BOASTED THAT THE EXAMINER AND CHRONICLE WERE BRIBED

Sherman Also Assured McDonald That Hart Had Been Corrupted.

Officials and Newspapers Bought by the Wreckers to Support the Crumbling Banks.

The letters of Moses H. Sherman reveal more, perhaps, of the terrible history of the McDonald banks than any other epistles ever written. In the documents published this morning the arch-conspirator congratulates his confederates that two of the morning newspapers of this city, the Chronicle and the Examiner, had been bribed and need not be feared by the wreckers in any way. This information Mr. Sherman sent his associates to assure them that in their manipulations they need have no fear of unfavorable comment in these newspapers. Sherman also declared that Attorney General Hart was in the camp of the conspirators and was absolutely at their disposal for anything they might demand. When the letter referring to Hart was written Sherman, A. F. Johns, D. M. Tomblin and others who surrounded the McDonalds were in Sacramento to lobby through the Legislature a bill for the division of Fresno County.

The lobby thus established at the State Capitol was a corrupt one. Hart, as already indicated, was giving whatever assistance his official position made it possible to command. Sherman assured Dick McDonald that the Southern Pacific Company would be taken into the camp of the wreckers and would exercise its influence in their behalf. With these tremendous sources of power, the Chronicle and the Examiner, Attorney General Hart and the Southern Pacific Company and a judicious expenditure of coin, the bank wreckers planned their campaign and succeeded.

They could rely upon the silence of two newspapers, the collusion of a high official of the State and the co-operation of a great corporation. Sherman indicates in these letters that he was the chief manipulator in securing this tremendous advantage for the dishonest bankers. His letters necessarily are of exceptional interest.

Sherman was not only fearful of the blackmail of local papers, but feared those in the southern part of the State. He informed Dick that a great paper in Southern California was about to change hands, and he would have it so arranged that the McDonalds could use the paper for whatever purposes they pleased. Incidentally Sherman remarked that it had cost him a great deal of money to keep the City Council of Phoenix from interfering with his schemes and projects. In these letters this man discusses blackmail, bribery, official corruption and private dishonesty as simple business propositions, in which he takes part without the slightest disturbance to his conscience. He saw immorality only in the efforts of any one to secure money from him.

That seemed to have been the only offense he understood and he bordered on hysteria when he discovered that a man to whom he had already given $1000 demanded $1400 more. In Mr. Sherman's code of ethics, as revealed in his remarkable letters, it was a stroke of shrewd business policy and highly commendable to corrupt the Attorney General of this State, to buy the silence of newspapers and to bribe City Councils. It is probable that in the history of great events on this coast, in affairs that involved millions of dollars and the reputations of prominent men, there is no parallel to these letters. While Sherman discussed his own corrupt methods he found time to dream of fabulous wealth in new ventures, and he suggested to Dick McDonald the absurd project of floating five million of dollars of bonds on the London market.

THE CONSPIRATORS ESTABLISH A FORMIDABLE LOBBY IN SACRAMENTO.

At one stage of the conspiracy the McDonalds wanted to secure the division of Fresno County and the creation of a county of Madera. This division of the county was made at the session of the Legislature in 1893, and Dick McDonald sent several of his parasites to Sacramento to lobby in favor of division. It was believed that if the county of Madera was created, the town of Madera would be made the county seat and the McDonald interests there and the John Brown colony would be greatly enhanced in value. Among the parasites who went to Sacramento was M. H. Sherman, who promised that he would secure the co-operation of Fourth and Townsend streets with the scheme. This of course meant Southern Pacific influence. Sherman's letter on the subject was written in this city and is as follows:

Monday, a. m.

My Dear Friend: I wired you yesterday at your home, 813 Sutter street, of my coming up. There are some parties in Los Angeles who are pulling true to Boat, and you and self, who wanted certain things. I am getting Fourth and Townsend street to help us. I think I will go to Sacramento to-night or to-morrow. Your telegrams were splendid. I attended to everything just as you told me to, promptly. You will win, too, sure. H. M. S.

