

Letter from the County Court

In the fifth of a series of statements in answer to the recent report of the Klamath county grand jury, Judge Worden of the county court last night made serious charges against prominent bankers in Klamath Falls.

In his statement Judge Worden charges that Alex Martin and C. S. Moore called Major C. E. Worden, father of Judge Worden, into the First National bank one day and made a proposition to him in substance as follows: That the grand jury was soon to meet and that County Judge Worden and Commissioner Guy Merrill "had to go"; that they (Martin and Moore) had sufficient influence with the grand jury to stop any proceedings before that body; that Commissioner Merrill had already promised to resign; and that if Judge Worden would resign they would see to it that the threatened investigation would be stopped.

"My father told these gentlemen that he would place the matter before me when I returned from Portland," says Judge Worden, in his statement, "as I was then in Portland attending a meeting of the county judges of Oregon.

"When I returned he told me what Martin and Moore had said to him. I was not surprised, because Fred Melhase, president of the American Bank and Trust company, had already told me that this proposition would be put up to me by Martin and Moore.

"On Saturday, January 11, Melhase came to me and said that he wanted to see me on urgent business and suggested that he have a conference with me at my house Sunday afternoon. I told him to meet me in my office in the court house instead. On Sunday, January 12, he visited me in my office at the court house, according to appointment.

"He started right in with his story. The first thing he said was, 'Bill, this grand jury is going to break your neck.' And then he said that, as a friend, he would advise me to resign. The grand jury would indict me, he said. I asked him what charge they would bring against me, and declared there was nothing in my official life that would not bear the light of the fullest and most hostile investigation. He answered that it would make no difference whether or not I could be convicted on any charge that the grand jury would bring; that the important thing would be that I would be disgraced before the people of Klamath county by reason of the indictment, and that before a trial could be held a recall petition would be circulated and that I would be thrown out of office before I could defend myself.

"I asked him who were back of this move, and he said that I had very influential people opposed to me. 'It is different now to what it was a few months ago,' he said, 'the people who are against you now are men of influence.' I asked him who they were, and he said that very likely during the next week I would be approached by two men and asked to resign. I asked him who these two men were. He said they would probably be Alex Martin and Charlie Moore.

"I went to Portland within a day or two, and upon my return my father told me that Martin and Moore had made their proposition to him.

"I was astounded that any set of men in this county could pretend to have control of the grand jury, or that such an outrageous proposition could be placed before any man. I did not know whether or not the pretensions of Martin and Moore were based upon fact. I knew, of course that D. V. Kuykendall, former district attorney, who had initiated the proceedings against the county court before the present grand jury, was attorney for the First National bank, and handled the personal business of Martin and Moore; but I could not then bring myself to believe, and I cannot now bring myself to believe, that the members of the grand jury are consciously under the influence of this set of men. I prefer to believe that whatever the members of the grand jury have done has been done with the thought that they were right, and that they have been misled by clever schemers.

"But a situation so serious as the present one, in which certain persons are claiming to hold the grand jury of this county in their hands, calls for exposure, and when my father told me of the proposition that had been put up to him, I made up my mind then and there that I would stick to my guns and that I would tell the public the whole story from beginning to end, omitting nothing that would show clearly the motives behind this plan, where certain persons claim that they can move the wheels of justice to suit their own selfish purposes and influence the actions of a grand jury of this county.

"Much as I dislike to indulge in personalities, I feel that the situation

is so serious and acute that it is my plain duty to the people and to myself to uncover as far as possible the workings and methods used by a certain set of men to accomplish their financial ends."

"Since January 1, 1911, a period of practically two years and one month, I have served you in the public capacity of county judge. During that time I have tried to do the two things I contracted to do, according to the terms of my agreement with you, namely, to build a new court house on the site upon which it is now being erected, and to construct good roads. During that time I have endeavored to conduct the office along business-like lines and in a manner intended to promote the dignity of the office in accordance with the dignity attached to it by the law. I have suffered much criticism and abuse upon the part of individuals and cliques who are opposed to the policies of the county court. From time to time various matters have been discussed with the taxpayers in open letters from the county court, and it has been done in an entirely impersonal manner, in the hope that the animosities and the prejudice and the hate which arose over the choice of location of the new court house might in time be eradicated and forgotten and a large majority of those residing in the county be united in a common effort to promote the public good.

