

WILDE MADE ONLY COMMON BUSINESS DEAL, SAYS FRIEND

William Kettner in Report to San Diego Paper Defends Former Portland Banker—Cameron Takes Issue.

Louis J. Wilde, when placed on trial on the charge of hiding W. Cooper Morris in the embezzlement of \$90,000 from the Oregon Trust & Savings bank, will seek to show that the transaction upon which the incident is based was only an ordinary business transaction, in which he earned commission on the sale of Omaha Home telephone bonds, and collected it.

In outline of the position taken by Wilde afforded by a report published in the San Diego Union the day following his return to San Diego, it was furnished by William Kettner, vice president of the Chamber of Commerce of San Diego, a friend of Mr. Wilde, who accompanied the accused promoter to Portland on his recent visit. Kettner states he made a close investigation of the dealings of Wilde with the Oregon Trust & Savings bank.

The report made by Kettner goes into the bond transactions in some detail and reads as follows:

Acted as Agent.

"First—Mr. Wilde was engaged as agent for various telephone companies in selling securities of those companies. "Second—The bonds issued by the Independent Telephone company of Omaha, and sold by Mr. Wilde, were first mortgage bonds upon a splendidly constructed telephone plant in the city of Omaha, and said bonds were of the full value of the purchase price for which they were sold. These bonds were purchased by banks, trust companies and investors on the Pacific coast from San Diego to Tacoma, many of whom had been investors in telephone securities of other plants. All of the bonds sold at this time were sold upon the same basis. After the failure of the bank a committee of the depositors' association made a careful investigation into all the assets of the Oregon Trust and Savings bank, pronounced the telephone bonds good and recommended the depositors of the bank to accept these bonds at par in satisfaction of their deposits.

"Third—The newspapers of the city of Portland, as a matter of public interest, investigated the plants at Omaha and Tacoma and reported favorably upon these securities, and the articles so published by the newspapers after their investigation were largely used by the depositors' committee in inducing the depositors to accept bonds in satisfaction of their deposits. Four months after the failure of the bank, during which time the value of these securities had been thoroughly investigated, the court approved a plan of merger of the Oregon Trust and Savings bank with the German American bank; such approval being conditioned upon the acceptance of telephone bonds by depositors, who had already subscribed for such bonds, in satisfaction of their deposits. I have assumed that the court, who was the guardian of the interests of the depositors, would not insist upon such a condition unless thoroughly satisfied as to the value of the bonds.

Cripples Company.

"Fourth—I find that the sale of the bonds to the bank did not cause the failure of the bank. The bank had but a small amount invested in the bonds, having issued its certificate of deposit largely in payment for the same. These certificates of deposit were never paid by the bank. The Omaha Telephone company suffered a very large loss due to the failure of the bank. This fact crippled the company so that it was obliged to temporarily suspend construction of the plant and the large investment was idle and the plant was seriously crippled thereby. These facts, together with the fact that this occurred during a general panic when it was impossible to place securities at their value, caused the depreciation in value of the bonds of the Omaha com-

pany, and my conclusion is, that instead of the purchase of the bonds causing the failure of the bank, the failure of the bank to pay for the bonds caused the embarrassment of the company and the subsequent depreciation of its securities. As a further evidence that the bank was not embarrassed by the purchase of these bonds, is the fact that the bonds were disposed of by the receiver for the bank at par and thereby realized therefrom some \$25,000 more than the bank paid for them. It is common knowledge in Portland that just prior to the failure, over \$400,000 in cash was paid out by the Oregon Trust and Savings bank in large overdrafts, bad loans and promotions such as the Golden Eagle department store and other ventures, already known to the people of Portland to have been the cause of the heavy withdrawals of cash from the bank, thereby causing its suspension.

Bank Paid Nothing.

