

DISGRACEFUL JUGGLERY WITH COUNTY ASSETS MAKES TAXPAYERS UNEASY

COURT FAVORS MERGER

Trust Permitted To Pay Dividends Despite Former Order.

Decree Against Combine Amended by U. S. Judge.

Action Not Final But Taken Pending An Expected Appeal.

(Journal Special Service.)
ST. PAUL, April 20.—The United States Court of Appeals has modified the decree against the Northern Pacific Merger and now permits the Securities Company to pay dividends on its stock in May.

The news had a marked effect on stocks on Wall street. The decision created a great surprise.

ST. PAUL, April 20.—Judge Sanborn of the United States Court of Appeals, after hearing argument, ruled that the Northern Securities might pay May dividends, holding that the Federal Court by injunction prevented the Merger from voting stock of the Northern Pacific.

The great Northern has a sufficient hold on the concern.

It is held that the injunction against the dividend was auxiliary and could be modified by the court.

The decree permits the stockholders of the Northern Securities to exchange its stock for the stock of railroads for which it was issued.

If the Supreme Court affirms this decree the stockholders in the Securities Company can make an exchange and draw dividends from the companies.

If the Supreme Court reverses the decree, the parties can draw from the Securities Company. Retention of dividends by the railway companies while the appeal is pending would not enhance or reduce the force of any legal right of the United States, while it might inflict unnecessary loss and injury upon stockholders who are justly entitled to receive these dividends as soon as an appeal is sustained.

Immediately after the decision the Northern Securities Company filed an appeal, and following an order of the court, gave bonds of \$50,000. Every point made by the railway attorneys was sustained.

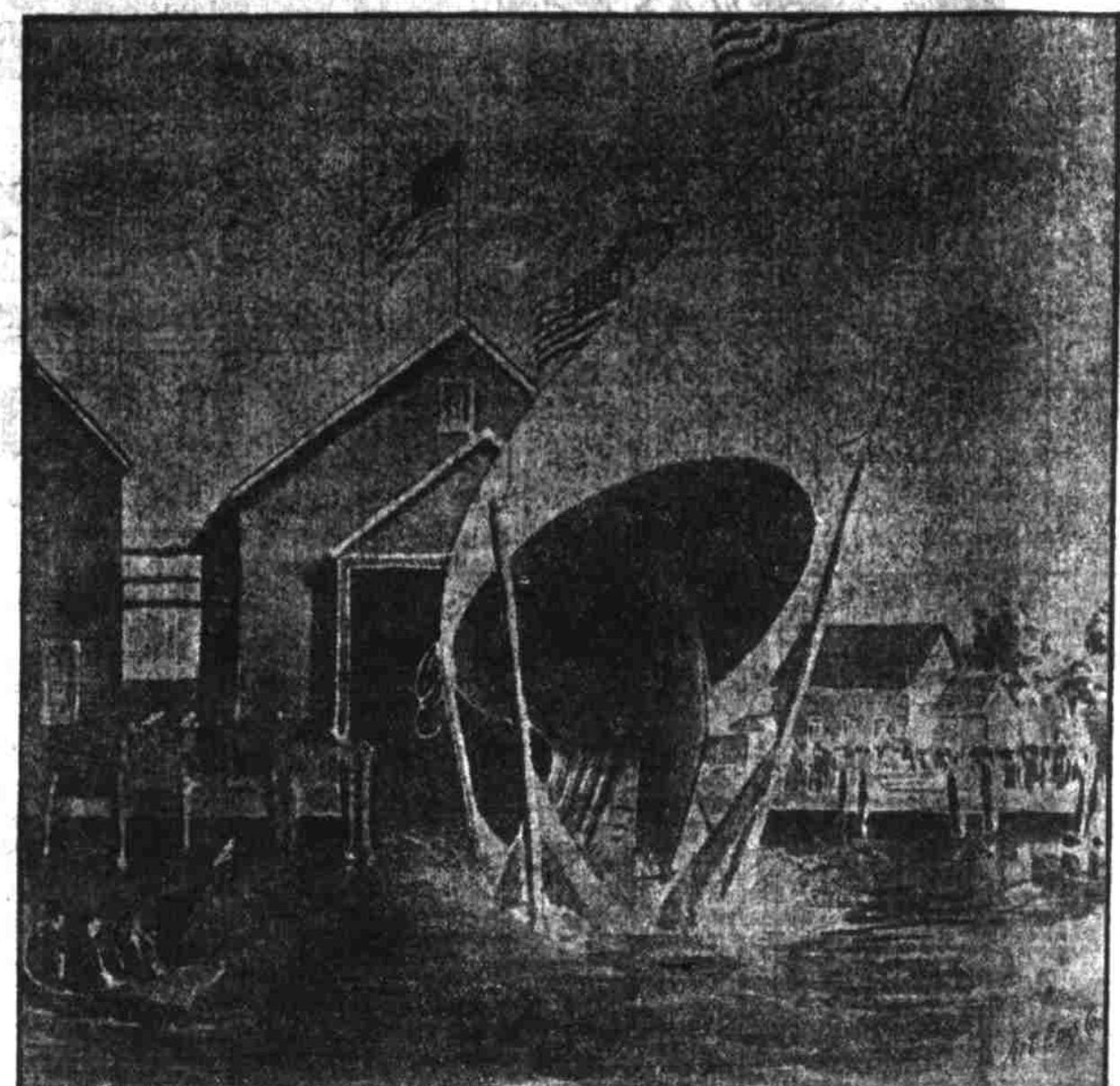
Judge Explains.
Judge Sanborn elucidated his position at length. He said the defendants had not asked the court to suspend the entire injunction, but only the portion which restrained the payment of dividends pending an appeal inasmuch as such dividends do not belong to the United States, which brought suit.

