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DANIEL M. BURNS' BETRAYAL OF A FRIEND AND BENEFACTOR

BASE INGRATITUDE SHOWN COLUMBUS WATERHOUSE.

He Was the Man Who Put Him on the Road to Make an Honest Fortune. Burns' Imprisonment.

D. M. Burns, who by the grace of the Southern Pacific Company seeks to step from a Mexican dungeon onto the floor of the United States Senate, is known by reputation to every man, woman and child in California. That reputation he flaunts in their faces with all the effrontery of a painted denizen of the slums.

Burns first sprang into unenviable notoriety when he retired from the office of County Clerk of Yolo County short in his accounts to the extent of $2500, which his bondsmen made good, Burns afterward reimbursing them. This portion of his career was referred to on the occasion of a mass meeting in Metropolitan Hall about four years ago by Captain E. Blennerhassett, who used this language:

In the seventies Burns dropped into Yolo County, a plausible fellow who would pat you on the shoulder and tell you that it was "all right." They elected him County Clerk. I will tell you what occurred. During his administration of the office of County Clerk, Burns of Yolo became a defaulter to the amount of, I think, $2500, and he was arrested and put in the jug and kept there until his bondsmen took him out. I can prove this assertion, and if Mr. Burns desires to arrest me for libel he can do so. I am not afraid of him.

Afterward Burns became Secretary of State and while occupying that position became a defaulter to the extent of $31,000. He fled to Honolulu, but afterward returned and was tried, but escaped conviction on the plea that the money was stolen by his deputy, Reynolds, the latter in the meantime having been acquitted of the same charge, his defense being that Burns was the defaulter. Burns confessed that he falsified the books of his office to cover up the shortage.

After his acquittal on the criminal charge Burns was sued by the State for the recovery of the money, but he took advantage of the statute of limitations and on that plea evaded payment. He still owes that sum of money to the State.

But Burns was not through with his dishonest methods. While penniless and still overwhelmed with the disgrace of his official misconduct he was picked up by one man when all others spurned him, sent to Mexico, placed in charge of a mine and was given a fair start on the road to honest fortune. But he chose the shorter cut, and by every art of duplicity succeeded in robbing his friend and benefactor of property worth millions, though not without having on several occasions adorned the interior of a Mexican prison.

Now he is at large again, and for purposes of its own the Southern Pacific is striving by every means at its command to place Burns in the United States Senate.

It is not a pleasant task to spread the infamy of a man before the world, but The Call owes it to the people of California to expose his dishonesty in all its phases, that the country may know what manner of person this gigantic corporation is endeavoring to place in one of the highest of offices.

Burns' record in California is known to all; it is the full story of his theft of the famous Candelaria mine in Mexico and the robbery of his stanchest friend that is now presented. This story is best told in an affidavit made by Columbus Waterhouse, the victim of Burns' duplicity, on July 13, 1891, about a year after he had discovered the treachery by which he had been plundered and had withdrawn in disgust from further association with his despoilers. This affidavit tells in detail how Waterhouse had sent Burns to Mexico, placing him in charge of the mine, and how Burns had repaid him by resorting to every despicable and unlawful means to defraud him of his share in the property. The affidavit reads as follows:

State of California,
City and County of San Francisco, ss.

Columbus Waterhouse, being duly sworn, deposes and says:

That he is a resident of the city and county of San Francisco, State of California. That he entered into an agreement with one J. M. Bryan to go to Mexico with a view of procuring a certain mine and to furnish funds necessary for the same, in which, if successful, said Bryan and said affiant's nephew, C. P. Waterhouse, were to have a small interest. That one D. M. Burns was then in Sinaloa, Mexico, and was to meet said Bryan there, and they were to prosecute their search together. Said Bryan met said Burns at Culican, Sinaloa. Several mines were visited. One was located and denounced. Papers were taken out and were to be forwarded to affiant by said Burns, said Bryan leaving the business in said Burns' hands. However, no papers were ever sent, to the great disappointment of said Bryan.

