

WEST IS INSURGENT

President of Land Company Would Prove Statements Before Governor.

SAYS FACTS SUPPRESSEU

Though Controversy Between State's Executive and Business Man Not Deemed of Importance to Public, Latter Voices Sentiment.

PORTLAND, Or., Aug. 5.—(To the Editor.)—In the Morning Oregonian of August 2 appears an editorial relative to a controversy between Governor West and myself. Prior to the date of this editorial there appeared in the several newspapers of this city alleged interviews of the Governor. The statements contained in these interviews were, in the main, false, false at least to the extent of the suggestion that the facts. Nor do I now deem it necessary to make a direct reply to the Governor. A controversy between Governor West and myself I do not consider of sufficient importance to the public to warrant newspaper discussion.

However, in order that the public may be in a position to judge of the merits of the controversy, and of the honesty of purpose of Governor West, I submit the following statement of facts, and when I say facts, I mean statements that have been proved either by documentary evidence or by witnesses, and if the worthy Governor insists upon the production of the corroboration of the statements, I shall be every pleased to present them for inspection.

The Deschutes Land Company has obtained from the State of Oregon a contract to reclaim some 2,500 acres of land in the southern Deschutes Valley, situated in Crook and Klamath counties. By the terms of our contract we were to have been begun on the 1st of April, 1910, and reclamation to be completed by April, 1911, a period of four years. This contract is obtained by virtue of an act of the Legislature of 1907. This act has since been repealed and another act substituted, but bear in mind two facts: First, that our contract is controlled and interpreted by the act of 1907, and second, that the act of 1907 did not require of us that we furnish any bond or other security to the State of Oregon guaranteeing the completion of the work. This fact has an important bearing upon this controversy, as I shall afterwards show.

Lands Taken Under Carey Act.
The lands being reclaimed by us were applied for to the Federal Government in May, 1902, under an act known as the Carey act. The classification of these lands formed a subject of much difference of opinion at Washington. Three examinations by agents of the Interior Department were had in the field to determine their character. This was under Secretary Hitchcock. The company did everything possible to assist the matters under consideration to the State of Oregon these lands as desert. For while the State of Oregon wished to claim them as desert lands, the Carey act, as then interpreted, Pinchot, claimed them as timber lands and wished to use them for the purpose of propagating pine trees. It is therefore apparent that the views of the different persons interested are very, very divergent.

Finally, in 1905, and after I myself had spent in the vicinity of eight months at Washington attempting to straighten this matter, and after the Deschutes Land Company had expended some \$60,000, a contract was entered into between the State of Oregon and the Federal Government. In the meantime Mr. Garfield had succeeded as Secretary of the Interior, and then, in 1906, notwithstanding we had a contract between the State of Oregon and the Federal Government, the Secretary of the Interior, Mr. Chamberlain, then Governor of this state, held informally that the Secretary of the Interior should classify these lands and review the work of the former Secretary. This view was also held by John H. Lewis. From these two gentlemen I differed, and asked permission to have the case tried, and Mr. Pierce, First Assistant Secretary of the Interior, rendered a decision sustaining the State of Oregon. This decision is now beyond recall, if the State of Oregon carry out its contract with the Federal Government.

It was January 16, 1910, before the legal obstacles were thrown in our way by the Interior Department and from other sources were removed to the extent of enabling this company to know for a certainty that its security was undoubtedly if it reclaimed the lands. Ninety days later the Deschutes Land Company was upon the ground with its machinery, and has been working since, a little more than one year ago, and yet Governor West talks with an unwarranted flippancy about this company having constructed only three miles of canal in seven years. This company was operating in a district 150 miles from a railroad, and during the season of 1910, at an expense of 2 1/2 to 3 cents a foot, transported nearly 200,000 pounds of machinery into the country to enable it to do its work.

Difference of Opinion Expressed.
In the Evening Telegram of the 4th, Mr. Kay, State Treasurer and a member of the Desert Land Board, says that difference of opinion exists as to whether or not the Deschutes Land Company has the right to offer a security for the money it receives in equity in these lands. This has been a subject of much discussion before the Board, and I have always contended that if the matter were of sufficient importance to the Board, as it seemed to be, it would have accepted my suggestion that the Attorney-General take legal action to determine whether or not the security was offering to the investing public was in violation of our contract with the State of Oregon. We have been selling these securities since December of 1907. Why during this entire time has no action been taken?

