

MILLIONAIRE TIMBER KINGS ARE INDICTED FOR LAND FRAUDS INVOLVING EIGHT MILLIONS

Bankers and Lumbermen of Minnesota, Michigan and Oregon, and a Thousand Others, Involved in Fraudulently Acquiring Timber Land in Southern Oregon

Millionaire bankers and timber kings of Michigan and Minnesota, prominent business men and lawyers of Crook and Linn counties, Oregon, several well-known residents of Portland, a former special agent of the interior department, a former United States commissioner, an ex-county judge of Crook county and a number of timber locators are defendants in an indictment returned yesterday afternoon by the federal grand jury charging huge frauds in the acquisition of valuable timber lands in this state.

- LIST OF THE INDICTED. F. W. Gilchrist, Alpena, Michigan. Ralph E. Gilchrist, Alpena, Michigan. Patrick Culligan, Alpena, Michigan. James G. Macpherson, Alpena, Michigan. Herman W. Stone, Benson, Minnesota. Benjamin F. Allen, Portland. Almond C. Palmer, Portland. H. Judd Palmer, Portland. Ed M. White, Portland. Edmund Dorgan, Albany. Francis J. Devine, Albany. John J. Collins, Albany. Malcolm McAlpin, Albany. Thomas H. Watkins, Albany. Charles M. Elkins, Prineville. John Combs, Prineville. Donald F. Stoffa, Prineville. M. E. Brink, Prineville. C. A. M. Schierholz, Prineville. J. W. Hopkins, Vancouver, Washington. W. W. Brown, Seattle, Washington.

Among the Prineville men who are included in the list of defendants are Charles M. Elkins, merchant; John Combs, who has played a prominent part in Republican politics; Donald F. Stoffa, editor of the Crook County Journal, and M. E. Brink, former county judge of Crook county. Malcolm McAlpin, merchant, and Thomas H. Watkins, managing cruiser for Dorgan & Co., are the Albany defendants. J. W. Hopkins, an attorney at Vancouver, Washington, and W. W. Brown of Seattle, also an attorney, were caught in the government's dragnet and are among the indicted. C. A. M. Schierholz, formerly a special agent of the interior department, completes the list of the accused.

Nine hundred square miles of timber land in Crook, Klamath and Lake counties, roughly estimated to be worth over \$8,000,000, are alleged to have been secured by the principal defendants in direct violation of law. Hundreds of persons were procured by their agents to take up claims which were subsequently conveyed to the eastern bankers, and it is charged that the proceedings were tainted with perjury and fraud. The crime charged against all the defendants is conspiracy to defraud the government of its public lands.

Letters from United States Senator Fulton and Congressman Williamson to the commissioner of the general land office, urging that patents be issued on the fraudulent claims, form a sensational feature of the indictment.

F. W. Gilchrist, a millionaire banker of Alpena, Michigan, Ralph E. Gilchrist, his son, a Yale graduate, who won distinction in college athletics, Patrick Culligan and James G. Macpherson, wealthy citizens of Alpena and large owners of western timber lands, and Herman W. Stone, cashier of the Swift county bank at Benson, Minnesota, appear in the indictment as the chief beneficiaries of the frauds, and it was in their interest that other defendants in the case procured the fraudulent entries on over 300,000 acres of some of the most valuable yellow pine timber land in Oregon.

Almond C. Palmer and H. Judd Palmer, attorneys of Portland, Benjamin F. Allen, a retired capitalist, at present residing at 238 Thirteenth street, but formerly resident of Prineville, and Ed M. White, a saloonkeeper at Eleventh and Morrison streets, are Portland's contribution to the list of defendants. The Palmer brothers were formerly in partnership in Prineville, where C. Palmer was United States commissioner. Many of the fraudulent proofs of entry were taken before him.

Thirty Miles Square of timber. Edmund Dorgan, Francis J. Devine, and John Joseph Collins, in the timber locating business at Albany, under the firm name of E. Dorgan & Co., were the active instruments of the eastern capitalists in gathering in the great block of timber, 30 miles square, at the headquarters of the Deschutes river. Collins is now languishing behind the bars of the Multnomah county jail, because of his refusal to produce before the grand jury the books of E. Dorgan & Co., showing the firm's operations. His refusal was on the ground that the production of the books would incriminate himself.

