ASSETS GIVEN AWAY WITH FREE HAND

Judge Webster Says That He Will Make an Investigation of the Matter.

(Continued from Page One.)

found in Commissioners' journal 22, page 366.

This order plainly shows that the Commissioners fully understood what was asked of them for it recites that the warrants held by the petitioner are invalid. Nevertheless the petition is granted. And here comes in the second extraordinary feature of this transaction.

As if it were not enough to grant an even exchange, dollar for dollar, as the bank had asked, the board directs the clerk to assign to the petitioner tax sale certificates to the amount of $7,218.42, or $3,164.67 more than the face of the warrants surrendered. For this amazing generosity there is no explanation whatever in the records or files pertaining to the case.

The order was signed by Judge W. M. Cake and Commissioners Mack and Showers.

Both Mr. Mack and Mr. Showers state that it was the intention of the board to assign to the bank only an amount of sale certificates equal to the warrants surrendered, and that the gift of an additional $3,000 of certificates was made without their knowledge or sanction. When asked why the petition was granted at all and why the county's assets should have been exchanged for warrants known to be worthless, both intimated that the petition was investigated by Judge Cake and that they were guided by his advice. "He volunteered to look into all such matters and we left them to him."

Judge Cake Passes the Buck.

Judge Cake displayed some reluctance to discuss the subject of the irregularities discovered by the experts.

"I am inclined to believe that it would not be proper for me to be interviewed upon the matters embraced in this report," he said slowly. Judge Cake had no clear recollection of the circumstances of the transaction with the First National Bank. He could not remember the reasons which at that time satisfied him that it was the duty of the board to exchange property of the county for a lot of worthless paper.

On one point only was his memory perfectly distinct. **"The board never authorized the assignment of tax certificates in excess of the warrants and if such an assignment was made, the responsibility rests unquestionably with the County Clerk."**

If this statement is to be accepted as correct, it at last throws some light upon a matter of grave importance to the public.

The transaction occurred only a few months before the death of the late H. H. Holmes, who was then County Clerk, but whether he or some deputy was chargeable with this excess assignment of certificates, Judge Cake could not say. All three members of the board say that the entry of orders in the Commissioners' journal was always several months behind-hand, and that they were in the habit of signing the journal when it was presented to them without any comparison of the orders with the petitions. "We had to rely upon the clerk" said one of the commissioners.

Still More Remarkable.

But remarkable as the foregoing transaction appears, it was eclipsed by the settlement made on December 15, 1900, and shown in Commissioners' journal 22, page 220. By the order entered in this case **the county made a gratuitous gift of taxes amounting to $18,299.66,** and according to Commissioners Mack and Showers this was done entirely without their knowledge or consent. Judge Cake cannot be charged with responsibility in this instance, as he was not then on the board, W. E. Steele being the third member.

The property involved in this settlement was the Marquam Block and 80 acres in John Quinn D. L. C. Suit was instituted against Multnomah County by the Title Guarantee & Trust Company on July 13, 1899, to defeat the taxes on this property for the years 1894, 1895, 1896 and 1897, amounting to $24,514.54. The suit resulted in favor of the county, a decree being entered in the Circuit Court on May 9, 1900 dismissing the complaint. The county paid fees to special counsel employed in the case to the amount of $1,750.

After this decree was rendered application was made to the Board of Commissioners to compromise the county's claim, and according to Commissioners Mack and Showers it was finally agreed to accept the sum of $15,774.83 in full settlement of **the taxes involved in the litigation.** It is said, with apparent reason, that this basis of compromise was advantageous to the county, as the validity of some of the taxes involved was in doubt. Commissioners Mack and Showers declare emphatically that **it was never even suggested that the compromise should include taxes subsequent to 1897, as they were not involved in the litigation.**

The taxes which had accrued for the years 1898 and 1899, and which, according to these two Commissioners were not to be included in the compromise, amounted to $18,299.66, making the county total claim $42,814.