"It seems, however, that this much-desired condition cannot be attained, and that there are certain individuals in Klamath county who will never be satisfied until either by fair means or foul, rule or ruin, they once more secure control of the county's affairs. For that reason, and due to that condition, a certain clique of people has continued to promote the circulation of reports reflecting upon and intended to injure the county court.

"It is quite natural that a part of the residents of any county should not be satisfied with the administration of its affairs. I believe that never in Klamath county has there been a time when all the people were pleased with any administration. In discussing the grand jury's report up to this time we have contented ourselves with facts which we could discuss with our present knowledge, and only such well known facts as we are able to gather prior to the report of the expert now examining the books at the county court's own request long before the grand jury got into action. There are other points which will be discussed when his report is completed, since at that time only can reliable figures be procured.

"As signified in our last letter to you there are certain people in Klamath county who have not yet given up the idea that the new court house shall be erected on the old site, and that there is a plan on foot to remove the structure now in course of erection to the old site, providing two members of the present county court can be removed from office, or recalled.

"Under date of February 3 copies of the grand jury report in booklet form have been mailed throughout the county. Certain individuals have taken upon themselves to have this report printed at considerable expense and spread broadcast in the hope that it will prejudice the minds of the people and pave the way for a successful recall of Mr. Merrill and myself.

"It is also believed to be a fact that several of the large timber owners in the county are back of the move, and are contributing to a fund of \$4,000, which is said to have been subscribed by some of the signers of the above mentioned letter and some other individuals whose names do not appear, to be used in defraying the cost of bringing about the recall of two members of the county court. A report is in circulation that Mr. Silas Obenchain, one of the signers of the letter, is the recall candidate for county judge.

"By looking over the signatures of the above letter we find that the first two are Alex Martin and Fred Melhase. It is a well known fact that these two gentlemen are presidents of two of the largest financial institutions in Klamath county. Mr. Martin of the First National bank (successor to the Klamath County bank), and Mr. Melhase of the American Bank and Trust company.

"It should be remembered that these two banks have been the depositories of the county funds ever since there have been banks in Klamath county. Thousands and thousands of dollars have laid there to be disbursed by the treasurer of the county, subject to the orders of the county court. You will remember that the \$62,000 court house fund was deposited with the American Bank and Trust company while the contentions and legal entanglements of the court house controversy were going on. It has been quite a nice thing for any bank to become the depository of these funds, and for long, long years these two

banks have been the recipients of such favor by the people of Klamath county. They have paid no interest for the money committed to their care and of course have been permitted to loan this money to the taxpayers at the rate of 10 per cent. In other words, you have paid interest to borrow your own money, at a good, substantial rate, too.

"It is a well known fact that the power of money is so great that the ramifications of the influence of financial institutions extend in so many directions that many of our citizens are at times forced to borrow, and are directly under the influence of these institutions, and are many times compelled to so shape their conduct in private and political affairs as to meet the will and the desires and the approval of the people whom they owe. In other words, a man indebted to these institutions, should he be holding a position in a public capacity, is more or less, perforce of circumstances, amenable to their desires. It is a dangerous position, and one which should not be tolerated by the people of any community.

"Therefore, it is to be deplored that Messrs. Martin and Melhase should be identified with a movement to displace the present county court. It would look much better had they, during the past two years, and were they now, trying to assist the court in bringing about something good for the public welfare. Instead of that, they have in every way possible, interfered with whatever the court attempted to accomplish. They have, by their recommendations, acts and influence, depreciated the value of county warrants and discredited the county court in every possible way that lay within their power.

