUGAR

OXNARD DISCUSSES THE CUT IN PRICES BY THE TRUST.

Movement Is Characterized as an Attempt to Deceive the People—The Situation in General.

SALEEM, Oct. 5.—Commenting today on the reduction of the price of sugar in the Missouri River market by the sugar trust, Henry T. Oxnard, president of the American Beet Sugar Association, decried it as another move to crush out beet sugar production in order that the trust might have no opposition. "If it can succeed in the Missouri River Valley," said he, "it will then turn its attention to the beet factories in Michigan and other sections, and by the power of concentrated capital crush out successfully and individually the beet-sugar producers. The trust tries to deceive the public by alleging that the beet producers can still make money at the low

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but one of my bondsmen, J. A. Baker, settled with the city for some \$50 less than the amount due. I paid him what money I could at the time, and assigned the claim to him, which he has now collected in full, without interest. It seems to me he is entitled to interest from the bank assets. I never received a cent from the bank for the use of city money."

Giltner Will Not Talk.

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Phil Metchan, ex-State Treasurer, was seen by an Oregonian reporter yesterday and asked to give his side of the case wherein A. Bush, the well-known Salem banker, is seeking to restrain the payment of certain interest by the receiver of the Williams & England Bank of Salem to Mr. Metchan and E. C. Giltner. Mr. Metchan charges that the money which they had on deposit there was state funds, upon which interest cannot lawfully be paid. Mr. Metchan refused to talk.

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GYPSIES MUST MOVE ON.

Baker City People Say They Are a Set of Thieves.

BAKER CITY, Oct. 5.—A band of gypsies made its appearance in Baker City last night, and the police have been busy all day trying to get them out of town. There are about 20 in the gang, and they say they are members of one family. Last night they raided all the chicken coops and gardens in the northern part of the city, and carried off everything in sight, and what was not in sight they dug up, as was the case when they struck the potato patches. The women are persistent fortune-tellers, and while the men were rustling plunder today the women went out on a fortune-telling raid. The police say this crowd is the worst lot of petty thieves that has struck this city in many years. There are too many of them to be accommodated in the city jail, and then they are not desirable boarders any way. The Chief of Police, without regard to the trouble that will be thrust upon other cities in this part of the state, proposes to chase them beyond the corporate limits of Baker City. Other communities will have to be on the lookout for them. They say that they came here from Portland.

STREET FAIR CLOSSES.

Hillsboro Event the Best Ever Known in Washington County.

HILLSBORO, Or., Oct. 5.—Great crowds thronged the city from early in the morning until a late hour this evening, enjoying the closing day of the Native Sons Street Fair and Carnival, the most successful occasion of the kind ever held in Washington County. The parade this morning was one of the best of the Carnival. After the opening exercises there was a hose contest for first water upon a set fire on Second street, between Nos. 1 and 2, resulting in a victory for the first named team, which got water after 600-foot run in four minutes. The second hose company had water 20 seconds later. This was one of the closest contests ever held in the city. G. Jack, Jr., captained the winning company, and John Simpson the other. Following this was a hose contest—wet—between C. Lar-

GREAT DEMAND FOR LUMBER.

Mills in Lane County Are Unable to Fill Their Orders.

EUGENE, Oct. 5.—The demand for lumber has become so great that it is impossible for the mills in this vicinity to supply the market. The Booth-Kelly Lumber Company, which has four large mills in Lane County, has orders on file for as much lumber as the mills can cut in the next six months, and orders have been given to accept no new orders for the present. The lumber output this season is about twice as great as ever before.

Bound Over to the Circuit Court.

Sidney Eyster was given a preliminary examination yesterday before the Justice of Peace on three different charges of larceny and disposing of stolen property, and was bound over to the Circuit Court in \$500 bonds. He was charged with stealing cattle from several farmers near Springfield, which he sold to Frank Goodpasture. He was apprehended at Bickleton, Wash., and was brought back by Sheriff Withers.

Oregon Men Favored.

WASHINGTON, Oct. 5.—Senator Mitchell today secured the appointment of Mr. Williams as temporary clerk of the U. S. Grand office, the place to be finally filled by civil service. Senator Mitchell has secured a pension for Colonel George B. Carey, of La Grande, Or., who at one time during the Civil War was in command of the Department of the Columbia.

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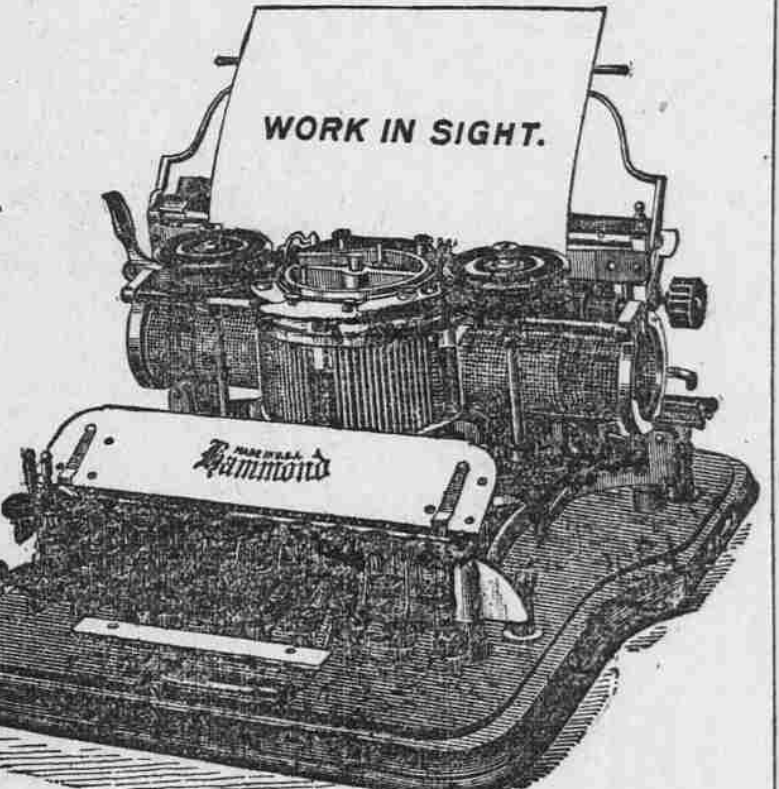
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sen and George Cummings, lasting for five minutes. Each was thoroughly drenched and badly strangled. State Senator Wehrung and W. D. Bradford, ex-Sheriff, awarded Larsen the first prize of \$5, and Cummings second, \$2. The Carnival closed tonight with a grand music ball, under the auspices of the Native Sons. Old settlers here aver that the fair was the greatest ever held, and better than any of the great county

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