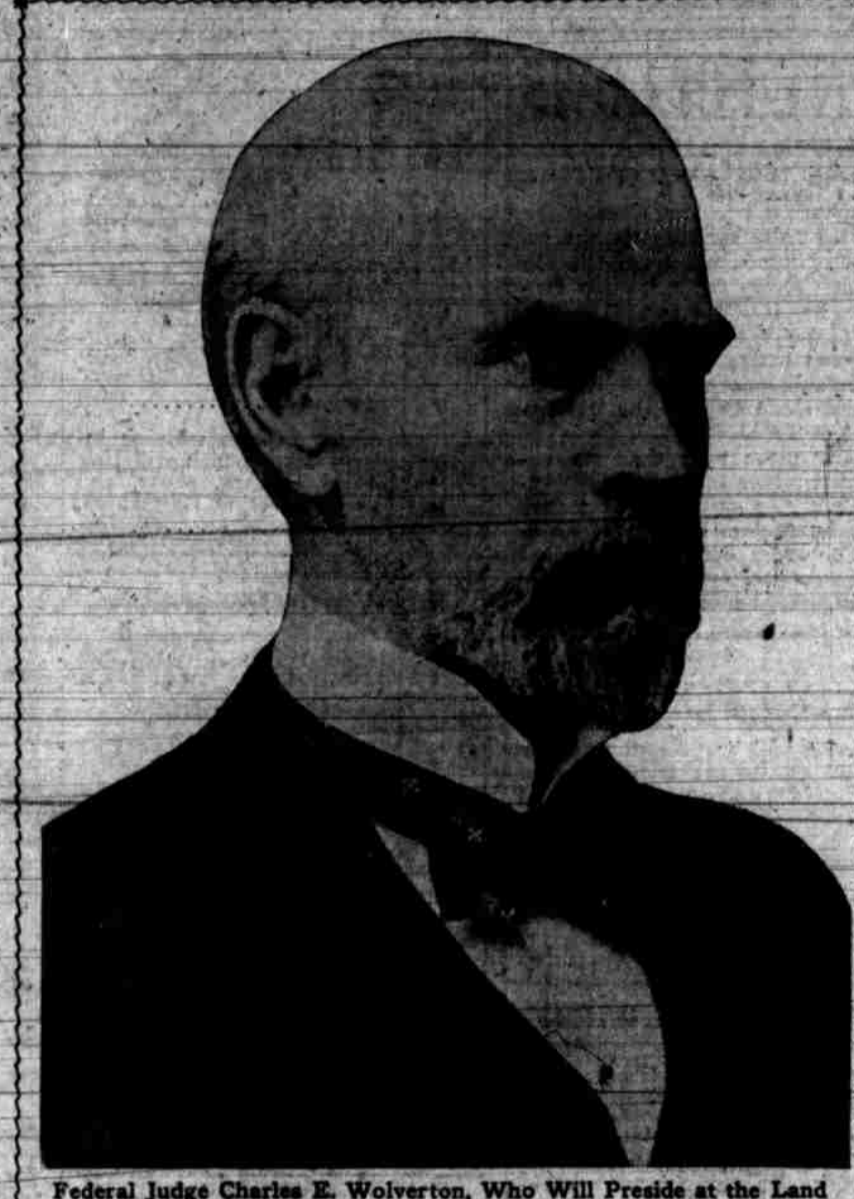
Former Special Agent Accused. When suspicions arose three years ago as to the legality of the entries, Schierholz was directed to investigate them. Acting in corrupt collusion, he is charged, with the other members of the huge conspiracy, he repeatedly reported to the general land office that the entries were regular and that patents should issue.