"I want to speak of all the things which I have had an effect or bearing upon the situation at issue; and I desire to say right here that I am sorry that Mr. Alex Martin signed that letter in which it is attempted to pave the way for recall, for the reason that I do not believe that he would lend himself to such a move. I want to say at the outset in discussing Mr. Martin, that I have always been his friend. I have gone out of my way to assist him and his relatives at his own request. Personally, I have always liked him, and believe that he has numerous friends in Klamath county who like him as well. There is no question but what there are men here whom he has assisted in times past; and Mr. Martin, I say with a feeling of regret, for he is now past 74 years old, and has already lived longer than the time allotted to man—three score years and ten—and, of course, having amassed a fortune now lives in the past.

"What can there be in Mr. Martin's mind relative to the future? What can his plans be any further than to conserve his own interests in what may seem to him to be the best possible way for the short time he has to live? Consequently, Mr. Martin would not be a suitable person to direct the affairs of the county; neither would any man under his dominance be fitted to do so, for the reason that Mr. Martin will never live to see the improvements that you and I desire. For years and years of his life has been given to the gathering of money, to conserving and to loaning it out; and I do not believe that his judgment, centered by life-long habit to this narrow scope of financial activity, is qualified to pass upon whether Klamath county is properly managed because the county court has seen fit to spend some money and to accomplish much needed improvements, and to go into debt for the same in the only way it was possible to do so. Mr. Martin's attitude as president of the financial institution which he represents, should not have a great deal of weight with people who are progressive.

"Then, too, he has been connected for long years with an enterprise which has in many instances dictated the policies of Klamath county in the past. During the last two years it has been impossible for any bank to dictate to the county court. We have been owned by no one except ourselves, and have done the things which we felt were for the best interest of the county, present and future, in the only way we could accomplish them. Therefore, as suggested in several places above, it is deplorable that these financial institutions should attempt to interfere with the political affairs of Klamath county. Taking a bearing from any angle from which they can be considered, their personal interests are so great that, should they be permitted to get in control of the situation at this time, how do we know but what they would do as they have always done in the past? In other words, looking back over the history of the county, where has anything been done, outside of one administration, except that accomplished by the present county court? When

before were any permanent roads built? We will speak about these things later and at the proper time; but now I want to reiterate most emphatically the insistence of Mr. Martin and Mr. Melhase and of the two banks with which they are connected, to interfere with the political affairs of Klamath county would not be healthy for you as taxpayers, judging the future by the past.

"Without any malice or ill feeling toward Mr. Martin or any one connected with the First National bank, I wish to call your attention to a few facts which have existed in Klamath county for years, and which some of the men who have lived here during that time will readily recognize as the truth. To the people and newer citizens who have come since that time, I beg you to read carefully, so you may know some of the conditions leading up to the present situation.

"The First National bank is the outgrowth of the Klamath County bank, which was founded and formed and has its first place of business in the old brick store near the bridge across Link River. When the writer first came to Klamath county, the most active part of Klamath Falls was in the vicinity of the bridge. The most important business was done there, and it was the political as well as the commercial center of Klamath county. Mr. Alex Martin and Mr. C. S. Moore have been associated in business for many years in what is known as the "old brick store." They are now large factors and heavy stock holders in the First National bank. Settling in the west end of town and having their business interests there, it was, of course, a difficult matter for them to realize that Klamath Falls could ever grow in any other direction—that the business center could ever gravitate away from their own property. From the conduct of their affairs since they have lived here, one would be led to believe that they never thought that any improvement could occur in the east end of town, and that no investment of a permanent nature could be profitable in Klamath Falls; or that they simply wanted to stay here until they could make as much as money as they could and then leave the country.

"For years Messrs. Martin & Moore conducted a general store in the old brick store building near the river, with practically no competition, and the purchaser could pay the price or not, just as he chose. The class of building which they did is evidenced by the construction of the additions to the old brick store and the Lakeside Inn. They never constructed in a permanent manner.

"In the old days the brick store was always the political center of Klamath county. Under the old convention system, tickets were made and nominated there before the convention met, and for years and years it was a standard saying in Klamath county that if any man wanted office he must first secure the consent of the brick store. Politics of the style which have led to the adoption of our present primary system were in vogue then, and only since that time has it been that these men and their influence have not dominated Klamath county.

