

MENEFFEE'S SPECIAL ACCOUNT EXPLAINED BY FRANK MENEFFEE

U. S. Cashier Company Case Is Still Grinding in Federal Court.

CAMPBELL CUT PRICES

Further Investigation Is Made Into Patent Rights to Refute Constitution of Government.

The Frank Menefee special account and the discrepancy between the amount of money recorded in it as the price of shares sold and the higher price really paid by investors, was explained by Frank Menefee, president of the U. S. Cashier company on the stand today for the defense in the fraud trial in federal court against himself and six other officials and salesmen of the concern.

In the special account, appear frequent items recording sales at figures as low as \$4 and \$6 per share which the government showed was bought at as high as \$14. Menefee admitted that the figures submitted by the government in this connection were correct as far as he knew and characterized as "a very good guess" as to the actual figures, set down pending a final determination of the real amounts received for the stock.

Wanted to Close Accounts.

The "guesses" he stated were put down by himself because the directors wanted to close the account and he was in the east and unable at the time to post his own books. Later he found that there was owing the company \$4985 as a result of these sales and he advanced the company the difference.

Most of the low priced stock was sold by Oscar Campbell, president and director, among his friends in Eugene and southern Oregon. In all, Campbell, said Menefee, disposed of 2465 shares, all of which sold for prices that ranged from \$1.10 per share excepting 1465 shares sold at \$4 per share. For all stock Campbell received \$21,755 and \$5200 was rebated to Campbell for various reasons.

Sold Without Restriction.

"At the time we were short on funds and I told him to take some stock and sell the best he could," Campbell was not restricted as to price.

"I took up the matter of settling with Campbell several times, but we postponed it for various reasons. Finally Mr. Baker, our auditor, on instructions of the directors, set out to close the Frank Menefee special account. He saw Campbell, and finally prepared the list of stock transactions in the account. He then submitted it to me. It was agreed that I was to set down the amount received for the stock to the best of my recollection. I did not post my books since June of 1913. I did what I could, but the prices were just a guess."

Intention Not Carried Out.

"The account was opened simply to take care of certificates of stock issued, but for which full settlement had not been made. That was its purpose and our intention but it was not carried out. Before final settlement I was charged with everything in it as a personal account."

"In 1912 Mr. Baker objected to the memorandum system because it had created some confusion and on his suggestion was opened the Menefee special account and others covering activities of salesmen. Under this system Menefee put a certificate of 5000 shares with Baker and it was proposed to draw against this block of stock from time to time when a settlement was deemed necessary. This system, he declared, would serve to keep the book straight at all times."

Cake then went into the patent situation with a view of showing that the company and Menefee depended for the information on their patent attorneys at Washington the firm of Wheeler & Robb.

Per i Lettori Italiani

(Servizio giornalistico della più recente notizia della guerra Italia-America esposto a cura dell'ufficio di redazione del giornale "L'Espresso" di Roma)

La Guerra Con la Turchia

Atene 10.—Disprezzi da Costantinopoli informano che i consoli italiani in Turchia hanno trasmesso i loro affari e la protezione dei loro connazionali, residenti nell'Impero Ottomano, a rappresentanti di nazioni neutrali, e principalmente a quelli degli Stati Uniti, essendo essi in procinto di ritornare in Italia.

Questa notizia, sebbene non confermata ufficialmente da Roma, fa ritenere che la dichiarazione di guerra, dell'Italia alla Turchia, è imminente.

L'Italia avrebbe pronto un corpo di spedizione di 650,000 uomini da mandare immediatamente in aiuto degli alleati, nelle operazioni contro i Turchi.

Parigi 10.—Il rappresentante di Roma, del "Petit Journal", rapporto la dichiarazione di un membro del gabinetto, sui rapporti dell'Italia con la Turchia, nei seguenti termini:

"L'Italia ha preso le più importanti ed energiche misure contro la Turchia non appena l'attitudine degli Stati Uniti, sulla base dell'articolo 11 della Convenzione di Londra, sarà definitivamente determinata."

Accountant Cross Examined.

At the trial of the Menefee case, E. H. Collis, expert accountant, preceded Menefee on the stand yesterday afternoon, and after he had testified that the company's records were well and correctly kept, he was subjected to a stringent cross-examination by United States Attorney Reames.

The prosecutor took strong exceptions to the manner by which Collis had arrived at the figures, and the witness paid on stock issued and also in connection with the question of stock liability.

Commissions About 30 Per Cent.

"The stock was sold at \$145,000 and commissions were about \$45,000, or approximately 30 per cent," said the witness.

Did You Expect Anyone to Pay a Commission on That?

"No sir."

But you included it and for the purpose of bringing down the percentage.

"No sir."

Yes, I included everything.

"And you didn't expect anyone to pay commissions on that?"

You included it to reduce the commissions?

"No. I was asked that question and I answered it."

Reames Expects On Figures.

"Now I ask you to eliminate all those stock issues and then tell what the percentage would be."

"That will take some calculation," replied Collis.

"I want that statement tomorrow," declared Reames.

On direct examination Collis said in all \$465,000 had been put into patents in the form of cash, stock, realty, notes, etc.

INNOCENT LOOKING PAPER'S CAUSE OF LENGTHY DISCUSSION

Attorneys in the Dodge Case Take Opposite Views of Contract.

OUTCOME PROBLEMATIC

More Argument Over Document Expected Between Now and Time Arguments Conclude.

