

HENDRICKS ROASTS OFFICIALS

Hyde Is no Angel and Alexander not Qualified for the Pulpit

A dispatch from Albany, New York, under date of June 21, says: The report of Superintendent Francis Hendricks, of the State Insurance Department, to Governor Higgins upon his investigation of the Equitable Life Assurance Society, was made public here and in New York tonight. It is described in the title as a "preliminary report," and it sharply criticizes the management of the society as well as the new trust arrangement for voting the stock agreed upon by Thomas F. Ryan and the three trustees designated by him. In conclusion, Superintendent Hendricks says:

"No superficial measures will correct the existing evils in this society. A cancer cannot be cured by treating the symptoms. Complete mutualization with the elimination of the stock, to be paid for at a price commensurate with its dividends, is, in my opinion, the only cure measure of relief. This report, with a copy of the evidence taken on this investigation, will be transmitted to the Attorney-General for such action thereon as he may see proper.

Severe on Hyde and Alexander.

James W. Alexander, president, and James H. Hyde, first vice-president, whose resignations were accepted yesterday by Chairman Morton, are severely arraigned. Gage E. Tarbell, second vice-president, is exonerated. Mr. Hendricks finding that no substantial evidence appears in support of the charges against him. Mr. Hendricks says it is an open question whether Mr. Alexander and the other officers and directors who participated with him in the transactions of "James H. Hyde and Associates" are not disqualified under section 36 of the insurance laws, from hereafter holding any office in a life insurance company. The report characterizes the transactions as unlawful. Mr. Tarbell's name is not in the list of participants in these transactions. The policy holders, however, the report sets forth, are under great obligations to Mr. Alexander and the other executive officers for demanding the mutualization of the society and the retirement of Mr. Hyde from its control.

Henry B. Hyde No Angel.

A surprising feature of the presentment is that Mr. Hendricks goes back to the organization of the Mercantile Savings Deposit Company in 176 by Henry B. Hyde, founder of the society, and declares that this company, which leases its offices and vault room from the Equitable Life Assurance Society, does not pay sufficiently and profits enormously at the expense of the parent company, paying 29 per cent dividends. The safe deposit lease has 96 years to run.

Of Henry B. Hyde and the organization of the safety deposit and other subsidiary companies, Mr. Hendricks says:

"He did not neglect his own interests or those of his immediate associates and dependents in the society."

The relations of the Equitable Life and its auxiliary companies are discussed at length. Of Mr. Alexander's share in leases to these companies, Mr. Hendricks says:

"James W. Alexander says he signed those leases under the direction of Henry B. Hyde; I believe it to be a fact, and it is the most charitable construction which can be placed upon his acts."

Bank Stock Given Away.

A loss to the Equitable Life resulted from the consolidation of the Western Bank of Commerce, of New York, with the Western National Bank of New York, according to the report. The Equitable Life owned about 12,000 shares, or a controlling interest, in the Western National, and Valentine P. Snyder, who was its president, testified that he could have sold the controlling interest at \$700 a share. In the merger

however, the Equitable Life Assurance Society accepted \$70 in cash and \$140 in stock of the consolidated bank.

The syndicate transactions of "James H. Hyde and Associates" are referred to as "notorious." James W. Alexander's name is given in the list of participants, and it is shown that in various bond issues of Kuhn, Loeb & Co., Speyer & Co., J. P. Morgan & Co. and Brown Bros., the syndicate was represented in the underwriting. The profits of the syndicate are placed at \$186,107, of which \$63,731 each went to James H. Hyde and James W. Alexander. Another participant was William H. McIntyre, fourth vice-president of the Equitable whose share was \$14,420. All of those who took part in these dealings, the report says, should be compelled to pay back the sums received by them. "This is only very mild punishment," says the report.

Sold Stock at Reduced Rates.

In the records of Mercantile Trust Company shares, Mr. Hendricks found that on June 4, 1900, 100 shares of George J. Gould at \$500 a share, and on the same day 50 shares were sold to H. C. Frick at \$350 per share. On December 20, 1901, 100 shares were sold to M. L. Schiff at \$900 a share, and on January 2, 1902, 100 shares were sold to E. H. Harriman for \$500 a share.

The report shows that on the advice of Mr. Hendricks, Kuhn, Loeb & Co. repurchased from the Equitable \$1,000,000 of Missouri Pacific gold bonds of 1945, to which Mr. Hendricks objected, because they were collateral bonds.