The indictment adds, as usual, to the list of indicted persons the fictitious names John Doe, Richard Roe and others, and it is said that several prominent citizens of Oregon may ultimately be included. The indictment is the crowning labor of the federal grand jury, which has been in session for the past six weeks, and represents almost Herculean work on the part of United States District Attorney W. C. Bristol and Inspector T. B. Neuhausen. The presentation of the evidence to the grand jury in this case alone has occupied the last two weeks and scores of witnesses were examined. It was with the greatest difficulty that the witnesses were compelled to disclose the facts. When subpoenaed to appear before the grand jury, some of them simulated sickness, some delayed coming and some flatly refused to respond. Outside of the actual defendants, at least 1,000 people, chiefly residents of Crook and Linn counties, were involved either as entry men or as witnesses to proofs of entry, and the government agents have encountered a spirit of stubborn resistance which has pervaded the people of these counties.

Old Style Methods. In their general outlines the methods employed in the acquisition of the timber lands were the same that have been made familiar by previous indictments in the land fraud cases. Hundreds of persons were procured to take up claims, falsely swearing that they were making the entries solely for their own use and benefit, while they were in truth merely

Who Unearthed the Frauds in Oregon Timber Lands

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Federal Judge Charles E. Wolverton, Who Will Preside at the Land Fraud Trials.



W. C. Bristol, District Attorney for Oregon Who Will Prosecute the Land Fraud Cases.

TO PROSECUTE RAT PLAGUE IN OIL TRUST

President Roosevelt Prepares to Vigorously Prosecute Cases Against Standard Oil for Rebating.

Washington, D. C., May 5.—President Roosevelt proposes to push the cases against the Standard Oil company vigorously. It is learned today that the evidence obtained by the commissioner of corporations has been rushed to the department of justice and that there was immediate consideration as to what kind of indictments should be asked. Officials say that the cases so far as rebates are concerned are plain enough, but the question is still open as to whether the Sherman anti-trust law can be applied. That is regarded as more drastic and effective than the statute providing imprisonment for conspiracy. The air about the department is, however, full of reports that the most effective kind of indictment will be brought. It is altogether probable, according to present intentions at the department that the indictments will be

FIRE DROVE ARMY OF GAUNT GRAY RODENTS FROM DOWN TOWN AND WATERFRONT DISTRICTS INTO RESIDENCES.

San Francisco, May 5.—A plague of rats is the only form of pestilence that has followed the great fire. As strong an agent to drive them as the flute of the Pied Piper was to lead, the fire sent the rats scrambling from the burned two-thirds of the city, in which they were thickest, and all of them that could escape with their lives rushed, as did the people, into the one third that the flames left.

These rats have found ratons very scarce in the field they have invaded. The effect of this is to force them into the spots they had populated the most thickly is not to be found in the cleaner portions of the town. The brown monster that attained his size on the official in the dark passageways of Chinatown or filled himself to bursting among the grain bags of the seawall grows morose

SAN FRANCISCO FIRE A CAUTION IN INSURANCE

Holocaust Will Bring About Abolition of Re-insurance Plan and Force Companies to Limit Operations to "Net Lines"

Insurance authorities declare that the effect of the San Francisco disaster upon insurance companies of the world will be such as to bring about a practical abolition of the reinsurance plan, force all companies to limit their operations to "net lines" and make it difficult in all the large cities and many smaller ones for business men and property holders to secure enough insurance properly to protect their property. They predict that half the smaller concerns holding policies on San Francisco property will be put out of business completely and the larger companies carrying insurance in the smaller ones will be forced to stand millions of dollars of loss over and above the risks that they could legitimately carry. The outcome of the situation, it is asserted, will be a complete revolution in the methods of conducting insurance business on the Pacific coast, bringing property owners face to face with the

most serious insurance problem they have ever been called upon to meet. All of the companies operating in Portland, and it is understood, all those in the Pacific coast field, have been notified from headquarters to discontinue the practice of placing reinsurance. The effect of this is to force each company to limit its risks to just the amount that it is willing to carry itself and to preclude the possibility of the property owner securing additional protection by having the surplus carried on the reinsurance plan in other companies. Thus the policy-holder will be forced to be content with the limited amount of insurance his company is willing to risk, whether this be one half, one third, or less of the amount he should carry to be properly protected. Agents of the big companies say the great losses at San Francisco are more than any company ever dreamed of being called upon to meet, and the disas-

T. B. Neuhausen, Inspector of the Interior Department

Senator Declares Himself on Statement Number One Thinks Popular Candidate Should Receive Votes. (Washington Bureau of The Journal.) Washington, May 5.—Senator Gearin when asked today concerning his attitude on the Oregon primary law, and particularly as to statement No. 1, said: "Of course I am in favor of statement No. 1. Mr. Bourne is the regular nominee of the Republican party. If he receives a majority of the votes cast in June for senator he will be entitled to and should be given every Democratic vote in the legislature. "If on the contrary, I receive a majority over Bourne, Republicans should vote for me, and I believe they will do so. This is in accordance with the spirit of the law and is honest."