BOOMING THE MOHAWK CANAL SCHEME OF ARIZONA.

Sherman never tired of flattery or deception. In the letter that will follow he deliberately misrepresents two of the various schemes into which he had inveigled the McDonalds and sugar-coated his deceit with fulsome flattery.

Monday, a. m.

My Dear Friend: F. V. was much pleased with the way Smith had managed things here. He and we all feel that the time is near at hand when all these things will be on top and you can say we are free. Everything in Arizona is booming. F. V. was much pleased there. Your Mohawk property (Yuma County) is a fine property and will bring you large money one of these days. I think of you every day (Dr. J. told me of your kind words and thoughts toward me, for which I thank you much. Good by, M. H.

SHERMAN COMES TO THE ASSISTANCE OF O. T. DYER.

A fellow feeling made Sherman kind toward O. T. Dyer. Sherman was getting hundreds of thousands of dollars out of the Pacific Bank and so was Dyer. Dick had called Dyer all sorts of names, but in the following letter Sherman begged the young banker to believe that he had made a grievous mistake:

Monday, a. m.

My Dear Friend: I have been thinking of you all the morning. How are you. Saw Mr. D. and had a long talk with him. Really I do believe we have been mistaken in the man. You know I have disliked him, if possible more than you, but in his talk yesterday he seemed so grateful to you and spoke so feelingly that I made up my mind we had been mistaken. He is working very hard now, so all tell me, and it looks as if he would get out O. K. Please not work too hard. You looked half sick the day I was there. Very truly, M. H. SHERMAN.

HOW THE WRECKERS GUARDED THEIR SECRETS FROM THE PUBLIC.

On February 20, 1893, Sherman wrote a letter in reference to a run on the Riverside Bank that almost resulted in the closing of the bank. If it had not been for the timely assistance of Los Angeles bankers the Riverside institution would have gone down then and dragged the Pacific with it. Sherman wrote as follows to Frank V. McDonald:

S. F., Tuesday, p. m.

My Dear F. V.: We had a telegram from Riverside last night that all was quiet there and money coming in again rapidly. You will notice that the papers give Los Angeles the credit of saving the bank. This is good. We don't want it or want our names mentioned, but I tell you that we did help in Los Angeles and everywhere. It would never have done to have had that bank go down just at this time, for the dispatches would have been full of how much they owed P. B., etc., etc., etc., sure. Truly. M. H.

SHERMAN'S WILD DREAM OF MILLIONS

Sherman's next letter describes a scheme of the Los Angeles manipulator to float four or five million dollars' worth of bonds in London. R. H. McDonald Jr., D. S. Dorn and Sherman were to discuss the matter and if they found it feasible the issue was to be made. The electric railway to cancel its 6 per cent bonds. The project as a matter of course was chimerical. Excerpts from the letter are as follows:

L. A., Tuesday evening.

My Dear Friend: Have just had a talk with Boat about "Jayhawker." He says he does not think the San Francisco papers dare publish his stuff when so many rich San Francisco people are interested. I really think that we can make that matter of issuing four or five millions of four per cent or perhaps five per cent thirty year gold bonds go O. K., and I am going to San Francisco to talk with R. H. about it. I am to meet in San Francisco certain Englishmen whom Bryson and other rich people here know all about and who I believe can surely place enough of these bonds to give us a million and a half in cash, and if the holders of the three million present issue of bonds will take half in cash and half in new bonds then I believe it will certainly go. R. H. Jr., D. S. and myself will investigate the matter thoroughly and he will inform you what we decide. I think you had better not say anything about the above to any one at present, but wait until after I have seen R. H. Jr. and D. S. and see what they have to say on the proposition. Good night, M. H.

THE LOS ANGELES MANIPULATOR BEGS HIS MASTER FOR MERCY.

A few days after the foregoing letter was written Sherman was on his knees in abject supplication for favor. His master was angry with him and Sherman begged and pleaded in sickening sycophancy for a return to the good graces of the young banker. Excerpts from the letter are as follows:

Wednesday evening.