"Fifth—Mr. Wilde was paid nothing by the bank. He was the agent of the Telephone Construction company that negotiated the sale. The bonds were the property of the Union Telephone Construction company. The company sent its treasurer to Portland to close the sale of the bonds. He (the treasurer) procured the bonds from the Title Insurance and Trust company and took them with him to Portland and made delivery there and received therefor certificates of deposit for the full purchase price. These certificates were drawn to the Telephone Construction company and delivered to its treasurer direct. They were payable at various times, extending over a period of more than a year. The treasurer of the construction company, under instructions from his company, paid Mr. Wilde his commission. This payment was in accordance with Mr. Wilde's contract with the Telephone Construction company and this commission is the money he is indicted for receiving. Mr. Wilde was paid a commission in precisely the same way as the owner of a parcel of land, which had been sold through an agent, would pay the agent the commission which he had earned. Mr. Wilde secured the bonds for the construction company upon a commission basis under a written contract and was paid in this case the same commission he had been paid in many instances. In the selling of the bonds he represented the Telephone Construction company. In closing the deal the treasurer of the company delivered the bonds and took certificates of deposit, a very large part of which were never paid.

Mr. Plant, Says Cameron.

District Attorney Cameron, being shown the Kettner statement, made the following comment:

"As to the first paragraph, there will be no dispute about it. Concerning the splendidly constructed plant at Omaha, there was in fact no plant at the time the sale of the bonds to the bank was consummated on May 7, 1907. The company had obtained its franchise to do business in Omaha the previous December, and winter work was not possible in that climate. Work could not have been commenced before April.

"It is true a recommendation was made to depositors of the bank to accept telephone bonds in satisfaction of their accounts. This was on the theory that otherwise they would get nothing, and the bonds were thought better than nothing. Mr. Wilde about that time had paid ads in the newspapers advising the depositors to accept telephone bonds, I believe. I do not understand that the newspapers of the city advised that the bonds were good.

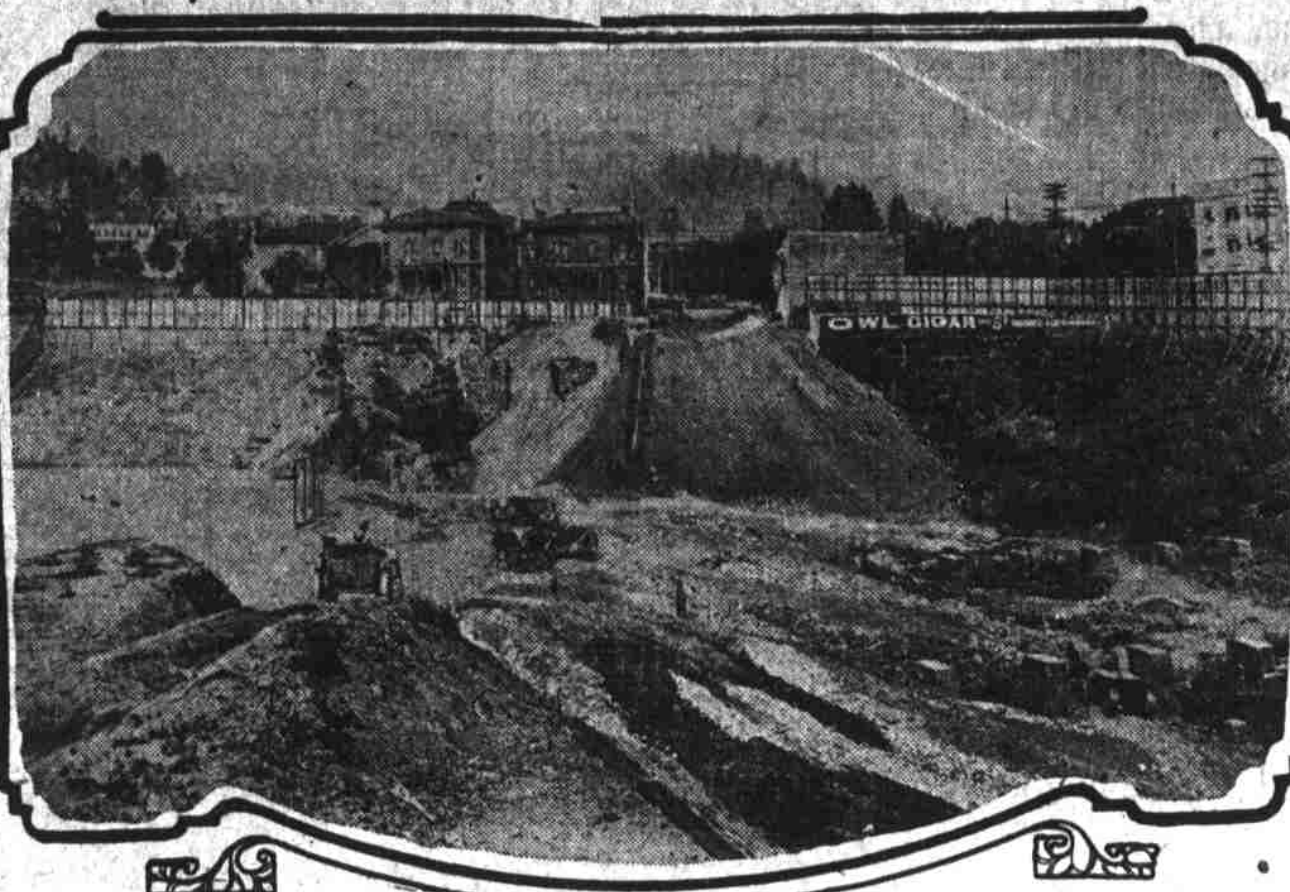
"The facts about the bond transaction are that the bank paid \$100,000 in cash for them on May 7, 1907, and issued certificates of deposit for \$300,000. Of the cash paid, \$90,000 was appropriated by Morris and Wilde. Three of the certificates of deposit, for \$25,000 each, were paid before the bank failed in August, making a total outlay of \$175,000 by the bank at a time when its cash resources were much needed. The bank took the bonds at par and they were later accepted by depositors at par.