"The purpose of the government was to enforce the law against an illegal combination in restraint of trade. During the pendency of the appeal the government is protected by that portion of the injunction which forbids acquisition or voting of any stock of these two railway companies. The appeal in this case will probably be determined by the Supreme Court about November."

"It is not perceived how the retention or payment of dividends during the pendency of the appeal can injuriously affect any right of the United States in this litigation, and the only question is whether the dividends shall be piled up in the treasuries of the railway companies or paid to the stockholders to whom they legally belong, and who must ultimately receive them, which ever way the final decision in the case may be."

Effect in Wall Street.
NEW YORK, April 20.—Securities stock jumped from 94 1/2 to 99 immediately when news of the St. Paul suspension of injunction permitting May dividends was announced. Wall street is surprised.

PRETTY AND SWIFT IS CUP DEFENDER YACHT RELIANCE



No prettier yacht was ever launched in American waters than the new cup defender, Reliance. Her builders and the men who are to operate the yacht in the races for the America's cup, are confident that she is the swiftest thing that ever toyed with the wind and sped over water to be victor in a race.

Sir Thomas Lipton may succeed in his ambition to gain the America's cup, but New York yachtsmen who have studied the new defender are as confident in the merits of the Reliance as they were two years ago in those of the Columbia.

PARRY DECLARES HIS OPINIONS

Manufacturer Again Attacks Unionism.

(Journal Special Service.)
INDIANAPOLIS, April 20.—President Parry of the Manufacturers' Association, arrived here yesterday. He says:

"We do not propose to have the United States placed in the clutches of the dreary, obstinate and vicious sort of foreigners of strong Socialistic and anarchistic tendencies, and their leaders are doing everything in their power to start a rebellion against the United States government."

"The movement in this country today," continued Parry, "is in the hands of foreigners of strong Socialistic and anarchistic tendencies, and their leaders are doing everything in their power to start a rebellion against the United States government."

LAD DIES IN FLAMES.
(Journal Special Service.)
SAN FRANCISCO, April 20.—Albert Foster, a nine-year-old boy, was burned to death last night. He took matches to bed with him to play with, and the fatality resulted.

LEATHER STRIKE OVER.
(Journal Special Service.)
SAN FRANCISCO, April 20.—The great strike of the leather workers of California has come to a conclusion after more than a year of fighting. The workers secured an additional raise in wages.

STRANGE RELIGIOUS FRENZY OF OLSON

Claiming to be possessed of the spirit of God, John Peter Olson, one of Rev. A. L. Wilson's Pentecostal converts, ran shouting through the streets of Albina for more than an hour yesterday evening. The man kept up his strange demonstrations until weariness of the flesh deprived him of power to continue. Several hundred people witnessed the man's strange behavior.

When Olson became exhausted and retired, Rev. Wilson harangued the crowd, declaring him to be possessed of the Holy Spirit and claiming the event as a direct manifestation of Divine Will. During Rev. Wilson's remarks, Olson, gasping and trembling, stood by and continued to shout at intervals.

John Peter Olson is a Swede laborer who several weeks ago became a convert, but not until yesterday did religious frenzy make itself fully manifest. Rev. Wilson is a well known Portland evangelist. He belongs to no denomination, simply speaking in the interests of Christianity, preaching the second coming of Christ and eternal fire for the wicked. He is conducting services at the Pentecostal Mission in Albina and it was in front of this that yesterday's demonstration occurred.

During the period of his strange alleged association with the spirit world Olson ran about from place to place, pawing the earth like a wild animal, tossing his arms; shouting unintelligible words; frothing at the mouth, and tearing his hair. Perspiration rolled from him in thick streams. No effort was made to restrain him.

SEVEN DEAD IN WRECK

Trains Pile Up Causing Frightful Disaster in New York.

More Than a Score Are Seriously Injured in Collision.