The St. Nicholas mine was bonded and considered a great bargain. The completion of papers, etc., were also left to said Burns for execution with the same result. Said Bryan returned to San Francisco on or about the 3d day of September, 18883, said Burns remaining in Sinaloa. Bryan claims both these properties were lost through said Burns. On Bryan's return trip he met one Otto Brandorf, superintendent of La Candelaria mine, and one James D. Schuyler, superintendent and engineer of the Culican Railroad, also a passenger on the steamer.

An agreement was entered into between said Bryan, Schuyler and Brandorf for the procuring of a working bond from the Durango Gold and Silver Mining Company of New York, subject to said affiant's approval. Said Bryan and Schuyler, when the steamer arrived, called and reported to affiant, and a basis of agreement was entered into between said Schuyler and Brandorf, who were about to visit New York, and they agreed to make necessary and proper arrangements with the owners of La Candelaria mine for a satisfactory lease or working bond for a term of three years. After a thorough examination of all papers, etc., by said Schuyler, with the assistance of Brandorf, all being apparently satisfactory, said Schuyler reported to said affiant that they had obtained for said affiant a bond for the term of three years for the sum of fifty thousand dollars ($50,000), said affiant to pay all indebtedness then due on the mine for working and supplies to Don Clementia Laviaga and the parish priest.

The bond was procured in the name of said J. D. Schuyler and affiant. Said Brandorf's expenses here and to San Dimas and his return to New York were furnished wholly by affiant. The mine was was to be divided in interests as follows: Said affiant was to receive seven-twelfths (7-12); said J. D. Schuyler and brother were to receive two-twelfths (2-12), and J. M. Bryan and C. P. Waterhouse each were to receive one-twelfth (1-12), and said D. M. Burns, should he eventually become interested, was to receive one-twelfth (1-12). Said affiant agreed to furnish the necessary means for working the mine to the amount of ten thousand dollars ($10,000). Arrangements were made with J. M. Bryan as superintendent and with said Brandorf to go to San Dimas, and if the property proved satisfactory after due examination to take possession of the same by the authority of said Brandorf as agent of the New York owners. Funds to the amount of seven thousand dollars ($7000) were furnished by affiant to aid Bryan and Brandorf with which they were to settle all the indebtedness on the mine.

On or about January 5, 1884, said Bryan and Brandorf started for San Dimas overland via Durango, and arrived at above place on or about the 20th day of January, 1884. The indebtedness of the mine was found to be nine thousand and twenty-five dollars and seventy-seven cents ($9025 77). At the close of March affiant's expenses had amounted to eleven thousand six hundred and twenty-two dollars and twenty-two cents $11,622 22). At the close of July they amounted to eighteen thousand seven hundred and eighty-two dollars and eighty-six cents ($18,782 86). In April said Bryan asked to be relieved of the superintendency of the mine and to have a successor appointed. Upon his recommendation Fred Jones was sent as superintendent, accompanied by Theodore Ruppley and Levi David. They left San Francisco in May, 1884, via Mazatlan, and arrived in San Dimas in June, 1884. Said Bryan returned to San Francisco by way of Durango, arriving in San Francisco September 4, 1884. The development of the mine was continued under Jones' superintendency, assisted by said Brandorf as clerk and interpreter. In February, 1885, Jones asked to be relieved of the superintendency of the mine. Said Ruppley returned to San Francisco on the 20th day of April, 1885, accompanied by said Brandorf. Negotiations were entered into with said D. M. Burns during the month of April through the eager solicitations of said C. P. Waterhouse to visit and examine the mine and report on same, and if found satisfactory to act as superintendent. At that time said Burns was being criminally prosecuted by the State, and was detained until June 1, 1885, at which time he sailed for Mazatlan, en route for San Dimas, and arrived there the same month. Said Burns was to receive a salary as compensation for his services, with the understanding that if he made a success of the venture he was to receive a one-twelfth (1-12) interest in the property. At said time the outlay made by affiant had amounted in the aggregate to the sum of thirty-four thousand thirty-five hundred and ninety-one dollars and ninety-one cents ($34,591 91), and affiant thereupon demanded of said Schuyler and brother that they (Schuyler and brother) assign to affiant one-half (½) of their interest in said mine, or that in default of said affiant that he pay his pro rata of all expenses over and above the sum of then thousand dollars ($10,000), previously agreed upon.