Divided \$90,000 Says Cameron.

"As to Wilde being paid nothing by the bank, the fact is that Wilde had authority from the telephone construction company, which was the selling agent, to sell as low as 80 cents on the dollar. He reported to his associates, Stow and Graves, that he had sold the block to the bank at \$2. He reported he had received \$400,000 in certificates of deposit and \$10,000 in cash. This \$10,000, which his associates were led to believe was all he received over \$400,000, was divided in three parts as a commission.

Urge City to Make Morrison Street Fill

Some of Property Owners Are in Favor of Municipality Going Ahead With Work; Estimates Called for 72,000 Cubic Yards of Earth to Make Fill



View of Morrison street fill, looking west from Chapman street; most of work being done on west end of gap

At the present rate of progress it is estimated that it will take three years to complete the Morrison street fill. The big gulch extending from Chapman street west for nearly 500 feet is being used as a dump by a number of excavation contractors operating on the west side who are dumping from 100 to 150 wagon loads of earth a day on the fill. According to the estimates of the city

engineer it will require about 72,000 cubic yards of earth to make the fill. With the coming of the rainy season there will be very little basement excavating going on and the result will be that little progress will be made on the fill throughout the winter. There is a very general feeling among Morrison street property owners and others directly interested in the opening of the street, that the work of making the fill should be undertaken in a

systematic business-like way—that is that the city should ask for bids to do the work and that a contract should be let with a stringent provision requiring the work to be completed in a reasonable length of time. The first estimate of the cost of the fill made by the city engineer, and communicated to the council about two months ago was \$24,000. Since then there has been probably 4000 yards of earth dumped into the gulch.

Wilde and Morris split the extra \$90,000 in cash between them. This money was taken from the bank's funds and constitutes the embezzlement upon which the indictment is based.

