



GRAND JURY IS CALLED AND WILL MAKE INVESTIGATION INTO CHARGES OF CORRUPTION IN AFFAIRS OF THE CITY

WORK OF PROBING IS TO BEGIN AT ONCE

Forceful Instruction Is Given to the Members by Presiding Judge Frazer, Scoring Grafters.

Turn on the Searchlight and Bring Out All the Facts Relating to Municipal Transactions—Land Grabs to Receive Attention.

MEMBERS OF THE GRAND JURY.

- A. J. Fanno, foreman, 423 Fifth street, farmer, Republican. T. S. Townsend, 545 Third street, manager T. S. Townsend Creamery company, Republican. Albert Brix, 724 Clackamas street, president Northwest Oil & Paint company, an extensive owner of timber lands and engaged in logging operations on the lower Columbia river, Republican. Ira E. Allen, residence Lewis, bookkeeper for Rasmussen Co., Portland, clerk of grand jury. C. E. Potter, 787 Mallory avenue, manufacturer of rubber stamps, falling building, Republican. John Hays, 682 Borthwick street, street contractor, Democrat. W. H. Courtney, 274 Front street, retired capitalist, Republican.

A county grand jury was drawn this morning and instructed to investigate thoroughly the reported corruption among city officials. The jury was called at the request of District Attorney Manning Judge Frazer of the circuit court, who spoke to them in emphatic terms of the charges that have been made against certain of the city officials. Under the instructions that were given by Judge Frazer, and according to what District Attorney Manning stated when the jury went into session, a searching investigation will be conducted that will bring to light startling facts relative to past transactions in connection with municipal affairs.

When the circuit court convened at 9:30 o'clock District Attorney Manning called to Presiding Judge Frazer. "I believe the condition of things justifies the calling of a grand jury, and I ask the court to order that one be drawn. Such a body will be of material assistance in pursuing an investigation that has been in progress for some time." Judge Frazer complied, and after the full panel of the petit jury had been called by Deputy County Clerk Marlon Johnson, County Clerk Frazer took his place at the desk and at the instance of Judge Frazer, drew seven names from the jury list box. Among the first seven were J. W. Cook, Otto F. Brandts and S. E. Siefert, who were excused. In their places others were drawn, making up the seven required by law. "I am much pleased with the personnel of the grand jury," said District Attorney Manning, as soon as the list had been completed. "They are responsible business men, and I believe will deliberate on the important matters that must be before them with regard for the rights of every man and with a desire to do what the interests of the public are protected."

"DON'T BE FOOLED," CRIES T. W. LAWSON

Darkly Prophecies Bankruptcy—George Gould Says the Bostonian Doesn't Know.

New York, May 1.—The latest dispatch received from Thomas W. Lawson of Boston is as follows: "If a local business company or a Chicago bank fails, don't be fooled that it is the Milwaukee trouble over again. It is a hundred times greater than as if centered in some man. A hundred millions would not keep the trouble righted for 30 days. When it comes it will carry banks, trusts and corporations. Bull fakes have been worked out. Now prepare for facts. "Remember, Wall street yelled 'Liar' when I said that the insurance companies were being looted. It is the Equitable now, but soon it will be the New York Life and the Mutual Life. When panic howls, perhaps I will run 'Liar' down Wall street's throat. This dispatch was shown to George J. Gould, who read it with much interest. "Lawson does not know what he is talking about," remarked the financier. "His utterances are not worthy of credence by any sensible person. There is not a bank, trust company or large corporation of any kind in the city of New York in trouble at the present time."

BALKS RAILWAY BY USING FLAG

Company Afraid To Tear Down National Banner on Right of Way Settles for Cash.

