

# MAYOR'S EYES CLOSED TO ROBBERY

Zimmerman's Statement, That on Every Contract Let by the City in Many Months a Pool Had Been Formed Through Which Contractors Get Rich, Was Not Denied.

## WILLIAMS STARTED NO INVESTIGATION OF THE FRAUDS

He and His Lethargic Executive Board Sat With Folded Hands, While Portland Was Made the Prey of Many Jobbing Officials and Dishonest Construction Companies.

Mayor Williams declares that "it is not true that there have been big grafts in public contracts" during his administration. The mayor has habitually closed his eyes to the frauds which have been practiced on the taxpayers, but the disclosures of the past six months have revealed a system of robbery on the part of contractors and others which has cost the city large sums of money.

It is estimated that about \$3,000,000 has been expended on public improvements since Williams became mayor, and about two thirds of this total was expended during 1904. The unchallenged statement was recently made on the floor of the city council by Councilman Zimmerman that not a contract for a public improvement had been let for a year, and perhaps none for three years, where the bidders had not been in a pool. There is but one object of a pool among bidders and that is to exact an extortionate price, big enough to yield a substantial sum to every member of the pool as well as a profit to the bidder who receives the contract.

It is impossible to conjecture the amount of which the taxpayers have been robbed by this system of pooled bidding. It has undoubtedly reached tens, if not hundreds, of thousands of dollars. The contractors in the pool that made the first bids on the Tanner creek sewer counted upon an average profit of \$15,000 on a job which the city engineer had estimated should cost but \$25,000. The committee of the city council which investigated the Morrison street bridge reported that the cost of such a deal went through and the bridge was built.

Eighty rumors concerning the job were soon current and it became the subject of investigation by the grand jury. The result was the indictment of Councilman C. E. Rumelin, charged with attempting to bribe the city engineer to reject the Everett company's bid. Elliott's story, told under oath both before the grand jury and in court as a witness in the pending trial of Rumelin, is that the councilman told him in plain terms that the bid of the Everett company must be rejected; that there was \$5,000 "in it" if this could be done, and that Elliott would receive his share of the money if he would report adversely upon the bid.

Morrison street bridge gave the contractors another chance to make some "easy money" out of Portland's unsuspecting mayor and executive board. According to a report of the council committee which investigated this and other bridge contracts, the city was obligated to the extent of \$25,000 to \$35,000 for the Morrison street bridge alone. In the report submitted to the council February 1, 1905, the committee says:

"Your committee is convinced that the Morrison street bridge, when fully completed, will prove satisfactory to the public, and that the materials used and the workmanship are fully up to requirements, but your committee believes the same result could have been obtained for \$25,000 or \$30,000 less, and it does not believe any good reason can be presented, either by the executive board or the city engineer, for the excessive cost of the extras furnished by the contractor for the construction of the Morrison street bridge, nor can your committee understand by what process of reasoning the executive board determined that \$7,956 was a reasonable price for waiting rooms, etc., without plans or specifications for the same being submitted by the city engineer, as none was obtainable for Mr. Bihler's investigation."

"It seems that the city engineer made a verbal statement to the executive board that the waiting rooms and a few other improvements were necessary and that the bridge contractor would supply the same for \$7,985, and that in his judgment no construction should be entered into for the same, whereupon the executive board promptly adopted the recommendation of the engineer, upon the theory, no doubt, that they were getting what was required."

Elsewhere in its report the committee said:

"The total cost of extras on the Morrison street bridge amounted to \$2,380, or a little over \$24,000 more than was provided for in the original contract. The executive board exercised ordinary business judgment, this amount could have been saved."

The First street bridge was also investigated by the same council committee, and the executive board again came in for severe criticism. In this case the lowest bid was rejected and the contract was let to the next highest of the bidders. The report of the committee is as follows:

"Your committee finds that the executive board is at fault for adopting the recommendation of the city engineer without first personally examining the bids submitted and satisfying themselves beyond a doubt that the recommendation of the engineer was just and proper. This they seem to have done. Had the executive board given proper consideration to the bids submitted for the construction of the First street bridge, they should have had no difficulty in arriving at an agreement to readvertise for bids and by so doing save money in the cost thereof. The difference between the two lowest bidders was so great that the city engineer should not have hesitated to recommend that all bids be rejected. The very fact that the successful bidders subsequently submit the contract to the lowest bidder proves that the bid of the successful bidder was too high."

Yet Mayor Williams declares that "it is not true that there have been big grafts in public contracts." This was not the opinion of the grand jury which indicted Councilman Rumelin for attempting to bribe the city engineer. It was not the opinion of the trial jury which found R. W. Riner guilty of the Tanner creek fraud.