Nevertheless the order as entered on the journal explicitly recites that in consideration of the sum of $15,774.83 the county cancels the **entire amount** due it for taxes on the property in question and that the settlement **"includes, satisfies and discharges all claims of the county for taxes of whatever nature prior to the year 1900."**

By this order therefore the county not only compromised the taxes which had been in litigation but also waived all claim to the subsequent taxes which alone amounted to more than the sum paid the county. It was a clear gift of these subsequent taxes amounting to over $18,000.

The order was signed by all three of the commissioners, Steele, Mack and Showers. Accepting as true the statement that they intended to settle only the taxes involved in litigation, the question at once arises **Who was responsible for enlarging the scope of the order so as to make it include the taxes of 1898 and 1899?**

Presumably the order was entered upon the journal by some deputy of the County Clerk. By means of it over $18,000 was virtually taken from the County Treasury and turned over to the owners of the property in question. Who is to be charged with this transaction? **Can any man question that gross fraud was perpetrated in this instance upon the taxpayers of Multnomah County?**

The Dekum Settlement.

The third case cited by the experts to show the manner in which the claims of Multnomah County were compromised is the settlement effected with the Dekum estate, as shown by the order entered on the Commissioners' journal on July 16, 1901. Judge Cake had then resumed his place as a member and chairman of the board, displacing Mr. Steele. The transaction included the well-known property of the Dekum estate, situated at two corners of Third and Washington streets, at First and Washington and at Front and A streets. The liberality displayed in surrendering the county's claims in this instance cost the taxpayers a little more than $5,000, and they would have been better off in the end if no attempt whatever had been made to collect the taxes due.

During the year 1899 suit was instituted against Multnomah County to set aside the county's claim, by virtue of the mortgage tax for 1892, upon the Dekum Building. Decree was entered in favor of the county by the Circuit Court on October 16, 1899, and it was affirmed by the Supreme Court on January 14, 1901, with costs. The decision in this case was generally supposed to settle the validity of the mortgage tax law. The county paid special counsel for defending this suit $950, and costs amounting to $89.30, making a total of $1,039.30. The suit involved the 1892 tax on only a portion of the estate, amounting to $3,000.12.

A petition was then filed with the County Commissioners by the trustees of the Dekum estate asking a compromise of the taxes due for the year 1892 upon all the property of the estate, amounting to $5,216.53, and offering to pay in full settlement thereof the sum of $975.

Although this was less than the county had expended for attorney's fees and costs, and although the validity of $3,000 of the taxes due had been established by the suit already referred to, the Board of County Commissioners granted the petition.

The report of the experts observes: "In view of the above facts it seems unreasonable that the county should cancel the tax referred to virtually without consideration and be out attorney fees and costs, namely $1,039.30, besides waiving the precedent established by the decision."

The order in this case was signed by Commissioners Mack and Showers, but not by Judge Cake. The latter states that he does not remember the reasons that led to the compromise and is not sure that he participated in the action of the board. Both Mr. Mack and Mr. Showers declare positively that in this, as in all other settlements of tax claims, they were guided largely by Judge Cake's advice. They state that the settlement could not have been made without his knowledge and approval. Owing to the legal question involved they would not have taken any action which he did not sanction.

Who Were the Boodlers?

These three transactions are the first cases cited in the experts' report to show the manner in which the business of the taxpayers was conducted by the Board of Commissioners and the County Clerk. Many other illustrations are given and mention has been made of them heretofore in The Journal. One of the most significant features of the report is the following statement made by Mr. Black, the expert, in summing up the results of his investigations:

"I have stated a few of these instances, but there are many others, appearing regular on their face, **for which I am satisfied other considerations were paid.** These have been passed very reluctantly. It is generally known that taxpayers were importuned by officials with a view to filing petitions and having taxes reduced on suggested or concocted irregularities of assessment or sale for a consideration. Also that petitions were drawn by officials in this (the County Clerk's) office, a practice which it is needless to say ought to be prohibited."