Wormleysburg, Pa., May 1.—Defying the Northern Central railway to desecrate the American flag, John Brobet, who refused to allow their tracks to be laid on his land until he got what he considered a fair price, has won his fight and has compelled the company to buy his whole property. The railroad proposed to run a line through Brobet's land, and when refused a right of way, instituted condemnation proceedings. The court granted the plea and approved the company's indemnity bonds. Brobet, however, executed a blank check, buying a large number of American flags, he set them up at intervals along the right of way which the railroad company wanted. Brobet figured that when the officials of the company saw the national colors they would be slow to tear them down, lest the incident would excite adverse popular feeling. Brobet calculated correctly. The railroad company's representatives laughed at the little barriers, then grew serious, went into conference over the situation, and finally decided that the best thing to do was to yield to Brobet and buy him out. Consequently the best terms possible were made, and the deal closed.

"A BLUFF" ---PAXTON

B. T. Scott's Attorney So Characterizes Client's Arrest in New York.

MANNING REFUSED TO ISSUE WARRANT HERE

Embezzlement Charged Against Scott, Counsel Declares Is Attempt of Washington Life to Block His Suit.

(Journal Special Service.) New York, May 1.—Blair T. Scott, formerly general superintendent of agencies for the Washington Life Insurance society, and a man of excellent reputation among insurance men, is a prisoner in the Ludlow street jail, having been arrested on a warrant sworn out by his former employers. The arrest of Scott follows a charge he made that the society owed him a large sum of money, to recover which he instituted a suit. Besides being the superintendent of agencies, Mr. Scott was the agent for Oregon and Washington, and was closely identified with the company's affairs. He was arrested on the technical charge that he owed the company \$10,000, but it is stated that the officers of the company are true to this sum may be doubted, or even trebled. On the other hand, Scott's friends aver that his arrest is due to an attempt to escape paying what is due him.

Scott, who is 35 years of age, came to New York from Philadelphia several days ago and registered at the Hotel York. The order for his arrest was obtained by Samuel D. Clark, counsel for the Washington Life society. He was taken to Ludlow street jail and is held in default of \$5,000 bail.

Attorney O. F. Paxton, representing Blair T. Scott, formerly general agent of the Washington Life Insurance company, declares that Mr. Scott's arrest in New York city yesterday is the result of persecution and was accomplished in the hope of deterring him from prosecuting the suit now pending in the local courts in which he seeks to recover a large sum of money from the company. "It is a very extraordinary proceeding," he said, "and there is a suit now pending here and the officials of the company are well aware of that fact. It looks to me simply like they are trying to bluff him into quitting and it also looks like they don't want to submit their case to an Oregon jury."

Scott's arrest is the sequel to a bitter fight he has waged with the company since he severed his connection with it. He is now in the possession of another company, and is located in Philadelphia. He claims that the Washington Life company owes him \$30,000 and the company claims that he owes it \$5,000. District Attorney Manning refused to issue a warrant in this city for his arrest.

Holds Cash Offsetting Claim. In February an expert accountant was sent to Portland to examine the books of the local office, and discovered, it is alleged, a shortage of over \$5,000. Mr. Scott forwarded checks for the amount to the general office in New York city. As soon as they were sent, however, he learned that the company intended to cancel its contract with him and remove him. He ordered payment on the checks stopped and notified the company accordingly. He returned to turn over the money of the company until his claims were settled. His arrest yesterday resulted.

Mr. Scott's contract with the Washington Life was similar to the usual contract of general agents with life insurance companies. It specified a certain salary and unlimited perquisites provided a certain amount of business was written. As superintendent of agencies for the states of Oregon, Washington and Idaho he received a salary of \$7,500 a year. In addition he received \$500 a month in salary and allowances for expenses as general agent of the company in this city. Besides the guarantee of salaries the contract called for 75 per cent of the first year's premiums on all policies written through his office. In addition to this the contract called for 75 per cent of all renewals for 19 years. His income as a general agent is said to have aggregated \$15,000 a year. George W. Hazen, who was formerly connected with the Washington Life company here as city manager, says it looks like a case of persecution. Hazen has not been connected with the company since the first of the year, having resigned before trouble occurred between the company and Mr. Scott. "Mr. Scott was in the habit of taking notes for a considerable portion of the premiums and frequently collections were slow and he would not be able to pay the company its share of the premiums as promptly as probably they ought to have been," said Mr. Hazen. "The old management permitted this practice and if the new management had only allowed Mr. Scott to continue the agency for his territory he could easily have aggregated \$15,000 a year."