"Besides the pools were not highly profitable," says Mayor Williams in the interview. In other words the taxpayers were robbed and the thieves were not moderate in their stealings. There might be some comfort for the victims in this assurance, but it was borne out by the facts, but it is not R. W. Riner who has been compelled to rebuild the Tanner creek sewer, his profits, as he stated to the investigating committee of the city council, would have been not less than \$12,000, although his bid was \$3,000 less than the figure fixed by the contractors' pool.

The magnitude of the graft that was expected from the Morrison street bridge can be conjectured at those securing it

could afford to pay a \$5,000 bribe in order to get the contract.

Many large public improvements are soon to be commenced, and hundreds of thousands of dollars must be expended upon them. The city engineer says it is estimated, will cost at least \$150,000, and the Irvington sewer will reach the same figure. Six miles of water pipe extensions in the peninsula are planned, the cost approximately \$250,000. Engineers assert that a large sum must be expended upon the two reservoirs near the city park to prevent further sliding of the hillside upon which they are built. New bridges are prospectively needed over Sullivan's gulch and many of the elevated roadways are becoming dangerous for public travel.

The burden of all these improvements must be best fast very heavily upon the taxpayer. If the waste, extravagance, dishonesty and stealing which have flourished under Mayor Williams' administration are to continue, the cost to the taxpayers will be ruinous.

## COWARD COUNCILMEN

(Continued From Page One.)

15 or less than 12 days before the election, and if the law was strictly adhered to it would prevent the city adding to the city's indebtedness on the ballot, as it is only 11 days before the election.

City Attorney McNary stated, however, that the matter was optional with the city engineer, who is desired to place the ordinance on the ballot and it went before the people and carried that it would be legal as the will of the people would be shown in the vote that would be cast on the ordinance, which was willing to place the ordinance on the ballot.

**Mayor's Ordinance.**

When this question came up Mayor Williams prepared another ordinance, which he proposed to submit to the council in substitution of the ordinance prepared by the citizens. By its provisions the licenses of all saloons which have been established since January 1 would be revoked, while the long established saloons would not be bothered. The ordinance follows:

"The city of Portland does ordain as follows: Section 1. That the licenses for saloons, barrooms or drinking shops, or places where liquors are sold, or where liquors are kept for sale or bartered or other disposition within the territory lying north of the center line of Raleigh street and west of the center line of Oregon street, have been established in said district after the first day of January, 1905, be and the same are hereby revoked.

"Section 2. The mayor and auditor are hereby authorized and directed to draw warrants on the general fund in favor of the persons entitled thereto, for the unexpired portion of all such licenses within the district heretofore described, and which are revoked by this ordinance."

**Saloons Affected.**

The saloons which would be affected by the above ordinance are as follows: M. Marks, 394 North Twenty-fifth street; J. J. Jones, 291 North Twenty-sixth street; Keane, Van Elsland, 351 Thurman street; L. E. Johnson, 400 North Twenty-sixth street; Runkle & Cowie, 331 North Twenty-sixth street; Hoyle & Owens, 423 Uppah street; Hochfeld & Bromberg, 371 Thurman street; T. J. McDonald, 441 Uppah street; John Sinner, 751 Vaughn street; Lehman & Peterson, 481 Sherlock street.

The saloons not affected by this ordinance are: Ed. Stein, 774 Thurman street; Henry Pfloderer, 795 Thurman street; Schiller & Co., Twenty-sixth and Uppah streets; August Kuhn, 515 Sherlock street; C. Weinstein, 758 Thurman street.

Mayor Williams stated today that, providing no quorum could be secured, he would introduce his ordinance at the next regular meeting of the council, and have that matter acted on at that time. It is thought, however, that the ordinance would not pass and Dr. Wilson so expressed himself today. He stated that it would be better to wait until many saloons, but that he had no hope of its passing the city council.

## RAILROADS UNITE

(Continued From Page One.)

ected a spur would be built to Nes Perce.

The longer of the three routes will mean construction of 100 miles of road. The Northern Pacific has set aside \$2,500,000. It is said, to cover all requirements of construction in this way and station buildings. For similar purposes in building the Riparia-Lewiston line the Harriman people have a budget of \$2,000,000.

