

FOUR INDICTED FOR STATE LAND FRAUDS

A. T. Kelleher, S. A. D. Puter, F. W. Jewett and H. H. Turner Said to Be the Men Who Are Indicted.

All Accused of Defrauding Oregon in School Land Transactions—Plan to Recover Part of Property Illegally Transferred.

(From a Journal Staff Correspondent.)

Stem, April 28.—Investigation of the state school land frauds was brought to a close by the Marion county grand jury this afternoon, when the jury presented its report to Judge Burnett and returned four indictments. The identity of the persons indicted is carefully concealed and will not be made known until they have been placed under arrest, but among those who have observed the course of the grand jury's inquisition, there is no uncertainty as to the names of the defendants.

It is well known that the operations of S. A. D. Puter, A. T. Kelleher and Frank W. Jewett, principals in many large transactions in school lands, have been occupying the attention of the grand jury, and H. H. Turner, the Marion notary who was Kelleher's tool and accomplice, has been deeply involved. Many other persons might have been indicted if the grand jury had attempted to bring to justice all the minor criminals, but this was not done. It was deemed sufficient to indict the principals, for the jury had other ends in view besides the punishment of the guilty.

May Recover Lands.

Even more important perhaps to the public than the indictments returned, are the recommendations of the jury as to the steps to be taken for the recovery of some portion of the lands of which the state has been defrauded. Not content with indicting the thieves, the jury undertakes to point the way for the recovery of the stolen property.

In its report the grand jury states that about 900 acres of school land which have been sold by the state are still undecided, the purchasers holding only certificates. Of these lands about 600,000 acres are believed to have been acquired by fraud, and the report gives a list of these holdings. The jury recommends the immediate cancellation by the state land board of all outstanding certificates that are tainted with fraud. Of the amount of land fraudulently acquired, some beyond recovery, no estimate is attempted, but it is known to reach millions of acres.

State May Save \$20,000,000.

The importance of this recommenda-

tion to the people of the state can scarcely be exaggerated. If the state land board acts in accordance with the grand jury's suggestion, probably 500,000 acres of land which have been sold to the land thieves will be reverted to the state. This land is worth from \$2 to \$10 an acre, and by cancelling the fraudulent sales which have been made the land will again be open to purchase by legitimate settlers. The result will be advantageous not only to such honest purchasers but to the school fund, which will be enriched by nearly half a million dollars.

The grand jury calls attention to the fact that many of the frauds were committed outside of Marion county and are therefore beyond the grand jury's jurisdiction. Multnomah county especially has been fruitful of frauds in connection with school land operations. Many of the speculators made their headquarters in Portland, and it was there that the fraudulent applications for school lands were executed and sworn to. A mass of information upon this subject has been gathered and will be turned over to District Attorney John Manning or to the next grand jury of Multnomah county.

Law Methods on the Part of the State Land Board.

Law methods on the part of the state land board, under former administrations, are the subject of some severe comment by the grand jury. The system followed in the past was a direct encouragement to fraud and little or no attempt was made to safeguard the public domain from the speculators who were preying upon it.

How State Was Robbed.

The report of the grand jury sketches briefly the system by which the state was robbed of its lands. The amount of school land which may be purchased by a single person is limited by law to 320 acres. The purchaser must make affidavit that he is buying the land for his own use and benefit and not for speculative purposes, and that he has made no contract, express or implied, for the sale of the land.

School lands were originally sold by the state at the uniform price of \$1.12 an acre, but they were worth much more than this, as has been the specu-

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FITZHUGH LEE IN GRAVE CONDITION

Noted Virginian Stricken With Apoplexy While Traveling En Route to Capital.

ENTIRE LEFT SIDE IS COMPLETELY PARALYZED

General is Taken From Train to Hospital—Fears of Recovery Are Expressed.

(Journal Special Service.)

Washington, April 28.—General Fitzhugh Lee was stricken with a severe attack of apoplexy while en route to this city from Boston last night, and he arrived here at 10 o'clock this morning and was given immediate medical attention. He was taken to the Providence hospital. It is stated that his entire left side is paralyzed, and he is in a very serious condition. A consultation of several physicians has been called. It is feared that there has been a hemorrhage of the brain.