James Farley, the Famous New York Professional Strike-Breaker, Who Has Undertaken to Win the Battle of the Employers' Association in Chicago.

ENFORCE THE LAW

City Churches Resound With Denunciation of Official Corruption.

PASTORS URGE HEARERS TO VOTE AT PRIMARIES

Portland's Future in Hands of Honest Men, Who Should Rescue Her From Perilous Condition.

The moral condition of the city was the theme of many eloquent sermons yesterday. In nearly every church denunciation was heard of the officials responsible for the widespread saloon influence, the shameless bribery and the open violation of the law. The people were urged to go to the primaries and vote as they prayed, to the end that men who believed in honest politics and a clean administration of public affairs might be placed in control of the city government.

At the men's meeting at the Marquam Grand yesterday afternoon, Dr. F. B. Meyer, the famous London preacher, preceding his address on "Wake From Sleep," took occasion to make some pointed remarks regarding municipal politics. In part he said: "Dr. Meyer's Vote Straight. "This action of the pastors in Portland today, in speaking on municipal affairs, is just the thing we are doing in London. Some time ago the churches of London came to see that they must stand together. Men of all political parties and denominations decided that they would work together for clean men, who could be depended upon to vote straight for what is sweet and clean, and wholesome in civic affairs. You have called me 'Reverend' and 'Doctor' Meyer, but I have another title, for I am a member of our municipal council. While I do not pretend to know much about drainage, I think I know about some other things that are just as important for a city."

"Through this united action of our churches and good people, while the officers who have been elected do not belong to my political party, we have elected good men and the moral is important and we have accomplished much good. In the district where my church is located we have closed over 300 saloons and greatly restricted some of the worst evils of the saloon."

Dr. Clarence True Wilson, last night at Grace M. E. church, said: "Our city is very near a crisis in its moral life. Tens of thousands of strangers will be drawn here to attend the exposition and will come here as if away as they are impressed with us. Then our own young people must grow up and get their ideals of life in the conditions we make in this city. "We need at the head of our city government a clean-handed, high-minded citizen who has made no promises to the law-breaking forces of this municipality. The decent element has been disappointed and disgusted at the present incumbent's attitude on all moral questions, and his apologies for lawlessness of his administration. "He has felt called upon to criticize the churches, the ministers and the reform citizens who elected him, but he has not turned a gun on the law-breaking saloon, the gamblers and the grafters. "His defeat at the primaries, and if not there, at the voting booth, would be the highest tribute the corrupt local government and the dishonest enforcement of law could have. I see that the liquor dealers have gotten together and are untiringly supporting Mayor Williams for another term. I can see no reason why they should not. He is theirs. "But the Christian forces of Portland have had their strength greatly augmented. They are on better terms with the laboring men than ever before. The independent voters have grown restive at the change of character and shift of sides in Williams since his election. If the Republicans will give us a chance, all the forces will get together and help elect H. A. Albee mayor. If they will not and the Democrats will give us an equally good man, we ought to support him. If we have only a choice of two evils, the moral men of the city ought to get together and nominate a fitting representative of our higher life, and in spite of saloons, graftsmen and gamblers, we can elect him on an independent ticket. The prohibitionists have named an independent ticket and at its head is a man in every way qualified for the office, who will stand if he is needed to give us a chance to vote for one not pledged to the saloons, or will withdraw, if by that he can more easily aid the election of the right man. "With the red light district flourishing and the saloons triumphant Sunday and week days alike, with 27 new dram shops already licensed at the very gates of our exposition to offend the senses of decency and insult the women and

SOLDIERS DISARMED

Chicago Police Arrest All Guardsmen Who Refuse to Give Up Guns.