The explanation of the three transactions above set forth may perhaps be found in the payment of "other considerations" than those paid to the county. If so it will be pertinent for the county authorities to inquire who it was that received these "other considerations" and whether he may not yet be brought to a rigid accounting for his acts.

Scene from "Our New Minister," Denman Thompson's Great Play, which opens an engagement of three nights at the Marquam Grand Theatre tonight, giving a special matinee Saturday at 2:15 o'clock.

DISCUSS THE NEW PROJECT

Labor Men and Employers Are in Close Conference.

Plan Under Consideration to Settle the Difficulties.

A committee from the Building Trades Council, composed of G. Monish, of the Plasterers' Union; C. H. Canfield, of the Electrical Workers, and O. N. Pierce, business agent of the Carpenters' Union, is conferring with representatives of the Master Painters' and Builders' Associations this afternoon relative to a settlement of the labor difficulties on the plan exclusively outlined in yesterday's Journal.

The conference was to have occurred at 10 o'clock this morning in the office of Sutcliffe & Bliel, master painters, but the association representatives failed to materialize. They sent regrets, however, and stated that they would be able to meet the committee at 3:30 o'clock this afternoon. The postponement proved satisfactory to all concerned.

Although both sides were extremely guarded, previous to the meeting, in their remarks relative to what they believe will be accomplished, it was plain to be seen from the drift of their conversation that they are very much inclined to take an optimistic view of the situation. In other words, they convey the impression, unintentionally perhaps, that the present local labor entanglements are nearing a solution.

Expect Settlement.

Those on the labor committee believe that if they can convince the employers by entering into an agreement with them that Portland will be free from all strikes in the building line for the next three years that a settlement will be immediately reached. As was stated yesterday they are in favor of the appointment of a standing arbitration board whose duty it will be to settle all differences which may arise during the life of the agreement. While these matters are being adjusted all work is to continue without interruption, and whatever decision is arrived at by the board is to be absolutely binding.

Such a board, it is pointed out by J. C. Skemp, third vice-president of the Brotherhood of Painters, Decorators and Paperhangers of America, is in existence at both San Francisco and St. Louis, and is proving one of the most satisfactory institutions ever experimented with in the industrial world to both employers and employes. It guarantees both sides, he states, fair treatment, and all possibility of strikes and lockouts is eliminated. Every representative of labor interviewed on the subject is in favor of the introduction of a similar plan at Portland, and express the wish that it will be brought about at the meeting this afternoon. They assert that it is the only method of arbitration that will give entire satisfaction to all interested parties.

Favored by All.

Business men are also hoping that an understanding of this character will be reached. They realize that something must be done, and the proposition now under consideration impresses them as being the most feasible of any that has been suggested. They declare that it has all the elements of common sense and bears the earmarks of reason and equity, and they would like to see it put in operation without a moment's unnecessary delay. If once definitely and positively assured that Portland will not experience any labor troubles for the next three years, they state, the city will be the scene of the greatest industrial activity in its history. Capital will come here looking for investment, they argue, and an era of unprecedented prosperity will reign.

The Lumber Trust.

"Now, if this can be brought about," said a well-known labor leader, who is averse to talking for publication at this particular time, "all well and good. No one would rather see it than myself and the Building Trades Council. We will give it a warm welcome—in fact, hail it with joy. But if the plan falls through—that is, not countenanced by the employers—it is the last step we will take toward bringing about arbitration. Moreover, we will take steps to break the lumber trust. We have been informed by the best attorneys in the city that they are acting unlawfully in refusing to sell lumber in the local market only to a certain faction. Conspiring to restrain trade is the charge we will bring against them in the courts, and if the opinions of the leading lawyers here amount to anything we will compel them to sell lumber without discrimination. If they have any right to tie up the city and hinder its prosperity we would like to know it, and intend to find out the facts in the case at the earliest opportunity. But I sincerely hope, however, that we will not be forced to go to this extremity. If the plan we are now working upon, which seems to be satisfactory to everyone, goes through, all right; that will settle the matter—the mills will then begin supplying lumber."