General Lee has been governing his energies recently toward the celebration to commemorate the settlement of Jamestown to be held next year.

Fitzhugh Lee was born November 18, 1828, the son of Commodore Sidney Smith Lee, U. S. N. He is a nephew of the late General Robert E. Lee, and graduated from West Point Military academy in 1854, being commissioned second lieutenant of the second cavalry. He was severely wounded in a fight with Indians after being commissioned, and was appointed instructor of cavalry at West Point in 1860.

At the outbreak of the civil war he resigned his commission and was appointed adjutant-general of Ewell's brigade, Confederate army, and then was made colonel of the First Virginia cavalry. He commanded the whole cavalry of Lee's army at the war's close.

General Lee was elected governor of Virginia in 1886. In 1890 he was appointed by President Cleveland as United States consul to Havana, occupying the post until the declaration of war with Spain forced his return to the United States, when he was commissioned a major-general of the United States volunteers and placed in command of the Tenth army corps. After the war he was made military governor of Havana and given a commission in the Regular army.

LOEB LEFT TEDDY IN GOOD HEALTH

Rumors That Ill-Health Caused President to Shorten Trip Pronounced False.

ROOSEVELT IS AWARE OF CHARGES AGAINST LOOMIS

Generally Supposed That Venezuelan Question Causes an Eddy Return to Capital.

(Journal Special Service.)

Glenwood Springs, Col., April 28.—Secretary Loeb, who left the president's camp yesterday morning to ride to New-castle, says that the statement that the president is indisposed is not true. The story was occasioned by the announced shortening of the hunting trip. The president is in the best of spirits and is enjoying himself.

Secretary Loeb announces that public affairs have made it necessary for the president to curtail his trip and shorten his vacation by a week. He will start for Washington, May 8, making stops at Denver and Chicago.

Secretary Loeb said that the president was familiar with the charges made against Secretary Loomis in connection with the Venezuelan situation. It is generally supposed that this is the cause of the president shortening his visit.

Club-Foot, a grizzly that has been a terror to ranchers for a number of years, was killed last night by Fred Collins, a member of the president's party.

ARABIAN INSURGENTS CAPTURE A CAPITAL

(Journal Special Service.)

Constantinople, April 28.—A dispatch received here states that Sana, capital of Yemen province, Arabia, surrendered to the insurgents April 25. The town of Hentabaha with its garrison is now besieged.

M. GUERRARD NAMED.

(Journal Special Service.)

Washington, April 28.—It is announced today that the French government has designated M. Guerrard as the French member of the Panama board of consulting engineers.

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President Roosevelt, Taken in His Tent, and a Snapshot of the Last Crowd He Addressed Before Beginning His Hunting Trip. Reproduced by Special Permission of Underwood & Underwood.

"SALTED" CHICKENS WITH GOLD NUGGETS

Sold the Rest at Five Dollars Apiece to Speculative Neighbor Who Got Nothing.

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(Journal Special Service.)

Sap. Bernardino, Cal., April 28.—Charles Ashmead, a minor, accuses John Berry of being the author of one of the most original film-film games of record. Berry has a homestead in Apple valley, seven miles from Victor, and the other day Ashmead stopped at Berry's to rest over night. The morning after Ashmead's arrival Berry killed two fowls and Ashmead watched him dress them. In the crops of the fowls were found nuggets of gold valued in the neighborhood of \$20.

Both men were surprised and looked in vain for the places where the chickens had picked up the gold, and then merely as a speculation, explains Ashmead, he bought the five remaining chickens of Berry for \$5 each, and paid Berry \$2 for permission to dress the chickens on his ranch. Berry insisted on payment in advance, and when the fowls had been killed and their crops had failed to show up the least suggestion of gold, Ashmead began to scent a job. He declares that Berry fed the first two fowls gold while they were cooped up, intending to deceive and defraud him. Berry denied that he "salted" the chickens. Ashmead says it is an old game of Berry's.

HYPNOTIZED SISTERS PRONOUNCED INSANE

One Woman Completely Under Control of the Other and Both Declared Crazy.

LEAVES HIS FORTUNE TO DESERTED FAMILY

Rich Land Owner, Who Left His Folks Forty Years Ago, Has Death-Bed Repentance.

(Journal Special Service.)