On one occasion I offered to defray the legal expenses of the Board. In this way the Board and myself would be placed at rest upon this point. By the terms of our contract we have a right to bond for the sum of about \$400,000. The irrigation bond in this country is a thing of the past. We issued another form of security, by which the investor had his security in a specific tract of land. His security has no relevancy to the adjoining tract of land. He was not an atom of the whole, he was the whole. His security was sufficient and complete. We have been selling these securities since December of 1907. Why during this entire time has no action been taken?

have of these securities sold sufficient to guarantee the completion of our works. These securities were sold not only to the workmen, but to farmers and professional men, and even to shrewd lawyers after a careful investigation of the legal end of the security, and also after an investigation of this company, its officers and its financial standing as ascertained through the commercial agencies, Dunn's and Bradstreet's.

These securities have been purchased in amounts ranging from \$100 to \$15,000. They pass as commercial securities. They change hands. Transfers frequently are made, and I know of no case where these securities have not appreciated in value, each transfer of security bringing profit to the investor. I shall be indebted to Governor West or my member of the Board of Land Board if he can inform me of any case where these securities have been sold at a loss.

If the company was selling securities, receiving money therefor, and doing no work, the Desert Land Board might have the right to ask us for an accounting of this money. They would not have the right, as a matter of fact, with the investing public the Board had nothing whatever to do. Mr. Kay, a member of the Board, who inspected our works on July 1st last, in a review in the Evening Telegram of the 4th, says that the Desert Land Board has no legal right to demand of this company the information it has demanded. He further says, regarding our work:

"They are running three large machines, working both day and night shifts, removing dirt very rapidly, and they have expended a large sum of money, having many houses and barns, sawmills, etc., and are doing good work."

Nor has there ever been a charge against this company to the Board or otherwise, inasmuch as being misapplied or misappropriated.

No Moral Necessity Asserted.
If the Board has no legal right, it certainly has no moral right, for from Mr. Kay's own assertion there is no moral necessity. As a matter of fact, Mr. Editor—and when I say fact, I mean a statement that can be corroborated by this company's financial books—have water upon 5000 acres of ground given a security, in the Spring crop of 1912. We are to have water upon 3000 acres of ground for the Spring crop of 1913. By the close of November of this year, this company will have the main canal constructed from which to supply water for not only 5000 acres of ground but for about 12,000 acres of ground. In other words, several months before the required time the company will have water on the 5000 acres of ground, and it is 15 months in advance of the water to the remaining 3000 acres of ground (to be supplied in 1913).

Not only so, but by the completion of an additional eight miles of main canal, water may be supplied to an additional 8000 acres of ground, and which eight miles of canal may readily be constructed by us before the irrigation season of 1913 opens. Our machines have a capacity, working day and night as we work them, of over 1000 cubic yards of earth per 24 hours, and there is not a contracting company in the Northwest that has an outfit capable of doing this. This means from 1 to 1 1/2 miles of our canal per week. It is therefore apparent that there is no moral necessity, as I have already pointed out, for the Desert Land Board to make an undue interference, as I term it, in the interest of investors with whom they have nothing to do, and especially so when the investors, as such, have never asked for its interference. Of the several hundred security holders, but three have at any time made complaint to the Desert Land Board, and these complaints were in the main under misapprehension, as one of these complainants, after seeing our lands, and knowing more about the progress for 1200 acres of these securities. What has Governor West to say to this?

The Governor creates the impression that he is championing the cause of settlers. This is cheap politics. There are only four settlers upon our lands at this time and they have not asked Governor West's influence and they to receive water until 1912, which the Desert Land Board or other influence would take some means to induce settlers to come upon their lands, and build homes and open up the country. We are doing our part to induce them. We have erected a sawmill. We have cut the price of lumber about 40 per cent in order that they may come to our valley and build homes. Everything that we can do, not only to settle, but to induce them to settle, we are doing, although in causing it to be settled we are acting not as contractors but simply as citizens of the State of Oregon.

LUCKIAMUTE RIVER ONE OF MOST ATTRACTIVE IN OREGON



STAIRWAY IN THE LUCKIAMUTE RIVER NEAR FALLS CITY.
30 FOOT FALL ABOVE FALLS CITY.
HIGHEST FALLS IN THE LUCKIAMUTE RIVER (60 FEET).
WILD SCENE IN THE BIG TIMBER.