Passenger Crashed Into Rear End of Freight Train.

(Journal Special Service.)
NEW YORK, April 20.—Seven lives were crushed out and more than a score of persons were seriously injured in a train smashup on the Erie road this morning near Redhouse.

A passenger train running at full speed crashed into the rear end of a freight train. The freight had been delayed in making a siding and it is said that the usual signals were not displayed in time to warn the oncoming passenger train of its danger.

The disaster occurred at 4 o'clock this morning, and the engineer could not see the obstacle in the path of the train until he found his locomotive plowing its way through the freight.

The passenger train was in an indescribable mass of wood and iron. Many of the passengers were pinned in the wreckage and died before surgical aid could reach them.

Two sleeping cars caught fire and several of the passengers were burned alive in the cars.

THIRTY THOUSAND MINERS LOCKED OUT

(Journal Special Service.)
MAHONING CITY, Pa., April 20.—As a sequel to the refusal of the men to work nine hours on Saturday last a lockout was inaugurated this morning and threatens to develop into another general anthracite coal strike.

Thirty thousand men and boys are idle today as a result of the new order, which went into effect this morning. The mines involved are those of the Philadelphia & Reading.

No explanation accompanied the order. The men were simply told "There is no work for you."

And with this they were forced to content.

CONVICTS FIGHT FATAL DUEL.
(Journal Special Service.)
SALT LAKE, April 20.—E. W. Hamilton and Will Brown, convicts in the Utah state prison, fought a battle to the death inside the penitentiary walls this morning. One was armed with an iron bar and the other with a knife. Hamilton was stabbed in the side and Brown's head was split open. Both will die.

SILVER MINE IN MARYLAND.
(Journal Special Service.)
CUMBERLAND, Md., April 20.—While workmen were opening fireclay banks silver in considerable quantities was unearthed here. Assays which have been made declare the mineral to be a rich vein. The mine is in the heart of the coal regions.

GLASGOW FAVORS FRANCE.
(Journal Special Service.)
GLASGOW, April 20.—The Chamber of Commerce this morning adopted enthusiastic resolutions favoring a commercial treaty of peace between Great Britain and France. This action is significant as indicating the pronounced change in public sentiment toward France.

PASSENGER DIES SUDDENLY.
(Journal Special Service.)
DUNSMUIR, April 20.—N. Nebricht, a passenger on the Oregon Express, left the train at this point yesterday and disappeared. His dead body was subsequently found in the river. There is no clue to the manner of his death.

HOWARD CROSS-EXAMINED.
(Journal Special Service.)
FRANKFORT, Ky., April 20.—Howard was cross-examined this morning, but nothing was discovered beyond what he had already told.

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BARREL MYSTERY PARTLY SOLVED

Victim Identified as a Resident of Buffalo.

(Journal Special Service.)
NEW YORK, April 20.—The mystery connected with the finding of an unknown man, murdered, in a barrel on a business street of this city last week is partly cleared up. The victim has been identified, but the police are still at a loss to account for the tragedy or to name the criminal.

This morning Inspector McCloskey announced that the victim had been identified as Manduena Benedetto, of Buffalo, N. Y.

The remains were fully identified by the man's brother-in-law. He was aged 43 years. He was married and his wife had been at a loss to account for his disappearance. How he got to New York and why, and the manner of his death are as deep mysteries as ever.

The victim's brother-in-law is serving time in Sing Sing for counterfeiting. An Italian detective went to the prison yesterday and showed him a photograph of the murdered man, which was instantly recognized by the convict.

ADVANCE ENTRIES AT OAKLAND

OAKLAND RACE TRACK, April 20.—The over-night entries for tomorrow's races are as follows:

First race, Futurity Course, selling, maiden 2-year-olds:	
3009 Tarrigan	109-4851 Mover
4242 The Owl	115-4848 Morden
4096 Tulin	115-4844 Maid Mailer
4179 Wilfred W.	89-4511 Young Marlow
4230 Bremen	112-4242 Philadelphia
4040 Theodore L.	104-4128 Sampson P.
4024 Alta G.	119-3857 Petra del T.
4224 Medwan	112-4224 Sherry

Tax Certificates Given Away in Exchange for Paper Known To Be Absolutely Worthless.

Over \$7,000 of the County's Assets Sacrificed in One Transaction without Receiving Any Consideration.

Extraordinary Illustration of the Methods Which Prevailed in the Board of Commissioners.

The publication in these columns on Saturday of a summary of the report of the expert who has been investigating the books of the County Clerk's office, was necessarily incomplete. Numerous cases were then presented illustrative of the extraordinary mismanagement of the county's affairs during the six years covered by the expert's report, but many transactions noted by him were omitted. One of these was so remarkable that it deserves the attention of every taxpayer in the county. Already the taxpayers are growing uneasy over the disclosures.