Chicago, April 28.—Mary and Ann Valentine, sisters, were yesterday found insane. They were sent to Dunbar, Dr. Davis, superintendent of the detention institution, said the case is one of the most remarkable that ever came under his observation.

"Come stand by me, Anna, now keep your eyes open. It is our only way to escape," said Mary, and Anna was permitted to step forward and stand by the side of the witness chair, while Mary testified. Mary apparently had some influence over the younger sister, who is 35 years old.

"What that influence is, I do not know," said Dr. Davis. "It may be hypnotic. One thing is sure, she has complete control of her sister."

Mary is very talkative, but Anna is to the same degree secretive and would not speak until she received the sanction of her older sister.

"Mary, why did you ask your sister to step to your side?" asked Dr. Davis.

"Well, there is some one who has hypnotized us. It is persuasion. We must stand together for protection," replied Mary.

Both young women have been known as uncommonly bright, but given to dabbling in "occultism."

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(Journal Special Service.)

Pittsburg, April 28.—According to a story printed here, David James, a rich land-owner who died of cancer, made a will confessing his real name was David Jamieson, that he abandoned his wife and three sons in Brooklyn 40 years ago. The names of his sons are given as David, Wilson and Joseph, and the testator directs the executors to find them. He leaves them his entire estate.

Wilson Jamieson of Brooklyn, however, is the only one living. He is 40 years old, and is employed as an engineer in the home for the aged at a salary of \$18 a week. He lives in a tenement with his wife. There is no doubt as to his identity.

Alexander Ray, a brother-in-law of the elder Jamieson, who has just died, is greatly pleased to learn that the father decided to do the right thing by his children before he died. No reason is offered for Jamieson's desertion of his wife and children. His wife has been dead for some time.

JAPANESE FIRM TO DO BUSINESS HERE

One of the World's Wealthiest Firms Will Open Branch in Portland.

SMITH'S SHORTAGE FOOTS UP \$89,800

Missing San Francisco Tax Collector Proved to Be Forger as Well as Defaulter.

(Journal Special Service.)

Mitsui & Co. of Japan, one of the wealthiest commercial firms in the world, will open a branch office at Portland on May 1, which will be in charge of S. Makatsuna, who has the interests of the local house will be devoted to the shipping business.

On the start it will import cement, sulphur, coal, rice and matting, and export wheat, flour, lumber, iron and steel products. It has already reserved space for a shipment of flour to Hongkong on the steamer Niocomeda, scheduled to sail next month. When the business expands T. S. Mochizuki says there is a probability that the company will operate a fleet of steamers from this port, stopping on the outward voyage at Seattle, where a branch office will also be established.

Fig iron will be purchased in England and sent to the Columbia river in sailing vessels. It will be shipped in bond and on its arrival will be transferred to the steamer bound for China and Japan. By pursuing this method it will not be necessary to pay a tariff on the product, and the firm will be in a position to compete with the English and German manufacturers who ship the goods direct to the far east.

The company owns seven steamers of a gross tonnage aggregating more than 20,000 tons. They are almost exclusively engaged for the transportation of the company's own merchandise to and from Shanghai, Hongkong, the Philippines, Bangkok, Java and other eastern points. They are the Tsurugisan maru, Hikosan maru, Kaichidai maru, Arisaka maru, Fujisan maru, Miyagisan maru, and Asosan maru.

In the course of a year the business transacted by the company aggregated \$5,000,000 yen. One steamer was representing 70,000,000 yen, equivalent to one percent of the total trade of Japan.

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FRAUDULENTLY SIGNED MANY SALARY WARRANTS

Further Investigation Results in Discovery of Many New Defalcations.

(Journal Special Service.)

San Francisco, April 28.—The crime of forgery has been added to that of stealing public funds in the further investigation today of the tangled affairs of Tax Collector Smith. Members of the grand jury and experts discovered today a large number of salary demands in the treasurer's office, that had come from the tax collector's department, and which have been properly paid, but were the rank and file's forgery. The demands, which range from \$50 to \$100, were forged by Smith himself.

Simultaneous with this discovery it was found that Smith had pocketed the additional \$4,000 paid as tax on real property, bringing his defalcation up to \$89,800.