"Looking back through the history of that period extending over twenty years, you can find nowhere in the county where a quarter of a mile of permanent road was constructed. There is no evidence of any expenditure on the part of the county that accomplished anything permanent.

"Looking over the city of Klamath Falls, where can we find any public building or improvement of a permanent nature which have been made by these men? It is true they are now rebuilding the old First National bank building at the corner of Fourth and Main streets. If they are practical men and competent to do public work (the new court house for example) it is not evidenced by the construction they are doing on this building. For instance, look at the large columns in front of the building. They could just as well have been constructed correctly the first time as now. Later they will have to be plastered and re-shaped, which will cost practically as much as the first construction. If any work similar to this should be done on the new court house, they would never stop criticizing us, and I want to assure you that it will not be done, for the reason that it is not necessary to do such work as that.

"Mr. C. S. Moore was interested in the Klamath Falls Light and Water company, and afterwards acquired title to it. Many old residents will remember that when this company was organized the town of Klamath Falls was induced to subscribe \$10,000 towards its construction. The first construction of water mains on Main street consisted of old second-hand, leaky pipe, which the company had later to keep up and replace

when compelled to do so by the city of Klamath Falls. Heavy rates were charged for light and water, which the people of Klamath Falls paid for years.

"When the reclamation of lands in Klamath county was inaugurated by the government several years ago one of the plans was to construct a ditch from the Upper Lake to Keno. Certain agreements were entered into with the owners for riparian rights along the river, and this ditch was built at great cost a sufficient distance to grant water power to the Moore plant on the west side of the river. Any further work was stopped, and at a later date, in some way, continuation of the ditch to Keno was abandoned.

"The farmers of the county have been for the past several years and are now paying for this construction at the rate of \$3 per acre per year. All water users in the county are subscribing to this fund, and will continue to do so until each \$30 per acre has been paid. Later this power plant was sold to the present owners, the California-Oregon Power company, for a presumably large sum of money. In the meantime, Mr. Moore was, in conjunction with Mr. Selling of Portland, constructing a large building in the heart of the business district of that city. Since the purchase of the light and water company by the California-Oregon Power company they have invested large additional sums of money, increasing their investment substantially for the purpose of affording better service, and have made two reductions in the price of water and light since their acquisition of the property.

"I mention these things simply to show you that I do not believe the people of Klamath county are indebted to Mr. Martin or to Mr. Moore or to any of their alliances in any way, and that I do not believe that it would be wise to let either them or their representatives secure in any way the management of the county's affairs. Because, in times past, some have secured loans from these banks in no favor; you had to put up the security or you would not have got it, and in case you had not been able to pay you would have been forced to pay. You were simply buying the use of so much money for a certain time at a certain price, and, as suggested above, that is a very pertinent reason why these men should not have control of public affairs, because of the fact that so many people become indebted to them that they would be at times almost forced to do their wills.

"You will perhaps remember that Mr. Martin maintains his home in California and is a citizen of California, merely retaining his interests in the bank in Klamath Falls. He is not a registered voter in this county, and not on the jury list or eligible thereto in Klamath county.

"There is another thing which I would like to mention, and that is that Mr. Martin is a very heavy holder in the concern of Harris & Co., concrete workers, in Klamath Falls. Harris & Co. has done a large amount of work for Klamath county during the past two years. During the last season in which Mr. Martin has been interested, they built the abutments for the Bonanza bridge, also a large concrete bridge in the adjacent vicinity, and the foundation for the new court house on the Hot Springs tract. This was completed late in the fall, and it was our determination to throw this work to local firms and local labor, and keep our money at home as much as possible. I am sure Mr. Martin was glad to get this business, and appreciated it at the time, and I can testify that the work done by Harris & Co. was first class in every particular. But Mr. Martin knew at that time that the county court had been spending money—knew that it stood for progression and for improvement—but never a word did he say or advise did he give relative to the affairs of the county being in bad shape. He was content with his share of the profits just so long as business was coming his way. In this he differs from no other individual with whom we have had dealings; and I mention it merely as a matter to show that whenever self or personal interest is concerned it has a very large bearing upon the action of any person or individual.