An innocent looking typewritten document of considerable length reposes with other exhibits in the Dodge case in the custody of court reporter Pershing. It has much the appearance of other documents among the exhibits.

Yesterday Attorney Thomas Mannix, counsel for E. H. Dodge's trustee in bankruptcy, pointed out in terms which appeared final what a wicked thing the innocent looking paper happened to be.

This morning Attorney Guy C. H. Corliss, one of the counsel for Frederick A. Kribs and Willard N. Jones, defendants in the case, in the flowing words, explained away the vicious words of the paper.

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DEMONSTRATION MAY BE MADE ALONG THE MEXICAN EAST COAST

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YOUNG WOMAN ASKS \$5705 FOR SQUEEZE

Miss Virginia K. May Sues G. W. Cram, Who, She Alleges, Embraced Her So Hard She Sprained Her Ankle.

San Francisco, Aug. 10.—(P. N. S.)—One squeeze, just once—a violent one, perhaps—is valued today in the court records at \$5705.

It was just an ordinary squeeze at that, such as emotional swains are wont to take when the hitting strains of music seem heavenly, the floor is like glass and your dance partner—well, here is what one dance partner, Miss Virginia K. May, has to say of such a squeeze.

Miss May filed suit for \$5705 today against George W. Cram, charging that on August 12, 1914, while dancing with him, he "maliciously, wilfully and violently squeezed her."

Miss May resented the squeeze and, in breaking away, fell to the floor, sprained her ankle and fainted, according to the complaint.

POWER FRANCHISE DEFEATED AT BEND BY NARROW MARGIN

Referendum Vote on Steidl and Twest Measure Overturns Action of Council.

Bend, Or., Aug. 10.—After the hardest-fought election ever held in Bend, the electric light and power franchise granted to Steidl & Twest some time ago by the council was yesterday defeated on a referendum vote by the narrow margin of 29 votes.

Through an educational campaign conducted by Manager Foley of the Bend Water, Light & Power company, the sentiment of the voters was materially changed during the last week of the contest.

The Steidl & Twest franchise was passed by the council in April and immediately vetoed by Mayor Miller.

With but one dissenting vote the council passed the franchise over the mayor's veto whereupon the Bend Water, Light & Power company referred the measure to the people.

Charles A. Brown of Chicago, president of the Bend Water, Light & Power company, who has been here for several days, made a brief talk, in which he announced that he would today offer Steidl & Twest a price for the electric light that they can furnish continuously, which would net them more than they could hope to receive under the "campaign rates" they announced.

Auto Knocks Down Col. James Jackson

Head of Retired Army Officer Bruised and Hands Are Out; Injuries Not Believed Fatal.

Colonel James Jackson, U. S. A., retired, who is about 85 years old, was knocked down and run over by an automobile this afternoon, but it is thought he was not fatally injured. His head is bruised and his hands are out.

The car struck Colonel Jackson as he was crossing the street in front of the Wells-Fargo building, Sixth and Oak streets. He grabbed at the hood of the machine, but fell prostrate and the machine passed over him. Fortunately he was not struck by any of the wheels.

John McNulty of the United States hydrographic service saw the accident, and was the first to reach Colonel Jackson. He assisted in carrying the injured man to the Chamber of Commerce building, where a physician gave him attention.

Colonel Jackson was then taken to the office of Dr. Byron Miller, in the Broadway building.

Automobiles Cheap.

Now is the time to buy your car for pleasure or business. The short end of the season season is here, and is resulting in many bargains. Read the "Automobile" column of The Journal's classified section for reliable information.

Work Starts on St. Helens Road.

Preliminary work of preparing the grade on the St. Helens road for paving was begun today by Oscar Huber, who was awarded the contract for the bituminous section. According to the terms of his contract, the work is to be completed by October 1.

Chicago Party Coming.

Headed by Charles Bury, a party of 26 Chicagoans traveling in the private car "Signal" will reach Portland tomorrow morning over the Northern Pacific from Seattle. After spending the day here they will go to San Francisco over the Southern Pacific.

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MERCHANT MARINE URGED AS SALVATION OF LUMBER INDUSTRY

Demand Heavy Now but End of War Will See Big Gain, Trade Commission Told.

SOUND REPORTER SPEAKS

Captain Chilcott of Portland Presents Plan for Rehabilitation of Marine.

Seattle, Wash., Aug. 10.—(P. N. S.)—Cessation of the war in Europe will mean an enormous demand for the lumber products of the northwest and will be the necessary and greatly increased shipping facilities if utter paralysis of the industry is to be avoided.

Assurance of these facts was given today to the committee on the shipping here today by Allan H. Daugherty, president of the Ocean Lumber company, one of the heaviest exporters of lumber in the Pacific Sound.

There is at present a demand for lumber in Europe that is greater than can be supplied with the existing transportation facilities. Daugherty said, and exporters could double their lumber sales abroad if ships could be found to carry the cargoes. He suggested to the committee that a problem in the development of foreign trade was the building up of a merchant marine adequate to the needs of American shipping.

Trade Data Given.

H. E. Horrocks, president of the Pacific Cesscooting company, also gave to the commission much data concerning the lumber trade. Horrocks declared that permission to the cesscooting lumber manufacturers to combine in effective selling agencies would mean much to the future of the trade. He also said that there was a field in America for the manufacture of crates which is now made exclusively in Europe.

One of the most important and interesting witnesses before the commission today, was Captain Richard Chilcott of Portland, who presented to the commission a plan for the rehabilitation of the American merchant marine.

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