My Dear Friend: Your two kind letters just received. I thank you very much for them. Some one here told me that you all wanted to do me up. I know that this is not true. I know you love me and that you fully realize how hard I am trying. It has been very hard work, but if we can get D. to do this guaranteeing and if we can get you a wad of coin it brings praise to you and to all. Your not answering my telegram makes me very unhappy and makes me fear that you blame me. I know if I could see you and talk with you, you would say I was right. If I am not right and if I have advised you wrong, I am very sorry, and that is all any gentleman can say, but when you think it all over I think you will agree with me and praise me, especially if $200,000 or more in coin shall come in. Be patient a little while longer. I do not blame you one bit for feeling just as you do. Pardon this poor letter but I have been busy all the time. M. H.

SHERMAN DECLARED THAT THE CHRONICLE AND EXAMINER HAD BEEN "FIXED."

The letter that follows is one of the most important that M. H. Sherman contributed to the secret correspondence of the Pacific Bank. In this epistle Sherman declares that D. S. Dorn and R. H. McDonald Jr. had "fixed" the Chronicle and the Examiner and that nothing in reference to the condition of the Pacific Bank will be published. Woodard had been in San Francisco showing around a list of the assets of the Pacific Bank and declaring that the institution was insolvent. Sherman declared that several newspaper reporters had seen the document, but that Dorn and Dick McDonald had silenced the Chronicle and the Examiner as already indicated. In his letter Sherman also said that he had spent a great deal of money in keeping the City Council of Phoenix from offering encouragement for a competing street railway line there. Another effort was made to induce the McDonalds to give an option on their Phoenix water bonds and incidentally Sherman declared that he would go drown himself if his love for the McDonalds did not restrain him. He felt so keen an interest in their affairs and believed that it would be cruel on his part to kill himself just when they needed him. Excerpts from this interesting letter are as follows:

Wednesday,

My Dear Friend: I think I had written you something about a Mr. Faybans. Among other things I am talking to him about are the Phoenix Water Works. We are threatened with strong opposition there from a rival company and we ought at once expend a large sum of money there to prevent any new crowd coming in there, and if this money was spent we could double our own. Your bank owns at this time, counting the $23,000 note of Hines and Millays and the $23,000 note of my own, $188,000 worth of bonds and notes, and it has occurred to me that if you could get one-half of this amount in cash and the other half in new 5 per cent bonds covering the whole plant, and with such responsible people as those I have named above at the head of the concern, they to live there and to manage the works, that perhaps you would be willing to get out of the whole concern.

I am working here without any salary and I am at it eighteen hours in the day, generally getting in my office a couple of hours before the rest of the employes and sticking to it until late in the evening. When I look at the old ocean at Santa Monica I often wish that I could go into its deeps and never come back and get the rest which I much need. But this will be a very cowardly deed and it would leave you in a very unfortunate condition in regard to many propositions in which we are interested in together. And as long as you will all love me and trust me and help me you may be sure that I will stay here and work, never asking for a vacation or for a salary or anything else until things are cleaned up. I am threatened with opposition in Phoenix to my street railway line and I have spent a good deal of money in different ways to keep the City Council there from offering such encouragement as would give me immediate opposition.

You must acknowledge, F. V., that there is nothing braver or truer than for a man to stand right by every day and try, through many discouragements, to clean everything up in the right spirit, never shirking or running, but trying to fix up everything satisfactory to all. That nasty fellow Woodard is still trying to do us all dirty work. He was in San Francisco for a week and is now back here again. He went to Mr. Spence and told him that your banks were rotten and advised Mr. Spence not to put any money in them. I understood he has been to nearly every bank in town and advised the same thing. I suppose the reason he singled out Mr. Spence was that he hoped Spence would tell Mr. Maybury and he would make it unpleasant for R. H. Jr.