"During the two years which we have served you as a county court we have tried to accomplish results as best we could under the conditions in which we found things when we began work. Klamath county had entered upon an era of increased population and incoming business which demanded better road conditions and greater facilities for properly handling the needs of a rapidly growing county and city. It was imperative that improvements be made, and there was no way to secure money except by direct taxation; so we went into debt the only way we could, and that by the warrant route. If these large financial institutions at home had stood back of us and had helped us keep up the value of warrants, they would today be at par. The indebted-

ness of the county need cause no one any worry, for the reason that it is small compared to its valuation. With almost a \$17,000,000 tax roll the general fund indebtedness of \$357,000 in round numbers mentioned in the grand jury report is a mere bagatelle. The amount which any single taxpayer would be compelled to pay, in case of its liquidation, would be very small. A county with this showing could afford to go in debt a million or a million and a half dollars, and still be within good business lines. A corporation with the valuation of Klamath county would not hesitate to go in debt seven or eight millions, and perhaps more than that. This is safe discussion for the reason that the assessed valuations in Klamath county are very low. That being the case, if these banks had stood back of the county court, as in a community with normal conditions governing the attitude of the banking interests toward the general welfare of the taxpayers, we could have done everything we have done and kept our warrants at par.

"In cases where inquiries came from outside institutions to the home banks from sources in which we were placing our paper at par, very unsatisfactory recommendations were sent back. How nice it would have been if all the interests could have worked together and the banks at home could have stood by us—the banks which were holding the county's actual cash funds and profiting by the interest accruing to them while so deposited—what a splendid showing the county could have made, even though compelled to issue warrants for its improvements. As it is, everything the present county court has accomplished has been done in the face of a pernicious opposition on the part of those who are now openly seeking to remove us from office, having failed to let our hands or stop the work we have begun.

"The recall petition is the last resort open to the opposition to the policies of the present county court. Obstacles of various kinds have been placed in our way at every step we have made for the betterment of roads or the building of the new court house upon the site in the Hot Springs tract. Intrigues too deep for the light of day to penetrate to the bottom have ensnared our every step toward progression, and, after going to the hazardous undertaking of claiming to be able to influence a grand jury to proceed or halt in its duty, the financial powers have put forth a tentative step to sway public sentiment of the voters of Klamath county into a frame of mind to receive a recall petition with willing ears. It is our belief that the men in Klamath county who have so long felt these unseen influences and known the selfish ends to which their every effort has been directed, will see the danger to their own welfare in the working out of the plans of those who are promoting the proposed recall election on the two members of the county court. We have stood our ground in fighting for the money to make road improvements; we feel that we have done our duty up to the present time, and have no fear of the result of a fair fight on a recall. When the people of Klamath county say they wish us to surrender our charge back to them, we will gladly do so. But we will not resign at the demand of any two men who say they can direct a verdict of the grand jury at their pleasure.

WILLIAM S. WORDEN.

Tom Richardson was in the county seat Wednesday from his ranch in North Pole Valley.

J. Walter Call of Medford is here to call on the grocery trade.

Summons

In the Circuit Court of the State of Oregon, for Klamath County.

Mary L. Morse, Plaintiff,

vs.

John P. Morse, Defendant.

To John P. Morse, the Above-Named Defendant:

In the Name of the State of Oregon:

You are hereby summoned to appear and answer the complaint filed in the above entitled suit within six weeks after the first publication of this summons in the Klamath Republican newspaper; and you will take notice that if you fail to appear and answer or plead within said time, the plaintiff, for want thereof, will apply to the above entitled court for the relief demanded in the complaint filed in said suit, to-wit: For a decree of this court forever dissolving the bonds of matrimony existing between the plaintiff and the defendant, and for such other and further relief as to the court may seem meet.

This summons is published pursuant to the order of the above entitled court made on the 13th day of February, A. D. 1913, and the first publication thereof is made in the Klamath Republican newspaper on February 13, 1913.

KUYKENDALL & FERGUSON,
Attorneys for Plaintiff.
13-20-27-6-13-20-27