GEARIN TALKS ON POLITICS

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ENGLISH CAPITALISTS TO INVEST FORTUNE IN REALTY

Arrangements just completed with a syndicate of English capitalists have provided the sum of \$5,000,000 to be spent in interurban railway and electrical developments and real estate operations in and about Portland. On reliable authority it is reported that the United Railways company has concluded a sale of \$5,000,000 of bonds for carrying out its projects connecting Portland, Salem, Hillsboro and Forest Grove by a standard gauge electric road and constructing a street railway system in Portland. The deal was negotiated by J. Whyte Evans, president of the United Railways company, who is a native Scotchman, and is well known in Scottish and English financial circles. Asked yesterday to make a statement concerning the deal, Mr. Evans declined to confirm any of the reported details, and was reticent in discussion of the subject. He said, however, that the whole project of the United Railways company, involving construction of about 115 miles of electric road, would be carried through as soon as necessary charters were secured from the city of Portland and other municipal and county authorities in the territory affected, and that ample funds were forthcoming. It is said that a portion of the capital secured will be used in developing electrical energy, and in real estate and other enterprises inaugurated by the United Railways company in this city.

QUAKE CAUSES FLOOD

Earth Tremors Divert Waters of Cache Creek and Entire Valley Is Threatened With Destruction.

Vallejo, Cal., May 5.—Early this morning a tremor was felt near Lower Lake, in Lake county, and the report reaches here from Dr. M. A. Craig that the waters of Cache creek, which flow through the Patay valley, have been diverted from their course and are threatening the entire community. The waters are rising in such a manner as to prove that the general flow of the river has been impeded while the regular course of the creek is dry. It is believed that an earthquake caused a mountain slide of sufficient extent to dam up the creek in the Patay valley. The water is making its way toward the Barnard ranch and considerable land in this location is under water. Many fields are inundated and the water on the low lands covers the fences. The Barnard residence is threatened and the

TO FULTON IS DUE CREDIT

Oregon Senator Bridges Gap Between Two Wings of the Party by Writing Allison Amendment.

Washington, May 5.—It has remained for an Oregon senator to bridge the gap which has existed between the two opposing elements in the senate on the question of the board of a limited court review in framing railroad rate legislation. It developed today that the author of the so-called Allison amendment, which has been accepted by the president and by conservative and radicals of the senate, is Senator Fulton. He framed the amendment Sunday last and submitted it to Senator Allison, who endorsed it, and in turn submitted it to Attorney-General Moody and Senator Cullom, and then to the president, who today gave his approval of it. Fulton will not discuss the question of his auspices, but in explanation of the amendment says: "When the bill came from the house it contained the following provision:

Syndicate Will Interest Itself in Interurban Railways, Electrical Plants and Real Estate Development.

New York, Philadelphia and Boston are not the limits of the lively interest and growing confidence felt by financiers and investors in Portland's future, and Oregon's great resources. The capitalists across the water are equally alive to the opportunities that are offered for profitable investment here. Interests Were Keenly. In local financial circles the story runs that the United Railways company's financing enterprise was not warmly received in certain quarters in New York, and it was developed that the financial interests connected with the most recent consolidation of electrical and street railroad properties in Portland and the Willamette valley were hostile. The United Railways agents were met with a friendly hand-grip, but that was all. The New Yorker's hand did not open with anything resembling financial encouragement, and while there seemed to be plenty of money for various Pacific

Forest Grove Line First

The company contemplates construction of the Forest Grove line of the Oregon Traction company first, a franchise already having been secured for that enterprise, but its consummation hinges, it is said, upon the carrying forward of the larger plan, embracing the extension from South and Eleventh streets to Irving on Taylor from Front to Ninth, the desired Forest Grove extension