Said Schuyler complied with said demand and assigned to said affiant one-half (½) of said interest. The said demand was made upon said Bryan and he complied in a like manner. Said Burns took possession of said mine as superintendent upon his arrival and reported in favor of equipping the mine with machinery. Arrangements were immediately made for the same. Said C. P. Waterhouse on December 7, 1885, started, accompanied by Albert Schindler, a brother-in-law of said Burns, with the machinery. Said Schindler was employed at the earnest solicitation of said Burns. They arrived in San Dimas in the latter part of December, at which time affiant had advanced in gold coin the sum of forty-nine thousand one hundred and fifty-three dollars and four cents ($49,159 04). In April, 1886, pans, settlers, a new Bryan mill, pipe and other machinery were shipped to the mine.

Theodore Ruppley again returned to the mine in June, 1885, but said Burns made it so disagreeable for him that he was compelled to return. At the close of June, 1886, the outlay made by affiant had amounted to the sum of sixty-nine thousand dollars ($69,000), and about this time one Givens, of the firm of Jones & Givens, both of them intimate friends of said Burns and said C. P. Waterhouse, solicited affiant to sell to them one-twelfth (1-12) interest in said mine for a one-ninth (1-9) part of the outlay made by affiant, with the understanding and agreement that all of the outlay should be paid back to affiant, and said Jones and Givens the amount paid by them to affiant before any dividends were to be paid.

On the 10th day of December, 1886, at the earnest solicitation of said Burns, affiant visited the mine accompanied by one E. A. Sherman, as surveyor and civil engineer. Affiant arrived there on the 25th day of December, 1886. On affiant's return he was accompanied by said Burns. At that time the mine was a bonanza, the prospects were encouraging and affiant and said Burns decided to purchase a wire tramway for the purpose of carrying the ore from the mine down to the mill. At this time said Burns represented that he had examined and surveyed the mine, and reported that the workings underground were outside of the limits of the Candelaria mine. Affiant, trusting the representations of said Burns, at his earnest solicitation and after much persuasion from said Burns denounced the adjoining ground, believing it to be outside of the ground owned by the Candelaria Mining Company. This mine was named the Sacramento, and in it was located a rich bonanza. The denouncement was made by affiant, said Burns and said C. P. Waterhouse for the interest of the company, as heretofore described, and with the distinct understanding that the same interest ratio and proportion as held by each party should continue to be held in the property acquired by the new denouncement and called the Sacramento mine. This denouncement was made during the month of January, 1887. In February, upon affiant's return to San Francisco, a wire tramway was purchased and shipped to the mine on or about March 16, 1887, at which time said Burns also returned to said mine.