GARRISON'S DYING GAZE RESTED ON GIRL'S PHOTO

New York, Sept. 2.—Daniel E. Garrison Jr., member of one of the oldest and wealthiest families in St. Louis, committed suicide today in his room at the Waldorf-Astoria hotel by shooting himself in the head with a revolver. His health and a fear that an approaching marriage would prove unhappy caused the act, according to a letter left by Mr. Garrison.

The woman to whom Mr. Garrison was engaged is Miss Mary Williams of this city. She is on her way to New York from Europe. Her photograph was found on a trunk near the bed in which Mr. Garrison lay when he shot himself. He had placed it so his last glance on earth might be directed at her likeness. Mr. Garrison's father, Daniel E. Garrison Sr., and his son Daniel E. Garrison III, were at the Waldorf and occupied adjoining rooms on the fourth floor.

Mr. Garrison was 42 years old and a widower. His first wife died about four years ago. He was the first vice president of the Corrugated Gas company, of which his father is president. The offices of the concern are in St. Louis.

4 STATE'S ATTORNEYS WORK ON M'NAMARA CASE

Los Angeles, Sept. 2.—District Attorney John D. Fredericks and three assistants are working day and night preparing the evidence and searching the authorities in advance of the trial of the McNamara brothers, scheduled to begin October 11. Fredericks has turned over the active charge of his office to Deputy District Attorney G. Ray Horton, and is spending his entire time on the case.

The attorneys for the defense are also "up to their necks" in work, and as there is but a little more than a month until the case comes to trial they are making every minute count. Neither side has an inkling as to the nature of the evidence, the other proposes to spring, and consequently both the defense and the prosecution are preparing for any exigency.

A barrel-shaped packing case that has been patented by an Illinois man can be folded for transportation when empty and used many times.

MARION SUPERVISORS NAMED; 3 IN NUMBER

(Salem Bureau of The Journal.)

Salem, Or., Sept. 2.—The needs of the different school districts of Marion county will be looked after more carefully in future and teachers who have had no former experience will be materially helped as the result of the appointment today of three county school supervisors. This board of supervisors will hereafter be a fixture in all counties which have more than 60 districts. The local board, composed of County School Superintendent W. M. Smith of Salem, Lennie Cowles of Turner and W. L. Smith of Gervais, will visit all the school districts in this county before the opening of the 1911 term of school and every six weeks thereafter and observe conditions in order that they make proper suggestions to local school boards for the betterment of the public school system. Most of the schools of the county will open the last week in September or the first week in October.

Pan of Soup Scalds Collector.

(Salem Bureau of The Journal.)

Salem, Or., Sept. 2.—That the people who are interviewed by bill collectors are sometimes upheld in taking drastic measures was shown here today when Judge Webster of the police court dismissed Mrs. Frank Amick. Mrs. Amick was arrested yesterday on complaint of C. W. Calvin, an unlucky collector, who, after entering into an argument with Mrs. Amick, was greeted with a pan of hot soup thrown through a screen into his face. Mrs. Amick produced her children as witnesses to prove that she had offered the man to leave the place, and that he had refused to do so. Calvin's face, neck and arms were scalded.

Wet Underbrush Checks Fires.

(Salem Bureau of The Journal.)

Salem, Or., Sept. 2.—That the forest fire situation in the state was greatly relieved by the rains of last night and this morning is the statement given out at the state capitol today. Reports are that the precipitation has wetted the underbrush and grass, which will keep the fires from spreading, although it was not heavy enough to quench any large blazes which were in progress. It is probable now that nothing further will be done in connection with the petition to the governor, asking that the game season be temporarily closed.

Rains Have Not Injured Hops.

(Salem Bureau of The Journal.)

Salem, Or., Sept. 2.—Monday will witness the real opening of the hop-picking season in this locality, although there are several yards which have been

the scene of picking since Wednesday. It was stated here today by hop growers that the rains were not heavy enough to do any damage to the crop. On the other hand, conditions will be improved if no further precipitation occurs.

Requisition for Cummings.

(Salem Bureau of The Journal.)