He has a piece of paper on which he has a list of all the assets of the Pacific Bank and he goes around and shows this to prove that the bank is not solvent and cannot pay off its depositors, and he took this list with him to S. F. and showed it around there and has done all he could to get newspaper reporters investigating this subject.

This I learned on good authority. I know that R. H. Jr. and D. S. have got the Chronicle and the Examiner all O. K., and that we will have no trouble with them and will succeed in accomplishing much, still, all these things are very disagreeable and very humiliating and they make me feel more anxious every day to try and help turn everything that I am in any way interested in into cash to put the same in your bank.

Please do not worry, because worry and anxiety is what kills people more than hard work. Let's have only kind words and kind thoughts for each other and thoughts of sympathy, for the Lord knows we are all having a hard enough time. Very truly,

M. H. SHERMAN.

SHERMAN BECAME PHILOSOPHIC AND LOOKED TOWARD THE END.

In the next letter Sherman refers to the fact that D. S. Dorn was suspected, but the suspicion was unfounded. Sherman wrote as follows:

Thursday,

My Dear Friend: I thank you much for your kind telegram about D. S. We are so glad that D. S. is all O. K. I cannot imagine who started such a story. Boat told me of it and told me (this was just as I was going home last night) it was common talk on the street. I thank you all for the kind words of praise you all give me. I will try my best to be worthy of them. I fully realize the importance of the situation here. No man could try harder. If a man does his duty, people find it out in the end, eh? We are judged by the success we make, eh? That is the way they will judge you as the head of the Pacific Bank and the way they will judge us, eh? Corporations are a success or a failure as people have faith in the ability and integrity of the management, eh? And I hope you will not blame me because my letters are so poor. I try to write you every day, but I am always in a hurry. There are so many things to keep one on the jump all the time. Sincerely, M. H.

WOODARD WAS AFTER FOURTEEN HUNDRED DOLLARS MORE.

In the following letter Sherman exploits another of his troubles. Woodard was after him and threatened to ruin him if he did not give up $1400. Sherman seemed to be in great distress of mind, but not distressed enough to throw out a strong hint that he intended to make another demand upon the McDonalds for another large sum of money. Excerpts from this letter are as follows:

Thursday, A. M.

My Dear Friend: Referring to that party, if I must meet him, the first thing he will want is $1400. You know he told me he would ruin me and etc., etc., if I did not come down and etc. Your father told me not to give him another dollar. Still in all of this I want to do just as you think best. If he comes in, if you think best so to do, please talk pleasantly to him and say Sherman praises him and etc. You know I do praise his ability. He has much, if it was only of a good kind. In the other matters I want to do just what we say. You have some 600 of Los Angeles street railway bonds. If we could get $300,000 in cash for you, one-half cash and also get such an amount of money for the company to enable us to do such things as will enable us to cut down expenses, one-third or I hope more. If we could do the above and not call on you for a dollar it would make me very happy. It is not sure that we can do the above, but we can try and I think we are on a good lead, i. e., strong people. Then regarding the Phoenix matter. We must spend some money there. A good deal of it to improve and extend our plant there and keep out opposition. I don't want to call on you for an assessment on stock, and so I have some plans that I want to talk over with you. On run. M. H. S.

THE WRECKERS BOASTED THAT THEY WERE SOLID WITH ATTORNEY GENERAL HART.

One of the most important letters, illustrating Sherman's dishonesty and ex-Attorney General Hart's collusion with the bank robbers, was written early in 1893, while the Legislature was in session. In this letter Sherman writes to Dick that Hart is all O. K. now and will remain in office for two years more. There is a tone of jubilant gratification in the letter, and the writer also tells Dick that he has so managed it that one of the most influential newspapers of Southern California may be used by him when and how he wishes. The letter is as follows:

Thursday, a. m.