Smith disappeared April 15, stating that he was going on a vacation to the southern part of the state. No attention was paid to his departure until last Wednesday, when his brother, who is cashier of the office, discovered that the tax collector had made away with a \$89,800 payment of the southern office company for taxes and given no credit for the books in the company. The money had been paid personally by Smith.

Experts were at once put upon the books by the major and grand jury and a corps of clerks are busy checking up the accounts, which already show the total shortage will probably foot up to \$100,000.

Two weeks ago Smith ordered \$100,000 from the county treasurer, and in the same position, which is now being another instance of his misdeeds.

It is reported that the treasurer's office has a list of names of persons who have been defrauded by Smith.

STRIKERS ENJOINED

Judge Kohlsaat Issues a Sweeping Order Against Chicago Teamsters.

BIG DEPARTMENT STORES AT MERCY OF UNIONISTS

Controversy Threatens to Involve All Drivers in City—Negroes as Strike-Breakers—Riotous Scenes.

(Journal Special Service.)

Chicago, April 28.—With 3,000 teamsters on strike and 10,000 other employees immediately affected, Chicago this morning is facing one of the most serious labor struggles in her history. Eight big State street department stores are already at the mercy of the strikers and other big concerns are being rapidly drawn into the controversy, which by Monday threatens to involve 25,000 drivers. Five hundred policemen, the same number of private detectives and armed guards on express wagons are making an effort to preserve peace and protect property.

United States Circuit Judge Kohlsaat this morning, upon presentation of a request by the Employers' Training company, a West Virginia corporation, granted a temporary injunction restraining the strikers from interfering with the company's business.

The training company is a corporation formed for the purpose of delivering goods for firms against which the strike is in effect. The order is temporary, but doubtless will be made permanent when a decision can be presented to the court. It is the most sweeping injunction ever issued in a local strike. The order enjoins President Doh of the Chicago Federation of Labor, President Shea of the International Teamsters and all officers and members of the union engaged in strike against the company from picketing or intimidating, and interference in any form is absolutely forbidden.

Forty-five union teamsters of the Selae Schwab Shoe Co. joined the strikers this morning when one of their number was discharged for refusing to deliver goods to the Marshall Field Co.

A large number of cases of violence is reported. H. R. Brown, a non-union teamster, was beaten until unconscious on West Monroe street. He was driving a wagon for the Forbes Cartage company. One hundred and ten drivers of the Peabody Coal company refused to work this morning, adding to the prospect of a coal famine.

The striking teamsters of Montgomery

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ENVELOPE WAS OPEN

Affidavit Says \$5,000 Was Sent to Rumelin by Telephone Company.

MESSENGER BOY SAW IT AND READ THE LETTER

District Attorney Manning States Charges Against Councilmen Are of Such Character He Will Call the Grand Jury.

(Journal Special Service.)

J. H. Thatcher, district manager for the Pacific States Telephone & Telegraph company, wrote a letter to Charles E. Rumelin, councilman from the first ward, about a year and a half ago, thanking him for his services in defeating the franchise asked by the Los Angeles telephone company, and enclosing a check for \$5,000 as compensation therefor. It is the sworn statement that has been made to the district attorney, by a witness who was called to testify in the investigation now in progress and to continue which a grand jury will probably be called.

The Thatcher letter was written on stationery of the telephone company, enclosed with the check in an envelope which inadvertently was left unsealed, and a messenger boy was called to carry it to Rumelin's office.

"The messenger boy, possessed of the usual inequity, opened the envelope and read the letter. Then he delivered it to the councilman, and the check was cashed; Rumelin retained the money as his personal reward for having carried through the plan to defeat the franchise."

This charge is based on the understanding that, if the allegations be true that have been lodged with the district attorney, Rumelin was the "Boss" Tweed, the Croker, who in the past three years has handled the cash in corrupting the city council.

How the Work Was Done.

The assertion is made that Manager Stow, of the Los Angeles Telephone company, came to Portland about 18 months ago to secure a franchise, against the granting of which the Pacific States company fought vigorously. Efforts to secure the passage of the franchise ordinance met with organized opposition. According to the evidence, Rumelin was in charge of the plan to defeat it before the council.

When the matter was brought to the attention of the council, the new company was informed that the business men of Portland did not want two telephone companies, that the two systems

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