It is said that management will result in the bringing of practically all the clearwater region's traffic to Portland. It is a down-hill haul the entire distance from Lewiston, and a much shorter haul than the plan in the Northern Pacific's haul would be to the sound. Besides, the Northern Pacific would be obliged to make a long and expensive haul over the mountains to Tacoma, with a grade of 2-1/2 per cent, much of the distance. The business will naturally come the easiest route, and Northern Pacific officials practically admit that its destination is Portland.

Mr. Levey was asked to confirm the reported construction of an early route of the proposed Northern Pacific line from Pasco or Wallula Junction along the North bank of the Columbia river to Vancouver, the bridging of the Columbia and Willamette rivers, and the entry of the Northern Pacific into Portland across the peninsula at St. Johns. He replied:

"That is in the future. We are looking for the best route."

## EARTHQUAKES DESTROY LIFE IN MEXICAN TOWN

(Journal Special Service.)

Mexico City, May 26.—People are fleeing from Tamasula, a small town just across the Sierra Madre, the result of Durango, as the result of terrifying seismic disturbances. The town has been almost completely destroyed and several women and children have been crushed to death. The city has been shaken violently daily for several days and great cracks have appeared in the earth. The refugees say that blasts of hot air and clouds of steam arise from the cracks.

## RIO GRANDE ON BANQUET

(Journal Special Service.)

Albuquerque, N. M., May 26.—The Rio Grande is still out of its banks and is inundating large sections of the adjacent territory. A number of towns have been flooded, houses swept away and thousands of acres of growing crops ruined.

## POPE ANNULS MARRIAGE

(Journal Special Service.)

Rome, May 26.—Pope Pius X has approved the annulment of the marriage of Marie Jenning Reid of New Orleans, who is now present Joseph Rospignolo, to Colonel F. H. Parkhurst of Bangor, Maine. The princess can now contract her religious marriage.

## RUSSIAN SQUADRON REACHES WOO SUNG

Entire Fleet is Reported to Have Successfully Eluded Awaiting Japanese.

## VESSELS SAILED EAST AVOIDING FORMOSA ISLE

Another Report States That Rojestvensky Has Divided His Squadron.

(Journal Special Service.)

London, May 26.—A Tsingtau dispatch states that the whole Russian fleet is reported assembled near Woo Sung, a port lying a short distance north of Shanghai, where there is an excellent harbor. The German squadron at Tsingtau is preparing for eventualities.

The news that the Russian fleet has reached Woo Sung shows that they are half way on their destination, from Saigon to Vladivostok and that they have successfully eluded the Japanese flying squadron and mines scattered throughout the Straits of Formosa. It is evident that Rojestvensky sailed through the Hashee channel into the Pacific from the China sea and thence through the Loo Choo islands to Woo Sung, thus giving the ships completely the advantage.

Japanese steamers arriving at various oriental ports have received telegraphic instructions to remain in port pending further advice. It is expected that Togo's fleet will encounter the Russians in the Korean straits, or between the mainland and Korea.

A Shanghai dispatch states that 17 vessels of the Russian fleet anchored in the Suddis islands last night. It is believed that they cooled there and will proceed north. This would seem to indicate that Rojestvensky has divided his fleet.

A dispatch to Loyds says that three vessels of the Russian volunteer fleet, the Vladimir, Voronej and Yaroslav and three colliers—are anchored off Shanghai. The Great Northern Telegraph company reports that the Chefoo-Shanghai cable is interrupted.

## REIGN OF TERROR.

Fresh Outbreaks Against Jews in Volhynia—Racial Riots in Caucasus.

(Journal Special Service.)

St. Petersburg, May 26.—A new reign of terror has broken out in the province of Volhynia, where the Jews were recently attacked by the Christians. Two Jews were killed. Both factions are arming. Fresh attacks are probable. The rioting still continues in the Jewish quarter of Warsaw. Last night mobs visited the better section of the city and wrecked many buildings. The whole affair was carefully organized and the places destroyed were all disorderly resorts.

News received from southern Russia states that hostilities between the Armenians and Moslems in the Caucasus are again breaking out with the assassination of Prince Nakhichidze, governor of Baku, on Wednesday comes the information that the province of Driven is aflame with racial strife. Much bloodshed is already reported.

At Lodz 20,000 men are out on strike.

## JAPS BUYING SHIPS.

Mikado Acquiring All Second-Hand Steamers for Sale.

(Journal Special Service.)

London, May 26.—Japan has been showing great activity of late in buying up second-hand merchant steamers, and she is still in the market for more. It is evident that the Japanese are looking forward to a great revival in their trade as soon as the war is over, and shipowners who have their vessels in the east have considerable expectations.

## ANARCHIST REFORMED.

Kindness of Czarina Touches Heart of Notorious Convicted Bomb Thrower.