My Dear Friend: I was thinking of you this a. m., and thought I would just say a word. There is one of the strong newspapers of Southern California about to change hands. I am so managing it that it will fall into such hands as we can depend on in case you want it. Every day I am thinking and planning about many things. It was a grand thing when we pulled down that Chicago fight and got those people in. They are strong and keep sending money to pay debts with and to help. Otherwise we would have been in the soup long ago. Dr. Jenningson came over from Riverside. I never liked Jenningson, in fact I almost hate him, still I must say he is faithful and ever true to you. As for myself I don't want to get mixed up unless you wish me to more than necessary in these matters. I saw a letter from Sacramento to a friend of mine here in which H. expressed himself very grateful to you for letting Mr. J. go to Sacramento. He said J. was a splendid rustler and etc., etc. I was very glad. H. is now O. K. and you are solid with him. He will be in for two years yet. We will all get there yet. We must be patient and keep trying and all pull together. The time when the enemy can down us is when we quarrel among ourselves, or when the enemy gets hold of our secrets or plans. Sincerely, M. H.

The record of Sherman's connection with the Pacific Bank and the People's Home Savings Bank will be carried up to-morrow to a time six months after the destruction of both institutions—when the arch-conspirator believed himself on the verge of financial ruin and personal disgrace. He trembled at the shadow of the Grand Jury. He saw his enemies organized against him and alternately he stormed and wept and begged his friends for God's sake to come to his assistance. These letters will prove not uninteresting.

Thursday Eve

Dear Friend—

I saw a letter from Sacramento to a friend of mine here in which H— expressed himself very grateful to you, for letting Mr. J— go to Sacramento. He said J— was a fine fellow did "mutter" to me I was very glad. He is now O.K., & you are solid with him (he will be in for two years yet). We will all "get there" yet.

Sincerely M. H.

THE CONSPIRATORS WERE "SOLID" WITH HART.

One of the most important letters written by M. H. Sherman had reference to Ex-Attorney General W. H. H. Hart, who was criminally in collusion with the bank wreckers. In the early part of 1893, during the session of the Legislature, Hart was in consultation with wreckers at Sacramento. In a letter to Dick McDonald Sherman jubilantly declared that they were "solid" with Hart and could congratulate themselves on the fact that he would remain in office for two years longer. At that time the McDonalds had sent Sherman, Johns and others to the State Capitol to lobby through the Legislature a bill for the division of Fresno County and the creation of Madera County.

Thursday Eve

Dear Friend—

Referring to that party; if I meet him, the first thing he will want is $1,400. (You know he told me he would "ruin" me & c. & c. if I did not "come down" &c). Your father told me "not to give him another dollar".

You have some 600 of L. A.—street R.R. bonds. If we could get $300,000, in cash, for you, (1/2 cash) on run

Yours M. H.

SHERMAN TREMBLED AT "JAYHAWKER'S" DEMAND.

In the later history of the Pacific Bank even Moses H. Sherman could no longer impose on the McDonalds in reference to the negotiable value of the Los Angeles Electric Railway bonds. These bonds at that time and even under the valuation given to them by Sherman could not command fifty cents on the dollar. Colonel J. H. Woodard understood that fact and was making new demands for money on Sherman. Woodard had already received $1000 and Sherman shows in the above letter that his nemesis wanted $1400 more.

OF INTEREST TO PACIFIC AND PEOPLE'S HOME SAVINGS DEPOSITORS.

When The Call began the first complete exposure and disclosure of the crimes and offenses which wrecked the Pacific Bank and robbed thirteen thousand depositors in the People's Home Savings Bank it said expressly that it was not for any purpose of newspaper sensation, but to vindicate the general soundness of our financial institutions which withstood the panic of 1893 and to point to the despoiled depositors a way to partial recovery of their losses.

The Call is in possession of proof which makes it possible for those depositors to better themselves. The Call has evidence to prove that conveyance of property and assets belonging to the wrecked banks is vitiated by fraud and it is at the disposal of the robbed depositors if they will put their interests in the hands of any legal representative who can communicate with this paper.

This evidence will be published in its proper order, and The Call makes this announcement in order that it may inure to the interests of the depositors and not to the advantage of speculators in their misfortunes.