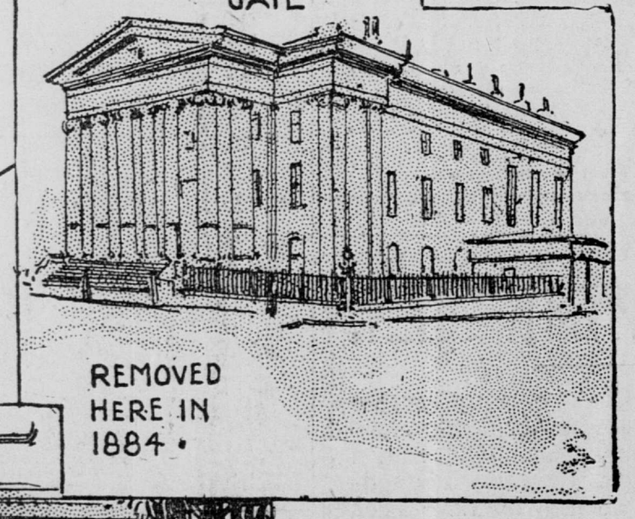
In December, 1887, at the solicitation and request of said Burns and said C. P. Waterhouse affiant again visited said mine accompanied by said C. S. Givens. Affiant also visited the Guadaloupe or Contra Estaca group of mines, four miles below San Dimas on the San Jacenta creek. While in Mexico at this time affiant purchased for the benefit of himself and his associates the mills and water rights on San Dimas creek, known as San Antonia and Lucia, paying therefore the sum of six thousand dollars ($6000.00) in Mexican coin. During this visit said Burns was constantly with affiant and said C. P. Waterhouse and said Givens did not visit the mine or any of the mining property but once, but were constantly in conversation together. Said Burns and said C. P. Waterhouse, although the most intimate of friends, at this time pretended to affiant that they were unfriendly to each other. Said C. P. Waterhouse and said Givens were apparently planing some work or scheme to be undertaken. Said Burns pretended to dislike said C. P. Waterhouse, and to believe that said C. P. Waterhouse was unfriendly to affiant, and stated that said C. P. Waterhouse was lazy and of no use to him. Said Burns solicited of affiant an additional interest in the mine, stating that said C. P. Waterhouse was valueless, and led affiant to believe that said C. P. Waterhouse and said Givens were working against the interests of affiant, and earnestly persuaded affiant to believe that if affiant would give the said Burns an additional interest in said mine that then said Burns would always be friendly to affiant and protect affiant's interests against all other parties, and said interest was given to said Burns on the distinct understanding and condition that all knowledge of it should be kept from said C. P. Waterhouse and others, and said Burns agreed that when the mine should be incorporated that he would prevent said C. P. Waterhouse from demanding more than one-twelfth (1-12) interest and led affiant to believe that if said C. P. Waterhouse should demand any additional interest in said property that then said Burns would give it to him out of the interest which he was to receive. It was agreed that the stock representing the additional two-twelfths (2-12) interest, which affiant gave to said Burns, should be taken out in the name of affiant as trustee and remain a secret between said Waterhouse and said Burns. All of these negotiations were part of a premeditated fraud upon affiant and said Burns and said C. P. Waterhouse, as soon as said Burns had received an agreement for said interest, he and C. P. Waterhouse became again friendly, and said Burns related all of the circumstances of the procuring of his interest to said C. P. Waterhouse, and upon incorporating said C. P. Waterhouse demanded two-twelfths (2-12) interest.