Extravagance and waste in salaries are severely condemned. The increase in this respect in the executive was from \$380,800 in 1900, to \$613,100 in 1904. It was found that President Alexander's salary was advanced from \$75,000 per annum to \$100,000 without his request, in order that James H. Hyde's salary might be increased to the same figure. Chauncey M. Depew, the report shows, is paid \$20,000 a year as attorney. David B. Hill received \$5000 a year, and Elihu Root for 1905 \$25,000, also as attorneys.

Of James H. Hyde's directorates in various corporations Mr. Hendricks expresses the opinion that he was "put on these boards for the reason that he was the financial head of a great insurance corporation whose assets were so large and whose ready money was always available for the purchase of securities which these great corporations are largely in the market to sell."

The pension of \$25,000 to Mrs. Henry B. Hyde is condemned as unnecessary and probably illegal.

Nearly All Directors Dismissed.

Of the directors Mr. Hendricks found that only ten of the 52 owned stock in their own right, and most of the others qualified on Hyde's stock. "H. C. Frick is the only man," says Mr. Hendricks, "who on the record is not under obligations to Mr. Hyde, and he qualified by Hyde stock."

Of the financial administration of the society Mr. Hendricks says:

"The executive committee transacts all the important business of the society. The finance committee is composed of exactly the same men as the executive committee, with one additional director, viz: Jacob H. Schiff, senior member of the firm of Kuhn, Loeb & Co., which has sold to the Equitable Society, according to its reports, since January 1, 1900, \$47,552.00 of bonds and \$1,780,000 of stock."

Summing Up of Charges.

The report, after the recital of facts and figures as above, then takes up the charges against Messrs. Alexander, Hyde and Tarbell, the last named being exonerated. Of Mr. Alexander Mr. Hendricks says unconcealed testimony shows that he was a participant in the "James H. Hyde & Associates" transactions, that he executed the leases detrimental to the society's welfare and has failed to meet the obligations imposed upon him as chief officer of the society.

The summing up against Mr. Hyde is more severe. It sets forth that he permitted the society to lose heavily in its business transactions with the Commercial Trust company; that he exacted salaries out of all proportion to his age, ability or the value of his services; that he has been accustomed to draw large sums for expenses on his own unitemized vouchers; that he assumed domination of the society's affairs until the presidency was reduced to a position of secondary importance, and that he proceeded to use the society and its assets more and more as if they were his own, until he was checked by the demand for mutualization and his retirement.

Oregon Suburban Auto Co.

Automobile car leaves Willamette Hotel for Independence daily at 7 a. m. and 3:30 p. m. Returning leaves Independence at 8:30 and 5 p. m. Connects at Independence with motor for Monmouth, Dallas and all points on West side. Special for evening parties. 6-17-12

M. P. BALDWIN, Mgr.

MUST BEAR A SHARE

Attorney General Holds Lands in Indian Reservation Are Taxable

Private lands located with an Indian reservation are subject to the jurisdiction of the laws of the state of Oregon, and are taxable, as any other private property. So holds Attorney-General Crawford, in an opinion handed down this morning.

The question was raised by County Judge Baldwin, of Klamath county, in regard to about 100,000 acres of land located within the Klamath Indian reservation, and claimed by the California and Oregon Land Company, which is the same as the Booth-Kelley Lumber Company, of this state. The attorney for the company alleges that the land is now being used by the general government as an Indian reservation, and is, therefore, exempt from taxation. Crawford holds that the government has no authority to thus use the land, and if it is being trespassed upon by the Indians this fact would not exempt it from taxation.

Another question raised was in regard to the title of the land. The attorney-general holds, in conjunction with the supreme court of California, that the title of the purchasers and of the Oregon and California Land Company is beyond question.

The lands under consideration were granted to the state of Oregon by an act of congress of July 2, 1864, to aid in building a wagon road from Eugene to the eastern boundary of this state, and by an act of the legislature of this state were transferred to the Oregon Central Military Road Company, which company undertook to build the road. The lands were then patented to the Military Road Company by the United States, and, through intermediary conveyances, the title has been vested in the California and Oregon Land Company.

The question of the title to these lands was raised by a memorial introduced in the Oregon legislature in 1885, or 15 years after the road was supposed to have been completed. The allegation was that the road had never been completed, and that they had failed to keep up what they did build. It was shown, however, that the terms of the original grant only included the construction of the road, and imposed no duty of thereafter keeping it in good condition. The case was carried to the California supreme court, and later to the United States supreme court, and both bodies decided that the title of the California and Oregon Land Company was perfect.