STRIKE BREAKER FARLEY TAKES CHARGE OF FIGHT

Teamsters' Strike Rapidly Extending—Armed Negroes Imported to Take Men's Places—Rioting.

(Journal Special Service.) Chicago, May 1.—May day opened the third week of the teamsters' strike with premonitions of a general strike. Yesterday's conference of strike leaders developed no alternative but to continue the struggle to the bitter end, for no signs of conciliation are vouchsafed from the employers, who are relentless in their determination to destroy the teamsters' union. Five hundred colored strike breakers arrived this morning on a special train from St. Louis under the leadership of F. J. Conroy, a well-known strike breaker, guarded by 40 armed detectives. It is reported that the negroes are sworn as deputy United States marshals and paid \$2.50 a day to drive the wagons. This is the element considered most likely to precipitate disorders.

All the available strength of the police department, 1,000 men, was thrown into the struggle this morning. Chief of Police O'Neil says that there must not be tempering, and that traffic must be unimpeded and that disorder must stop. The police will search all suspects for concealed weapons and make arrests in every case where a weapon is found. Contempt proceedings will be begun today against those accused of violation of the federal injunctions. The police said the strike to the stockyards is expected today.

Guardsmen Disarmed. Lieutenant Halkins and 50 members of the Eighth Illinois National Guard were placed on guard duty at the docks of the International Salt company this morning. The police made a descent upon the soldiers, took their guns away and arrested two who resisted. While passing the city hall caravan wagon of the Forbes Tearing company and the Sprague-Warner company were assaulted with missiles and eggs filled with acid. Negro drivers drew blackjacks and revolvers, but before they could fire all were arrested. The arrested teamsters were taken to the police station and arrested two who resisted.

This morning 150 additional teamsters were employed by Durand & Kasper, wholesale grocers. The men refused to deliver goods to boycotted firms. "Clarence Barrow has been retained to defend the labor leaders indicted by the April grand jury. Farley on the Ground. "Strike Breaker" Farley arrived from New York and had a conference with representatives of the Employers' association. It is understood that he will be placed in charge of all strike breakers. Farley won the subway strike in New York city and the railway strike in Chicago. The strike breakers who arrived from St. Louis were distributed among the barns of the Employers' Teaming company without being molested. A hundred strike breakers employed by the express companies went on strike this morning to enforce a demand for \$5 a day for drivers and \$4 for helpers. The increase was granted and the men returned to work. The Chicago Federation of Labor has appealed to President Roosevelt and Governor Deneen to end the strike asking that they compel the employers to submit the matters in dispute to arbitration. Louis Street, a colored non-union driver for Marshall Field & Co., this afternoon shot into a crowd which followed him and wounded John Neuhauer in the thigh. Street barely escaped the vengeance of the crowd through his arrest.

PRESIDENT WON'T ACT.

Can't Interfere in Local Matters Such as the Chicago Strike. (Journal Special Service.) Glenwood Springs, Colo., May 1.—Secretary Loeb left this morning for the president's camp. He has a number of important communications, and expected to camp to be on the east divide, where it was first located. Today it was authoritatively stated that no attention will be paid to the Chicago strike. If a petition is presented to him by the strike leaders, they will be told that the president cannot interfere in local matters.

ROOSEVELT ATTENDS CHURCH.

(Journal Special Service.) New Castle, Col., May 1.—The president and his party attended church yesterday at the school house on West Divide creek. Rev. Horace Jann preached the sermon, after which President Roosevelt addressed the congregation.

RUSSIAN AGENTS COMING.

(Journal Special Service.) Birmingham, Eng., May 1.—The Post says that two agents of the Russian government sailed Saturday for the United States to purchase 10,000 tons of steel rails for the double tracking of the Siberian railway.

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