Affiant further avers that the gift made by him to said Burns under said agreement was a conditional one with the conditions hereinbefore set out, and that by reason of said conditions having not been carried out affiant believes said gift to have been canceled. That in the latter part of February, 1887, affiant shipped a third Bryan mill to the mine, six more pans, two settlers, and other machinery. While affiant was in Mexico the last time as aforesaid, the mine was a bonanza of exceeding richness and of very great and apparently inexhaustible condition. The mills were turning out from forty to seventy-six bars of bullion monthly. The price fixed on said mine in case of sale was two million dollars ($2,000,000). One Wilson, a well-known mining expert, examined the mine and recommended its purchase for said sum. On the 15th day of April, 1887, accompanied by said Givens, affiant started for the State of New York for the purpose of completing the purchase of said mine from the New York owners. Upon affiant's arrival in New York, said purchase was consummated upon the payment of fifty thousand dollars ($50,000) in gold coin, and affiant received a deed from said parties therefor. In May, 1889, a great deal of talk occurred between affiant and Givens in relation to the incorporation of said mining property. Givens was all of the time consulting and planning with said Burns and said C. P. Waterhouse. All of said parties pretended to have some feeling against affiant, and it now appears very plain to affiant that their object was to make affiant discouraged and to make him feel that there was a lack of harmony and thus purchase his interest for a trifling sum. Said parties insisted upon having four of the directors of the corporation, although affiant was legally entitled to three directors, and in order not to have any lack of harmony, affiant acceded to all the demands made by said parties, October, 1888, on incorporating. At this time also said Givens immediately took charge of the San Francisco correspondence, and the correspondence was conducted as a personal one between said Givens and said Burns, the superintendent of the mine, and as much knowledge as possible was kept from affiant. This all seemed to be part of an understanding, plan and scheme between said parties. Said Burns immediately came to California, and said Givens and said C. P. Waterhouse refused to assist in the incorporation until he had done so. In fact said Givens prepared pretended articles of incorporation, which were in every respect illegal in form and had to be rejected by affiant. Said Burns returned to California and said C. P. Waterhouse also returned from Wisconsin, and the company was incorporated, to which company a pretended conveyance was made. The incorporation was formed without the adoption of any of affiant's suggestions, and without the compliance of one of affiant's wishes, and immediately said C. P. Waterhouse, assisted by said Burns, demanded an additional one-twelfth (1-12) interest by reason of the denouncement he had made, although said C. P. Waterhouse had been affiant's clerk, at a salary of one hundred and fifty dollars ($150) per month, and claimed that by reason of having given said Burns an additional interest that he was entitled to the same additional interest, basing his claims upon the assignment made to Burns. This, of course, made it very plain that Burns had violated his agreement and was working with said C. P. Waterhouse. Said Burns, C. P. Waterhouse and Givens made affiant's life miserable and distracted, so much that finally he consented to give said C. P. Waterhouse said additional interest. The corporation was organized, affiant was elected president, C. P. Waterhouse vice president, C. S. Givens, secretary, and D. M. Burns, superintendent. Thereupon the office was immediately removed to the office of Jones & Givens, and the general management of the business of the corporation was taken possession of by said Givens and Burns, and all of the business was, as far as possible, kept from the knowledge of affiant.

At the time affiant was in Mexico he made an agreement that of all other properties acquired by him affiant should become the owner of nine-twelfths (9-12) of the same. During the year 1887, before the incorporation, etc., affiant learned that said Burns and said C. P. Waterhouse had been using funds previously sent for the purpose of the Candalaria mine in acquiring other mining property, and that they spent quite a large sum of affiant's money without affiant's knowledge of approval, and by reason of said expenditure of money they have acquired what is known as the Contra Estaca or Guadaloupe mines, which they have appropriated to their own use, and of which affiant should receive at least a nine-twelfths (9-12) interest in, and affiant believes and claims that he is the owner of a nine-twelfths (9-12) interest in all of said mining property, and although the said mine at all of these times was a rich bonanza they claimed it was exhausted and that it was in low grade ores and waste, and stated at a meeting of the board of directors that the mine had become a low grade proposition and must be considered in that light; that it would require great expenditure for large and additional machinery, and that the prospects of the mine were very poor, all of which statements were false and wholly untrue, but at that time were believed and trusted in by affiant. All of the correspondence at this time, with the exception of a few short letters, were kept secret from affiant, and affiant, by reason of the representations made as aforesaid, came to believe that the mine was of small value. That said C. P. Waterhouse is the nephew of affiant. That in his boyhood he was poor and without means of support. That affiant gave him employment, supported his mother for him, and reared him from his boyhood and was entitled to believe all that he said. That affiant also took D. M. Burns from the despondency of criminal prosecution and a condition of the most abject poverty, and gave him said position as superintendent of said mine. That at all said times said Burns pretended to have a great affection for affiant, he going so far as to say that affiant was his Christ and Savior, and affiant believed and confided in said Burns' fidelity and truthfulness to affiant. That neither said Burns

UNITED STATES SENATE?

PRISON CELL TO THE



FROM THE