FALLS CITY, Or., July 25.—(Special.)—The Luckiamute is one of the most attractive in this state of beautiful rivers. Its headwaters start at the summit of the Coast Range about 12 miles west of Falls City, at an elevation of 5000 feet and drop to 352 feet elevation in this city. It flows through a dense forest of fir, many portions of which have never been traversed by man. As a trout stream it has few equals. Fishing and outing parties visit its numerous beauty spots during the summer. Bears, deer and other wild animals are frequently encountered in the jungles lining this mountain stream.

In this manner, and my surmise has since been confirmed by the fact that investors have called at our office and asked that they be not made known as investors. In addition thereto, from the original questions asked me by Governor West I surmised that he was gathering unto himself a club with which to beat me over the head. Notwithstanding my objection, as stated, I did supply this information, and after supplying the information, Governor West then demanded that I furnish a \$100,000 cash fund to guarantee the completion of this work, notwithstanding the fact that neither the statute under which we operated nor our contract required such guarantee. This was the cause of the split. And further, in view of the fact that some time before this the board had asked me to furnish a bond in the sum of \$30,000, guaranteeing the completion of the work. This bond I readily furnished. I would have furnished a bond for \$100,000, as readily as \$30,000, the amount asked. I hold from this Board, under its seal, a certificate to the effect that the bond is good and that it is sufficient for the purpose intended. Then, this being so, I deem Governor West's interference has been absolutely absurd, made without warrant either in law or in morality.

West Not Sustained.
The Board did not sustain Governor West in this request, and, true to his characteristics, he flew into a passion, practically buried his financial statement in my face, and in a very undignified manner withdrew from the Board meeting. I then said, and I now say, the Governor West will never again from me receive this financial statement. He will never from me receive the names and the addresses of our investors. Who our investors are is none of his business. Until an investor becomes a settler, Governor West had better keep his hands off.

FAMOUS AUTOMOBILE SPEED KING FORSAKES DANGEROUS OCCUPATION.



Roy Harroun.
Roy Harroun, driver of the Marmon "Wasp," winner of the world's championship in the great 2400-mile international sweepstakes race at the Indianapolis speedway last May, has forsaken the track for the engineering department of the Norfolk-Marmon Company.

Ignorant of a contract that existed between the Federal Government and this company, thought that we were misrepresenting some facts concerning the Interior Department. As soon, however, as I informed him, through Governor West, of a certain contract between the department and this company, the department promptly made apology for its letter and asked that a copy of that apology be forwarded to me.

It was, and the matter there ended. However, to meet the desire of the department, I withdrew from our literature the contents of this same agreement, notwithstanding the fact that the text of the agreement itself was published in full in the report of the Oregon State Engineer for 1909-10. When Governor West by making the assertion that we alleged, attempted to convey to the public that our literature was not truthful, it simply shows the innate rottenness of the heart of the man with whom I have to deal. Not only so, but the Governor, in replying to the Secretary of the Interior, informed him that the affairs of the Deschutes Land Company were being conducted in a business-like manner.

What has he today to say of this another? Governor West's black-mail letter was rescinded by the majority of the Desert Land Board. After this act I assured these members that I would be very glad to furnish them with all desired information possible for me to give, but the action of the majority of the Board in rescinding Governor West's letter so enraged the Governor that after abusing me in language more becoming a Boston fish-peddler than a Governor of the State of Oregon, he left the room, and on the first opportunity locked the doors and excluded us from his room. Noble Governor! A worthy example to the rising generation.

6 FRONTIS PLACES OF PRIZE QUALITY

Great Values in FARM LAND

Woman's Determination Sends Liquor Dealer to Cell for Selling to Drunkard.

JUDGE TAZWELL CAUSTIC

In Addition to Imprisonment, Frank Mays Must Pay Fine of \$250 for Permitting Frank Skidmore to Squander Coin in Drink.

Sentence of imprisonment upon Frank Mays, saloonkeeper, for selling liquor to a drunkard, denunciation by Judge Tazwell of the police department for its inactivity in arresting like offenders, and a renewal of the court's campaign against the evil, were brought about in Municipal Court yesterday through the pluck and determination of Mrs. Frank Skidmore, who, after seeing the savings of her drunk husband squandered over Mays' bar, made her complaint, gathered the testimony and pressed the prosecution in the teeth of the most bitter denunciations ever pronounced from the Municipal bench. Judge Tazwell sentenced the saloonman to pay a fine of \$250, and to imprisonment for six months, his unpaid sentence upon a second charge.

It is such men as you that are hastening the day when prohibition will sweep this state," said the court, in words incredible that the police have not arrested you in the six months you have run this place."