Salem, Or., Sept. 2.—Governor West today issued a requisition on the governor of California for the arrest and return to this state of Bert Cummings of Medford, who is wanted in that city on a statutory charge.

WOODBURN POTATO CROP GOOD; OATS FALL DOWN

(Special to The Journal.)

The late potato crop in this vicinity is looking well, and as the acreage is large a good crop is expected, providing enough rain falls during this month to give the potato the desired growth. The onion crop is larger than last year by several carloads and is in excellent condition.

The yield of spring oats is proving a sore disappointment to the growers, for where they expected to harvest from 40 to 60 bushels to the acre, and in some instances more, the average will not exceed 25 to 30 bushels. Some fields are not showing to exceed 15 bushels to the acre. Many small growers will not have sufficient oats to feed stock through the season. Winter

oats and wheat have done much better, though the yield is not heavy. The crop of hay is large and of good quality. Buyers are scarce and little, if any, has been moved since harvest. Prices offered do not compare with the market of the past few years.

Water Election September 5.

(Special to The Journal.)

Woodburn, Or., Sept. 2.—On Tuesday, September 5, a special election will be held for authorizing an issue of municipal water bonds to the amount of \$25,000. Of this amount, it is proposed to spend a little less than \$10,000 for the purchase of the present system, now owned by R. K. Page of Salem, the balance to be spent for extensions and improvements. A tower 100 feet high and a tank of 60,000 gallons will be erected and in addition about two miles of six and eight inch mains will be laid and 15 new fire hydrants installed. Public sentiment seems to be in favor of municipal ownership and it is believed the bonds will be voted by a large majority.

Springfield Hotel Change.

(Special to The Journal.)

Springfield, Or., Sept. 2.—Sherman Spong, formerly proprietor of the American hotel in this city, has purchased the interest of D. J. Cummins in the Springfield hotel.

Journal Want Ads bring results.

DUBOIS IS RECEIVER FOR SWANK & CO.

(Special to The Journal.)

Vancouver, Wash., Sept. 2.—Lloyd Dubois of Vancouver, was yesterday named receiver for the firm of Swank & Co., bankrupts. The appointment was made by Judge Hanford of Seattle, and in direct opposition to the wishes of the Merchants' Protective association, which advocated the selection of its secretary as receiver.

Application for a petition in bankruptcy was filed in Tacoma yesterday asking that a receiver be appointed. The company, which is incorporated, gives its liabilities at about \$43,000, with sufficient assets to cover all.

Swank & Co. owed the commercial bank of Vancouver about \$10,000 when it closed its doors on December 19, 1910, but of that amount about half has been paid. The assets of the firm consists chiefly of the stock and fixtures of a department store at Ninth and Main streets.

"The Coffey Farm" to be sold. See classified farms for sale.

Advertisement for Robert's Bros. featuring 'The Most in Value - The Best in Quality' and 'LABOR DAY' specials. Includes a coupon for 10c patterns and a price of 10c for all styles. The ad also mentions 'In Accordance With Our Usual Custom This Store Will Remain Closed All Day Monday' and 'See Monday Evening Papers for Tuesday's Specials'.

Advertisement for Union Dental Company featuring 'Greatly Reduced Prices' and 'The Old Reliable Painless Dentists FOR THIS MONTH'. The ad lists various dental services and prices, such as 'Best Work Guaranteed for Fifteen Years' and 'FULL SET OF TEETH \$5.00'. It also includes a '30 DAYS' FREE TRIAL' offer for piano purchases and a list of 'All Pianos at Factory Cost'.

ADVOCATES UNIFORM LAWS ON MARRIAGE



Representative Norris of Nebraska, who introduced into the house the motion for uniform laws of marriage and divorce in the several states. His resolution asks that the president request each governor to send a representative to a meeting to be held in the hall of the house of representatives. The gathering will report its findings and recommendations to the president, who shall forward them to the governors, with the request that they lay the same before the state legislatures.

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