In concluding his opinion, Crawford says: "I am unable to see by what authority it is claimed that these lands are occupied or used by the general government for an Indian reservation, but, referring to the treaty with the Klamath and other Indian tribes, I am unable to find any provision excluding the lands within the reservation from the jurisdiction of the laws of the state, nor is there any provision in the act admitting Oregon as a state, or anywhere else, that I am able to find."

"I am, therefore, irresistibly borne to the conclusion that these lands are private property, not subject to the use of the general government for Indians, or any other purposes, and that they are subject to the laws of the state of Oregon, and are taxable as any other private property."

Cliff Dwellers Discovered Mexico.

El Paso, Tex., June 23.—Near Maragalaehie, in Chihuahua, Mexico, a remarkable discovery of a race of cliff-dwellers has been made. The report of their existence was brought out by Ben Goode, a miner, and Father Mariano Guerrero, a Catholic priest. The people live in cliff houses exactly as the supposedly extinct race of cliff-dwellers lived, and subsist on corn and game killed with crude weapons. They run on the approach of strangers. Their vocabulary is different from any known in Mexico and is said to consist of a few words. They are very small in stature.

Bomb with a Bomb.

Warsaw, June 23.—A man carrying a bomb was arrested this morning in front of the Malowski police station. He refused all information regarding himself.

Charged with Forgery.

Philadelphia, June 23.—Another warrant was issued today for the arrest of John W. Hill, formerly chief of the filtration bureau, charged with forgery. Hill is now under \$8000 bail on a similar charge.

MUST QUIT FIGHTING

Russia Told She Can Borrow no More Money for War Purposes

Berlin, June 23.—It is reported Russia has asked several banks for a loan and that Brussels and other capitals have been sounded on the same subject. All requests will be declined, it is stated except under a guarantee the war shall be ended in the very near future.

ATTEMPT A HOLD UP

Tacoma, June 23.—Train robbers made an unsuccessful attempt to hold up the North Coast Limited from the Twin Cities last night, three miles west of Puyallup. One man boarded the train at Puyallup and when the train was two miles from the station ordered the engineer to stop the train at a fire that was burning near the tracks a short distance ahead.

Engineer Keywood did not stop the train until a half mile beyond the fire. Brakeman Harkins ran up to the engine up to the engine to see what was the trouble, and the bandit shot at him. Harkins threw his lantern into the ditch and started back for the train.

The bandit then ordered the engineer and conductor to get out of the way while he made an attempt to back the train to the fire, where his confederates were standing. He was unable to get the engine started, and called for the engineer.

The robber then began to realize his position, and as the engineer stepped into the cab he fired twice, one bullet flattening on the boiler head. The bandit then jumped and ran into the brush.

The train then pulled into Tacoma, leaving the fireman and a brakeman behind, as they were unable to catch the train. An engine was sent out for them and both were brought in this morning.

ALEXIEFF PROMOTED

St. Petersburg, June 23.—It is officially announced that Admiral Alexieff has been relieved of his duties as viceroy of the Far East, and is named a member of the Imperial council.

WORKMEN WILLING

Springfield, Ill., June 23.—The mine workers today proposed to the operators to submit all differences growing out of the shot firers' bill to arbitration. Governor Deneen to act as arbitrator, and his decision to be final.

GERMANY WANTS WAR.

Seems Determined to Have a Row With Her Old Enemy, France.

Berlin, June 23.—Vorwaerts, the principal organ of the Social Democrats, asserts that Prince Von Buelow has asked the headquarters staff whether or not Germany was prepared to go to war with France, in case the present crisis over the Moroccan question develops unfavorably.

Expect Big Corn Crop.

Washington, D. C., June 23.—The government reports from the leading corn producing sections indicate that the condition of that grain is by no means uniform. Reports tell of delay in planting on account of excessive moisture, yet the final acreage does not appear to have been much reduced on that account, and in many states the outlook is bright for a large harvest, provided weather conditions are not below average during the remainder of the season. The expense of the yield will be heavy, because of the extensive replanting necessary, but the quantity should be large, since only a small area has been abandoned or other crops substituted.

To Arrest Bookmakers.

St. Louis, June 23.—Attorney-General Handley today ordered Sheriff Herpel, of St. Louis county, to arrest all bookmakers at the Delmar race track, on the grounds that it is a violation of the anti-gambling law.

PRESS IS GAGGED

St. Petersburg, June 23.—The minister of the interior has prohibited the publication of the Russ for a month.

POLAND IN ARMS

Warsaw, Poland, June 23.—Reports from Lodz say the disturbances are renewed and the situation is serious. Workmen are armed and are fighting with the military.