GUNNERS WOUNDED TWO MEN

A Defective Armor Plate Is the Cause.

Men of the Marblehead Fire at Target on Cruiser Boston in Practice.

(Journal Special Service.)

SAN FRANCISCO, May 7.—Through defects in the alleged armor plate supplied to the government two men of the cruiser Boston were shot and seriously wounded while the warship was at target practice off the Mexican Coast.

Ensign Huff and Boatswain McNamara were shot while behind the target. Huff was shot in the right forearm and McNamara in the head.

The crew from the Marblehead were shooting at the target on the Boston, using the Morris Tube System, a gun of small calibre being attached to the large one. The rain of bullets penetrated the defective protective plates.

Officers of the fleet made every effort to suppress the news.

TOUGHS BEAT REPORTER.

SAN FRANCISCO, May 7.—As an outcome of the fight that the Californian has been putting up against the tough element in this city, A. L. Hinton, a reporter, has been attacked in the street and badly beaten. Editor Harrell of the Californian has offered a reward for the detection and conviction of Hinton's assailants.

RAILROAD AGREEMENT IN SIGHT.

(Journal Special Service.)

SAN FRANCISCO, May 7.—It is believed here that Harriman and Huntington will probably come to some agreement today concerning the Los Angeles holdings. Harriman will then return to New York.

LAUNCH TACOMA MAY 21.

SAN FRANCISCO, May 7.—The protected cruiser Tacoma will be launched at the Union Iron Works on May 21. She will be the first naval vessel to be copper sheathed.

WILL REMAIN A MYSTERY.

LORAIN, May 7.—The Mayor today admits that the police have no clue in the Reichlin case and says he believes the murderer will never be apprehended.

ENTIRE POLICE FORCE MAY BE DISCHARGED

Charter Provision Places Every Patrolman on Probation—Great Uncertainty Manifest.

Now that the civil service examinations are over, the police are facing another unpleasant complication. According to the city charter, every patrolman in the department is now on probation, and how long his job will last depends solely and absolutely upon the Executive Board during the next six months. If, at the end of that period, a man is still permitted to wear the star of authority, his position is supposed to become permanent.

This feature of the new charter did not become known in police circles until this morning, and consternation reigned. It had been presumed among the patrolmen that after passing the recent series of examinations, running the 80-yard dash and successfully performing other stunts, that they were safe. Now, however, the cloud of doubt has again arisen, and a feeling of great uncertainty prevails.

Chief Hunt said this morning that he had but recently become aware of the charter provision relative to the six months probation of patrolmen. "I have no comment to make upon it," said the Chief, "but the men who have learned of it seem quite put out. A man naturally would be when his position is in the balance."

Whole Force May Go.

There are several patrolmen who were at first rejected, but who have since put themselves right. Among them may be mentioned Patrolman Quinton, Slover, Hill and Barter. They thought themselves permanent members of the department, but when they learned of the new feature, they changed their minds. There are no permanent members, for the Executive Board may choose to discharge every patrolman on the force before the six months are past. The board has the power, and may exercise it to the dismay of part or all of the men.

The civil service has caused a feeling of depression among the patrolmen that extends from the time of the passage of the city charter down to the present. Many patrolmen have stated to The Journal that they have no incentive to do good police work when they do not know what minute their positions will be snatched from them and given to others. Now that it has become known that those who passed the examinations are merely probationers, the feeling has apparently become more pronounced.

The only statement that Chief of Police Hunt has made relative to civil service and his force, was made this morning, and was in reference to Jailer Ben Branch. "I do greatly dislike to see Branch go," said the Chief. "His only disqualification is that he falls two inches short of the required height. He is faithful, hard-working and a great competent man for the position. He has served the city for 24 years, and it really seems a pity that he must be let out."