THE FARRAGUT IS NOT SPEEDY ENOUGH

REPORTED REJECTION OF THE CRACK TORPEDO-BOAT.

She Fell a Fraction Under Her Required Run of Thirty Knots Per Hour.

The news was received yesterday through a Washington press dispatch that the torpedo boat Farragut had been rejected by the Navy Department. The official report of her recent trial speed on the bay shows that she fell the fraction of a knot below the thirty knots required. The vessel at all of her trials really made the required speed, but under conditions that lowered that rate. Her last run Friday developed a maximum speed of 31 7-10 knots, with a minimum rate for an hour of 31¼ knots. The lowest number of propeller revolutions required to go 31 knots was 407 per minute, and on her run she speeded her engines 441 revolutions with a minimum of 411.

It is possible that last Friday's trial has not been accepted by the Navy Department as the official speed run, so causing the boat to be rejected on the report of former speed trials. Irving M. Scott stated last night that he had not heard from Washington, hence was unable to give any information regarding the report of the Farragut's failure.

It was learned from other sources, however, that the vessel is structurely weak from faulty plans, her hull frame being too light for the enormous machinery plant that is to drive her 30 knots an hour. It is reported that the contractors have asked that the vessel be accepted on the record made, but the department has refused. The Government will be asked to accord the destroyer another trial, the builders believeing that she is good for the required developed horsepower and speed. It is believed that another trial will be given her by the department.

Wants Her Father Arrested.

Lillie Larsen, a girl 15 years of age and the eldest of five children, swore to a complaint in Judge Conlan's court yesterday for the arrest of her father, Christian F. Larsen, a ship chandler on the water front, on the charge of failure to provide. The girl said that her father earned $130 per month, but refused to provide for herself and the other children. A few days ago he drove his wife out of the house and she has not been back since. The Society for the Prevention of Cruelty to Children has the case in hand.

An Opium Victim.

An unknown man, victim of the morphine habit, took a room last Monday evening in the Fargo House at 105 New Montgomery street. At 8 o'clock yesterday morning he was found dead in bed. When the corpse was examined at the Morgue the skin was found full of holes made by the hypodermic needle. Nothing was found on the person of the deceased by which his identity could be ascertained.

ADVERTISEMENTS.

Pears'

Unless you have used Pears' soap you probably do not know what we mean by a soap with no free fat or alkali in it—nothing but soap.

The more purely negative soap is, the nearer does it approach perfection.

ADVERTISEMENTS.

HEART DISEASE.

SOME FACTS REGARDING THE RAPID INCREASE OF HEART TROUBLES.

Do Not Be Alarmed, But Look for the Cause.

Heart troubles, at least among Americans, are certainly increasing and while this may be largely due to the excitement and worry of American business life, it is more often the result of weak stomachs, of poor digestion.

Real, organic heart disease is incurable; but not one case in a hundred of heart trouble is organic.

The close relation between heart trouble and poor digestion is because both organs are controlled by branches of the same great nerves, the Sympathetic and Pneumogastric.

In another way, also the heart is affected by that form of poor digestion, which causes gas and fermentation from half-digested food; there is a feeling of oppression and heaviness in the chest caused by pressure of the distended stomach on the heart and lungs, interfering with their action; hence arises palpitation and short breath.

Poor digestion also poisons the blood, makes it thin and watery, which irritates and weakens the heart.

The most sensible treatment for heart trouble is to improve the digestion and to insure the prompt assimilation of food.

This can best be done by the regular use after meals, of some safe, pleasant and effective digestive preparation, like Stuart's Dyspepsia Tablets, which may be found at most drug stores and which contain valuable, harmless digestive elements in a pleasant, convenient form.

It is safe to say that the regular, persistent use of Stuart's Dyspepsia Tablets at mealtime will cure any form of stomach trouble except cancer of the stomach.

Full sized package of the tablets sold by druggists at 50 cents.

Little book on stomach troubles mailed free. Address Stuart Co., Marshall, Mich.

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