Sunday School Hosts at Toronto.

Toronto, Ont., June 23.—Everything is in readiness for the formal opening this afternoon of the eleventh triennial convention of the International Sunday School association. The gathering will be opened in the Metropolitan Square M. E. church with a devotional service to be conducted by the Rev. Floyd W. Tomkins.

Over 2000 delegates are in the city, together with a large number of other visitors. They represent 67 states, provinces and territories of North America, with Cuba, Mexico, and Central America.

From all indications this is destined to be the most notable gathering of Sunday school workers ever held on this continent. Many matters, including advanced lessons, teacher training, adult classes and expansion of the international work, will be considered. The list of speakers includes Bishop John H. Vincent, founder of the Chattanooga movement; Bishop W. F. McDowell of Chicago, president of the Religious Education association; John Wanamaker of Philadelphia, superintendent of the largest Sunday school in America; Robert E. Spear of New York, associate secretary of the Presbyterian Board of Foreign Missions, and the Rev. Dr. Jesse L. Harbit of South Orange, N. J.

Kaiser Is Abroad.

Keil, Germany, June 23.—The principal race of the Kiel regatta, between the emperor's yacht Meteor and the Hamburg, started today in a gale. Emperor William was aboard the Meteor, lying on the deck, enveloped in oil skins.

The Kaiser's yacht finished one minute ahead of its rival.

FIENDISH CRIME IN NOVA SCOTIA

Its Discovery Almost Led to the Lynching of a Woman.

Halifax, Nova Scotia, June 19.—Bummed and gagged, the body of May Ward, 6 years old, was found Saturday in the woods a mile from Digby. A quarter of a mile away was Emma Young, 18 months old, tied hand and foot and barely alive. The children were cousins and had been missing since 5 o'clock on Friday afternoon.

There is a deep mystery surrounding the affair, which is being investigated by the coroner. Mrs. Young insists that she is innocent of any crime, and states that she believes a tramp entered the house, stole the children and tried to kill both.

Mrs. Young has been housekeeper for months for Kingsley Melanson. She says her husband was Fred Young, a lawyer of Boston, who died more than a year ago. Little May Ward's parents are dead and her aunt has cared for her.

The two children were found by a searching party in the woods of Plymton. The baby was lying on its face, tied hand and foot. Its mouth had been stopped with a cotton hood, which had been rolled up and bound tightly across the face. The hands had been bound up under the chin. In its struggle to free its hands the hood which stopped the mouth and nose had become displaced and the infant thus escaped suffocation.

The elder child was dead. Her hands and feet were bound, and across the mouth and nose was a large burdock leaf. Over this the child's hood had been found. The crowd threatened the woman and demanded that she tell where the other child was. Mrs. Young protested that she did not know, and several men in the crowd suggested that they hang the woman on the spot.

Cooler counsel prevailed and the search continued. While walking through the woods the searchers came to a cow path, and Mrs. Young suggested that they turn to the right. Being suspicious, however, the crowd turned to the left and soon found the body of the elder child.

Mrs. Young was immediately arrested and taken to jail.

CASTORIA.

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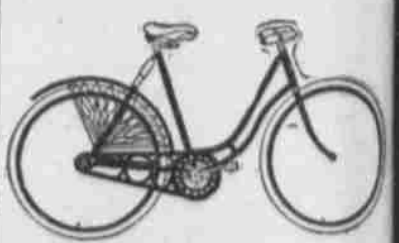
HAUSER BROS. Salem Gun Store

TO ACCEPT AND PAY

The state board of portage railway commissioners left last evening for The Dalles, where they will make final inspection of the road. The board consists of the governor, secretary of state and state treasurer. A. Kozier, who is secretary to the board, accompanied them.

If everything is satisfactory, they will accept the road from the contractors and turn over the balance of the contract price, which is about \$30,000. This sum was not to be paid until the road was finally accepted. The total cost of the road to the state was about \$165,000, of which about \$135,500 was paid to the Open River Association. It is not known exactly what the cost of construction was to this association, but it is not thought that it will exceed the amount received from the state by \$15,000. The state board altered the plans and specifications several times, which materially reduced the cost of construction.

CHILDREN CRY FOR FLETCHER'S CASTORIA.



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Is certainly one of the most satisfactory investments a woman can make. weight and light to propel. The dress. They are dainty in design, light in weight and light to propel. The dress guard protects the skirts from the wheel, and the chain guard has no tendency to break, entirely encircling the chain.

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