REAMES SPEAKS AT DALLAS

(Journal Special Service.)

DALLAS, Or., May 7.—Hon. A. E. Reames, Democratic nominee for Congress, addressed a large and enthusiastic audience in the court house in this city last evening. Mr. Reames arrived in the city at noon and spent the remainder of the day in greeting old friends and making many new ones. All were pleased with his charming personality, and it is thought that he has gained votes by his visit here.

There is only one more week left in which to name the queen of the carnival, to be held here in June. Miss Percival of Independence is still leading this week, with Miss Brown of Dallas a close second. As the coming week is the last one in which votes can be cast, some remarkable changes are looked for. Following is the vote for queen: Miss Pearl Percival, 814; Miss Laura Brown, 793; Mrs. Anny Dunn, 730; Miss Nannie Starr, 287; Mrs. Grace Cherrington, 229. For page: Harry Madison, 81; Maurice Dalton, 71; Laird Woods, 67; Harold Hart, 30.

CHINESE WANT MINES.

(Journal Special Service.)

GRANT'S PASS, Or., May 7.—It is reported that two or three of the leading Chinese merchants of Portland are negotiating for the purchase of the jade claims on Indian Creek just south of the Oregon-California line and near the Crescent City-Grant's Pass stage road.

Jade was one of the first-discovered minerals. It was much used in prehistoric times for weapons and utensils, and was highly prized, especially in the Orient, for ornamental carvings, rings, bracelets, vases, etc. It is a tough, compact stone, varying in color from a transparent white to a dark or pale green.

MORGAN A DIRECTOR.

(Journal Special Service.)

DETROIT, May 7.—J. P. Morgan was elected director of the Michigan Central today. It is understood he represents large British interests in the road.

DEFEATS DIRECT VOTE.

(Journal Special Service.)

TALLAHASSEE, Fla., May 7.—The Senate today sustained the Governor's veto to the resolution calling for the election of United States Senators by direct vote, thus finally defeating the memorial first introduced by W. R. Hearst.

WORKING FOR FAIR.

INDEPENDENCE, Or., May 7.—Mrs. A. J. Goodman, president of the Women's Lewis and Clark Club of this city, is in Portland to meet with the committee on women's work for the Exposition.

TRIED TO BRIBE HIGH OFFICIAL

Young Mississippian Wanted to Be Postmaster and Offered Pay.

JACKSON, Miss., May 7.—Fenard Baker, a young white man has been arrested at Okolona for offering a $300 bribe to the Fourth Assistant Postmaster-General for an appointment as postmaster at Indianola.

INCREASE 100 PER CENT.

PENDLETON, May 7.—Sheep shearing has commenced and the lambing season has ended. Reports of increases range around 100 per cent., the average being a little higher than usual, in the face of a backward spring.

MULE DERAILS A TRAIN.

(Journal Special Service.)

HENDERSON, Ky., May 7.—Collision with a mule derailed the Illinois Central passenger train near Hardings this morning and three members of the train crew were instantly killed. The locomotive was derailed and fell down a steep embankment.

ROME HONORS MARCONI.

(Journal Special Service.)

ROME, May 7.—Marconi was the guest of honor today of Prince Colonna, who conferred upon him the citizenship of Rome. The King and Queen were present. Marconi delivered an address on the recent developments of wireless telegraphy. He received a great ovation.

ROOSEVELT TO THE POPE.

(Journal Special Service.)

ROME, May 7.—The Pope today received with much satisfaction a collection of presidential messages sent by the various Presidents of the United States to sessions of the American Congress. The collection was forwarded His Holiness by President Roosevelt.

SHIP WAS ON FIRE.

(Journal Special Service.)

SAN FRANCISCO, May 7.—On the voyage up the Coast from Mexico fire broke out in the coal bunkers of the steamer Numalita, of the Kosmos Line. The lives of passengers and crew were endangered for some time but the fire was extinguished after a fight of three hours.