Ample evidence has already been presented to show that the county's assets were recklessly sacrificed in the settlements of delinquent taxes, but all of these transactions are cast in the shade by the action of the County Commissioners in June, 1901, recorded in volume 22 of their journal, page 355.

The Commissioners first entered into an agreement to exchange about \$4,000 of tax sale certificates, known to be absolutely worthless and had been declared invalid by decree of court. And then, as if this were not had enough, an additional \$3,000 of tax sale certificates were surrendered to the holder of the worthless warrants, in excess of the amount originally agreed upon, and without any consideration whatever.

Gave Away County's Assets.
There is nothing in the records or in the expert's report to indicate that the slightest fraud or imposition was practiced upon the Commissioners in this truly remarkable transaction. On the contrary the worthless character of the warrants was set forth in the very petition upon which the action of the Board was based. The Commissioners simply gave away \$4,000 of tax sale certificates standing in the name of Multnomah County in exchange for a lot of waste paper, and then in a second spasm of generosity added \$3,000 more of certificates to their original gift.

Inasmuch as the county had previously expended over \$1,800 to establish the invalidity of these warrants, the total loss to the taxpayers by the whole transaction was over \$6,000.

The details of this case are given briefly in the expert's report. During the year 1894 the then County Clerk issued about \$5,000 of road warrants raised on forged time checks. The forgeries were discovered, one of the men implicated was sent to the state penitentiary for five years, and by decree of the Circuit Court entered February 15, 1897, the warrants were declared invalid.

This decree was the result of a suit brought by A. H. Maezley to enjoin payment of the warrants, the county having entered into a contract with him whereby he was to receive payments equivalent to 30 per cent of all the forged warrants which he caused to be surrendered, or adjudged invalid. The Circuit Court declared that these warrants to the amount of \$4,957.75 were invalid, and Maezley was accordingly paid 30 per cent of this amount, or \$1,487.32.

That appeared to end the matter. The county had been swindled into issuing the warrants upon forged time checks, but at an expense of twelve hundred dollars the warrants had been judicially declared void, and those of the taxpayers who paid any attention to the matter doubtless supposed that it was closed.

Worthless Warrants Reappear.
But the warrants, though thus pronounced worthless, were still outstanding, and after a lapse of four years the holder presented a petition to the County Commissioners asking that he be permitted to unload his worthless securities upon the county, and that the county give him in exchange an equal amount, dollar for dollar, of tax sale certificates which it owned.

The motto of the Commissioners in dealing with all petitioners was apparently, "Ask and ye shall receive." The petition was granted and an order was entered directing that tax certificates to the amount of \$4,957.75 be assigned to the petitioner, upon surrender of the warrants. The certificates were to be assigned at their face value, without the addition of any penalties.

But when it came to carrying the order into effect, even its liberal terms were exceeded. Tax sale certificates to the amount of \$7,318.43, or \$2,360.67 in excess of the amount agreed upon, and in excess of the warrants surrendered, were generously turned over to the petitioner.

This transaction was consummated during the term of office of W. M. Oake, as County Judge, and William Snowens and J. G. Mach, as County Commissioners. Multnomah County acquired by the exchange a lot of waste paper, which could not have been unloaded on any other buyer in the county.

Minor Irregularities.
The expert notes as a minor feature of this case the fact that some of the tax certificates turned over by the county were for taxes for 1893 and 1894, which included the city levy, but should not have been applied on any indebtedness of the county, but this was ignored by the officials.

The expert observes in the concluding portion of his report that "Section 3181 of Bellinger & Cotton's Code provides for the redemption of property bought in by county, the city levy and should not have been applied on any indebtedness of the county, but this was ignored by the officials."

The expert found that in a number of cases certificates of sale owned by Multnomah County had been assigned for less than their face value. In some cases where taxes were delinquent for prior years, the certificates of sale were assigned, thereby barring the county's claim for such prior years' taxes.

AND THIS IS ONLY A TAXING!
Officials Impartioned Taxpayers.
In summarizing in Saturday's issue of The Journal the expert's report upon the methods that prevailed in the settlement of delinquent taxes, mention should have been made of his statement that "It is generally known that taxpayers were impartmented by officials with a view to filing petitions and having taxes assessed on suggested or concealed irregularities of assessment or sale, for a consideration. Also that petitions were drawn by officials in this office, a practice which, it is needless to say, ought to be prohibited."

The expert's report gives many illustrations of the looseness with which the books and records of the county have been kept, and he notes one striking instance whereby the omission of a cipher in the assessment roll of 1894, the assessment of the Portland Railway Company dropped from \$60,000, the valuation of the previous year, to \$6,000, a mistake of \$54,000 against the county.

Carelessness and laxity in clerical work are a natural concomitant of the prodigal wastefulness which marked the conduct of the county's business.