Judge Tazwell Impressed.
When Judge Tazwell first took the place made vacant by the death of Judge Bennett, the long daily string of simple drunks" shocked him so much that he took steps to reduce their number by proceeding against the men who sold them the excess liquor.

He secured the co-operation of Chief Cox and an order was issued to patrolmen to be vigilant along this line. A few arrests were made and exemplary punishment was imposed upon the offenders. The campaign did not, and for many months no saloonkeeper has been prosecuted, though in many places, at any hour of the day, men can be seen holding onto the bar and pouring out more liquor.

The present situation came through the perseverance of Mrs. Skidmore, who had discovered that her husband was carrying on a prolonged debauch, principally at Mays' saloon on Stark street, between Sixth and Seventh streets, where his checkbook showed an amount of over \$300 were cashed within 48 hours. The woman made several protests to Mays and secured his promise that her husband would be furnished with no more liquor, but the promise was not kept until after a warrant had been issued.

Strens Saloon's Ally.
Strens in rooms above the saloon took what Mays could not get, asserts the complaint, and between them, with the occasional assistance of other saloonkeepers, Skidmore was relieved of about \$1500. The fact was discovered by Mrs. Skidmore through inquiry at the bank, where she saw Skidmore's cancelled checks, many of them indorsed to Mays.

Joe Morrison, keeper of a saloon at 40 North Sixth street, has also been arrested upon complaint of Mrs. Skidmore, and is presently in the district where he assisted in stripping Skidmore will be complained against. Morrison, warned by the severity of the court upon Mays, has demanded a trial by jury.

In passing sentence, Judge Tazwell said: "Yesterday you were by the court given to two separate charges of selling intoxicating liquors to a drunken person. At the conclusion of the trial my impression was that the penalty should be imposed upon you. After carefully considering since then the testimony offered, including West of a certain contract between the department and this company, the department promptly made apology for its letter and asked that a copy of that apology be forwarded to me."

Representatives of organized labor in this city are making extensive arrangements for receiving and entertaining Samuel Gompers, president of the American Federation of Labor, who will be in this city Thursday, August 10.

Great Values in FARM LAND

The fertile HEAVER HOMES orchard and garden tracts near Portland are the greatest land bargain in the whole country today.

You can't miss it buying into this brand new district that is already entering upon a great development era.

Today it is a district of great potential wealth—lands newly logged-off, fertile, virgin, fertile. In another season the wealth from production will begin to develop. Then, do you suppose you could get one of these 5, 10, 15, 20, 25 or 40-acre tracts for such a price as \$25 to \$50 an acre—or even for twice or three times that?

The last of the first 1000 acres is moving fast at \$25, \$30, \$35, \$40 and up to \$60—price based on location, size, soil, etc. If you have cash you can spare \$5 or \$10 a month can do business with us.

This great district is an hour's run from Portland down the Columbia River. Fine fruit and garden tracts—plenty of fine water on every tract—handy to the city—most beautiful spot to be found—just the place for a home.

We want you to know more about this opportunity. SEE US TODAY.

F. B. HOLBROCK CO.
214 LUMBER EXCHANGE

WOMAN WANTED BY COURT

Doctor Who Was Called Following Malpractice Case Is Warned.

A bench warrant was issued by Justice Bell yesterday for the apprehension of Mrs. Elizabeth Scheiderhahn, complaining witness against E. O. Lium, and G. W. Harrington, charged with malpractice in the death of Scheiderhahn's child by committing an unlawful operation. The action was taken upon the representation of Deputy District Attorney Payne, that the woman was an unwilling witness and might not appear. Her bond was fixed at \$1000. The two men are in the county jail.

MAN INJURED IN MANGLE

R. Brown Suffers Lacerated Arm While Cleaning Machine.

When the toe of his boot became caught in a rent in the bottom of his overalls, R. Brown, 30 years of age and an employe of the Portland Furniture Company, living at 1238 Macadam street, fell into a cotton mangle at the factory of the furniture company yesterday and suffered a badly lacerated arm. He was taken to the Good Samaritan Hospital, where the wounds were dressed.

Hay's Hair Health

Restores color to Gray or Faded hair—Removes Dandruff and invigorates the Scalp—Promotes a luxuriant, healthy hair growth—Stops its falling out. Is not a dye.

DENT'S Toothache Gum

Used by millions of people for past 25 YEARS. Get the genuine DENT'S. All Drug Stores 15c.