TO SELL SACRAMENTO PAPER.

(Journal Special Service.)

SACRAMENTO, May 7.—The Record-Union, one of the leading newspapers of this place, it is reported, will soon be offered for sale.

REBELS DEFEATED.

(Journal Special Service.)

MELILLA, Morocco, May 7.—Advices just received state that the Kabils engaged in battle with the imperial troops near Fez. The latter were defeated after a 10-hour battle. Both sides lost heavily. The rebels, failing to receive reinforcements from the pretender, were unable to follow up the advantage gained at first.

FUNERAL OF BISHOP.

WASHINGTON, May 7.—Funeral services over Bishop Hurst in the Metropolitan Church were held this afternoon by his conferes on the board of bishops of the M. E. Church. The interment was in Rock Creek Cemetery. There was a large attendance of notables and leading clergy.

STEEL WORKERS GO OUT

(Journal Special Service.)

ST. LOUIS, May 7.—A thousand men who demand recognition of their union went out on a strike today and completely tied up the plant of the Gallagher Steel Company.

LOW RATE OCEAN TRIP.

O. R. & N. Makes Big Inducement to Attend the Presbyterian Assembly.

Those who expect to attend the Presbyterian General Assembly at Los Angeles, May 23 to June 2, will be interested in the announcement by the O. R. & N. of the low round trip rate from Portland by steamship of $38, cabin passage. Tickets will be sold for the steamship Elder, sailing May 12, and for the steamship Columbia, sailing May 17, limited for steamships sailing from San Francisco not later than July 15. For particulars ask at O. R. & N. city ticket office, Third and Washington, Portland.

Is easy to give and hard to receive. Our advice about a LAWN MOWER this summer is to buy the

Wildwood

Our reasons will be of the self-evident kind, but talk goes with them if you'll call and examine them. PRICES, from

$3.00 Up.

Drop in and see them on evidence.

DAYTON
Hardware Co.
FIRST AND TAYLOR.

At the Sign of the Padlock

HERMANN WAS DISMISSED FOR ILLEGAL ACTS

(Continued from First Page.)

tantly gave his consent, at the same time demanding that Deputy Commissioner Richards take practical control of affairs in the Land Office, so that public business might proceed under what he termed competent hands.

Hitchcock Not Responsible.

Secretary Hitchcock had practically nothing to do with Commissioner Hermann's retirement. He certainly had nothing to do with it in a political way, for Secretary Hitchcock knows no more about political affairs than does a baboon. He is about the poorest politician that ever happened anywhere on the face of the earth, and that is what made him for some years so enormously unpopular in Washington.

Mr. Hitchcock is a straight-forward business man who runs his department as he would run his store, and who demands that important officials be competent. He demanded that in the case of the Land Office and beyond that he did not go.

WHATEVER WAS DONE AFTER THAT DEMAND WAS MADE, WAS DONE BY PRESIDENT ROOSEVELT. MR. HERMANN WAS SHOWN UNUSUAL KINDNESS IN BEING ALLOWED TO RETAIN HIS OFFICE FOR SOME TIME AFTER PRESIDENT ROOSEVELT HAD FULLY DECIDED TO MAKE THE CHANGE, IN ORDER THAT THE COMMISSIONER MIGHT SO ARRANGE HIS AFFAIRS AS TO BEAT A GRACEFUL RETREAT.

If William McKinley, who appointed Binger Hermann to the Land Office, were alive, Mr. Hermann would not have been Land Commissioner.

INDIANS WANT TO STAY.

(Journal Special Service.)

SAN BERNARDINO, May 7.—Four leading captains of the Warner Ranch Indians arrived last night to petition President Roosevelt this afternoon to save their old home. They deny the statement of Indian Agent Wright that the Indians consented to removal. Last night the captains received word from the ranch that serious trouble is impending because Agent Collier is en route from San Jacinto with a party to enforce removal.