(Journal Special Service.)

St. Petersburg, May 26.—Matvei Morozoff, once a notorious anarchist, has had his murderous revolutionary ideas killed by kindness. Three years ago he was sent to Siberia for hurling a bomb at a police official in the Caucasus. When the little czarévitch was born the anarchist's mother, an aged woman, sent to the czarina a little woolen coat she had spent many months in making. With her present the woman

# TOMORROW IS POSITIVELY THE LAST DAY OF OUR Special Sale of Couches

Every one of these couches is of the well known KARPEN make, with GUARANTEED STEEL CONSTRUCTION. That means steel springs, set on a steel framework and tied absolutely fast. They can't sag or drop out of place, making the couch unsightly and uncomfortable. The frames are of selected golden oak, the coverings are of fine velours, and the workmanship of the best. Our guarantee means a warrant of all these things. But it would be better for you to see the couches—and the prices.

\$17.50	COUCHES—Polished golden oak frames, guaranteed steel construction, upholstered in two-tone velours.	\$15.00
\$20.00	COUCHES—Polished golden oak frames, guaranteed steel construction, with two-toned velour upholstery.	\$16.75
\$20.00	COUCHES—Embossed golden oak frames, with guaranteed steel construction, upholstered in two-toned velours.	\$17.00
\$19.50	COUCHES—Golden oak frames, with embossed feet, guaranteed steel construction, with two-toned velour coverings.	\$16.50
\$22.00	COUCHES—Quartered oak frames, hand polished, upholstered in pretty velours, guaranteed steel construction.	\$18.75
\$23.00	COUCHES—Rococo frame of polished golden oak, with guaranteed steel construction, fine velour coverings.	\$20.00
\$25.00	COUCHES—Heavy carved quartered oak frames, hand rubbed and polished, guaranteed steel construction, verona velour upholstery.	\$21.50
\$30.00	COUCHES—Quartered oak frames, hand carved, rubbed and polished, verona velour coverings over guaranteed steel construction.	\$25.00
\$35.00	COUCHES—Polished mahogany frame, guaranteed steel construction, upholstered in handsome embossed velours.	\$30.00

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But apart from that the Japanese are inquiring through their agents in London and elsewhere for suitable vessels, chiefly iron steamers of 2,000 to 3,000 tons burden, built in the '90s, which, being rather below the standard for European trade, can be picked up cheaply. Many such have changed hands this year, and the present month in particular has seen quite a number of old tramp steamers transferred to Japan.

The disposal of these steamers is riding the western freight markets of a good deal of old tonnage which can very readily be spared, and will, if it goes on at the present rate, produce a demand for new vessels which will be very welcome to American and European shipbuilders.

An enclosed petition praying that her son might be pardoned. The czarina prevailed upon the czar to grant her request, and Morozoff was allowed to return to his home. Hearing good reports of his conduct the czarina recently forwarded, through the governor of the Caucasus, a sum of money which has enabled the reformed anarchist to set up in business in a small way.

Japan had completely surprised the world. The war would last long, he said, and he trusted much in the commercial ability of the nation after the war had ended, when a greater prospect would be opened before the country. He advised his hearers to interest foreign capital in the country.

INTEREST FOREIGNERS (Journal Special Service.)

Tokyo, May 26.—Baron Kamimura, minister of foreign affairs, in an address before the Clearing-House association today, said that the financial capability of

NEW AMERICA ISLAND (Journal Special Service.)

St. Petersburg, May 26.—A persistent rumor is in circulation that the American government has proposed the purchase from Russia of the island of Saghalien. Russia is reported as willing to sell.

## Saturday Specials

We offer two splendid specials for Saturday that should interest the furniture-buying public. We can afford to make these reductions to stimulate interest in our advertising and to make new customers and new friends. The reductions are bona fide and the goods are O K in every respect.

**\$3 Saved on a Princess Dresser**



No. 316—Princess Dresser, heavy French-plate mirror 17 1/2 x 35 inches, top 20 x 36 inches, two large drawers with heavy brass trimmings, swell front, splendid mahogany finish; regular price \$24. You save \$3 by calling for No. 316, as it is on sale Saturday at **\$21**

**\$6 Saved on a Chiffonier**



No. 795 1/2—Made of birds-eye maple, highly polished, French plate mirror 15 1/2 x 23 1/2, very pretty swell top drawer, like picture. The regular price is \$35, but we have decided to put one only up for Saturday selling, at only **\$29**. To obtain this reduction you are expected to ask for No. 795 1/2.

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