

WEST IS INSINCERE

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 suppression of 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 merit 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 corroborations of the statements, I shall be very 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 This act has since been repealed and another act substituted, but bear in mind two facts: First, that our contract is controlled and interpreted by the act of 1907, and second, that the act of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 establish the fact that these lands were desert, for while the State of Oregon wished to claim them as desert lands, the Carey act, as then interpreted by 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 \$500,000, 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, acting in his own name, notwithstanding we had a contract between the State of Oregon and the Federal Government to the effect that the Secretary should classify these lands, Mr. Chamberlain, then Governor of this state, held informally that the Secretary should classify these lands as timber lands. This view was also held by John H. Lewis. From these two gentlemen I differed, and asked permission to withdraw the case from the Interior Department, the case was 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 at work 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 $\frac{3}{4}$ to 1 cent a cubic foot of water, it has 200 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 as security for the money it receives its 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 expense 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 this ready response from the investing public, such a response that today we

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 \$50 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 Desert 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 13, 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 it is being misapplied or misappropriated.

No Moral Necessity Assorted.

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, and a security covering 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 15,000 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, or one of these complainants, after seeing our lands, and knowing more about the matter, withdrew his complaint. What has Governor West to say to this?

Demand of Governor Worries.

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, while the Desert Land Board or other influence would take some means to induce settlers to come upon their lands, 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 percent in order that they may come to our valley and build homes. Everything that we can do, not only to re-locate our lands, but to cause them to be settled, we are going, although in causing it to be settled we are acting not as contractors but simply as citizens of the State of Oregon.

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, that 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.

Falling in the Governor's attempt to coerce me into again giving this information, on the 25th of June, 1911, he and secretary Olcott, a majority of a quorum of the Board, wrote me a letter, the letter was not written to the Deschutes Land Company; it was addressed to me. In this letter he says if the information desired is not furnished to the Board on or before Monday, July 3, 1911, and also unless on or before that date satisfactory arrangements are made with the Board for the establishment of a suitable trust fund as a guarantee of the completion of the project, the Board will take the matter up with the postal authorities and request that your company be denied the use of the mails. This is a cowardly, blackmailing letter. He here threatens, in order that he may obtain thereby that which he well knows he cannot obtain in law or equity.

The legal aspect of this letter has yet

LUCKIAMUTE RIVER ONE OF MOST ATTRACTIVE IN OREGON



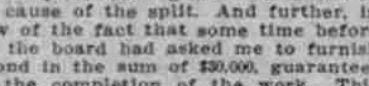
FALLS CITY, OR., July 25.—(Special.)—The Luckiamute is one of the most attractive in this state of beautiful rivers. Its headwaters start at the summit of the Coast Range about 12 miles west of Falls City, at an elevation of 3000 feet and drops to 350 feet elevation in this city. It flows through a dense 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.

WILD SCENE IN THE BIG TIMBER

SCENE IN THE BIG TIMBER. A large bear is seen in the foreground, surrounded by a dense forest of tall trees. The scene is described as wild and attractive.

FAMOUS AUTOMOBILE SPEED KING FORSAKES DANGEROUS OCCUPATION.

Roy Harroun, driver of the Marmon "Wasp," winner of the world's championship in the great 300-mile international sweepstakes race at the Indianapolis speedway last May, has forsaken the track for the engineering department of the Norfolk and Western Railway.



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PROMISE SECURED BY WOMAN.

The testimony discloses the fact that for a long time you have been selling intoxicating liquors to Skidmore while he was in a drunken condition. It also discloses that the wife of Skidmore went to you on different occasions and pleaded with you to refrain from further selling liquor to her husband. You promised her that you would accede to her request, but you never did until after this proceeding had been instituted.

WOMAN'S DETERMINATION SENDS LIQUOR DEALER TO CELL FOR SELLING TO DRUNKARD.

Woman's Determination Sends Liquor Dealer to Cell for Selling to Drunkard. A woman's determination to stop her husband from drinking led to the arrest of a liquor dealer who was selling to him. The woman, Mrs. Skidmore, had been pleading with the dealer to stop selling to her husband, but he refused until she took legal action.

JUDGE TAZWELL CAUSTIC.

Judge Tazwell Caustic. In a recent case, Judge Tazwell was caustic in his remarks regarding the actions of the parties involved. He pointed out the hypocrisy and the legal technicalities used to justify the actions.

LABOR MEN PLAN TO MEET GOMPERS.

Labor Men Plan to Meet Gompers. 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 is expected to visit the city on Thursday, August 10th.

STAIRWAY IN THE LUCKIAMUTE RIVER NEAR FALLS CITY.



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30 FOOT FALL ABOVE FALLS CITY.



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HIGHEST FALLS IN THE LUCKIAMUTE RIVER (50 FEET).



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COOL QUIET PLACE IN THE LUCKIAMUTE RIVER.



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WILD SCENE IN THE BIG TIMBER.



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6 MONTHS' PRISON OR FINE OF \$250

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Great Values in FARM LAND

The fertile HEAVEN 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.

Values here will rise swiftly—that is certain.

Today it is a district of great potential wealth—lands newly logged-off, 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, and the amount of cash which you can spare \$5 or \$10 a month can do business with.

This great district is an hour's run from Portland down the Columbia River.

Fine fruit and garden tracts—some of 150 slopes—plenty of fine water on every tract—handy to the city, and a fine view, etc.—most beautiful spot to be found—just the place for a home.

We want you to know more about this opportunity.

SEE US TODAY.

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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 Scheiderhan, complaining witness against E. O. Liam, and G. W. Harrington, charged with malpractice in the death of Dr. Stanley L. Lucas, who attended the woman after the operation was performed, was careful to secure from her a written statement which cleared him from the charge of performing the operation, but this document, instead of operating as a protection, may work to the physician's hurt, as the District Attorney has threatened to proceed against him for not reporting the fact when he discovered that a crime had been committed.

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 1258 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. Brown was cleaning the mangle, which had become clogged, and after doing all he could by hand, started the machinery to get at other parts. As he stood in front of the machine, his foot caught in his overalls and he was thrown into the machinery. The arm he put out to save himself was injured, but he escaped further hurt.

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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.

\$1.00 and 50c at Drug Stores or direct upon receipt of price and dealers name. Send 10c for sample bottle. This is the only Hair Health product.

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