

TEN DAYS MAY ELAPSE BEFORE EXACT AMOUNT OF McKOWEN'S SHORTAGE IS KNOWN BY REGENTS OF STATE UNIVERSITY

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ly apart from the State appropriation for maintenance of the university. But if he used the general fund to make good his obligations to the student winners of the scholarships, then the surmised money subscribed by the taxpayers and was guilty of pilfering public funds.

DELICATE DISTINCTIONS.

This delicate distinction between robbing the person or the public may obtrude itself when McKowen's defense is attempted by his legal advisers. To one of his sympathetic visitors yesterday the prisoner declared that he intends to offer no defense; but will plead guilty as charged and take his punishment without murmur. But that was prior to his interview with Attorney H. M. Wright of this city, who is associated with Attorney Peter F. Dunne in the case.

In this connection it may not be amiss to state that no complaint has been formally filed against McKowen, and that Attorney C. E. Snook, representing the Board of University Regents, says no such steps will be taken until the report of the bookkeeping experts has been received and acted upon. Attorney Wright, on the other hand, gave assurance that pending completion of the inquiry no effort will be made by him to obtain McKowen's release through habeas corpus proceedings. McKowen himself is evidently content to stay in durance until he appears in court.

Among yesterday's developments was one to the effect that McKowen was not under bond when his wrongdoing came to light. He was acting secretary of the Board of Regents until last July, and in that capacity was under a \$5000 bond, furnished by the Pacific Surety Company, for the faithful discharge of his duties. But with July there came to him promotion to the full secretaryship, and the bond was not renewed to cover his new title and responsibilities. So as secretary he was without bond, a fact which does not detract from the supervisory negligence hereinbefore alluded to.

NICE QUESTION.

This bond business was the subject of a conference yesterday, between Regent Foster, Attorney Snook and the manager of the Pacific Surety Company, and it is understood that no definite conclusion was arrived at. Some attorneys maintain that the surety company can be held responsible for whatever defalcations were made by McKowen while he was serving as acting secretary—another question which must depend for solution upon the report of the bookkeeping experts.

Indeed upon completion of the task undertaken by the bookkeeping experts depends almost everything connected with the great embezzlement. Until it is positively known how much money McKowen pilfered and how he managed to pilfer it the hands of the Regents and the tongues of their finance committee are tied.

Auditor J. J. Herr, who for several years has annually inspected McKowen's accounts and approved them, will arrive to-day from Los Angeles, but it is expected that he, too, must be in the ranks of the bewildered until the secretary's methods of embezzling are more fully disclosed. Mr. Herr evidently approved all the accounts that he found correct, but that is not saying that all the accounts in McKowen's hands were duly recorded in the secretary's books. Which again reflects slipshodness upon the general supervisory system pursued by the business management of the big university.

RUMOR IS INDUSTRIOUS.

Baseless rumors disturbed the scholastic calm of Berkeley all of yesterday. They flew thick and fast and their flight was not impeded by facts, for the information bureau at the university had very few of the latter articles to dispense. President Wheeler spent the day on this side of the bay, and if Acting Secretary Henderson had any original intelligence on hand he was very chary in its promulgation. He said that everything was in the hands of the two experts toiling so strenuously over the secretary's books, and that they could not get a reliable line on the actual condition of affairs until they have probed and poked a few days longer.

"What effect has the exposure of McKowen's peculations had upon the business affairs of the university?" Mr. Henderson was asked.

"Well," he replied, "the finance committee has decided to suspend payment of all bills except for labor until the full amount of the defalcations is ascertained. The refunding of students' deposits has been discontinued for a few days, but the general business of the university will go on as usual."

Among the rumors that banished ennui from the college town was one to the effect that McKowen had once owned a racing stable of his own, and investigation of the story led to the ruthless reduction of a bunch of bang-tail flyers to one single carriage horse of the dobbie breed, which the secretary had purchased and kept for the convenience of his landlady, Mrs. Smythe.

Another narrative that was probed and found wanting increased the sum total of McKowen's pilferings to \$75,000. The bit of Marchausenism was traced to the imagination of a would-be wisacre remotely connected with the secretary's office.

MRS. DIEVES DENIES.

Mrs. Lillian Dieves (widow), whose name was bandied with that of McKowen during the earlier development of the sensation, denied most emphatically yesterday that her relationship with the embezzler had ever extended beyond that of casual friendship. She had met him at the racetrack, she acknowledged, but had never gone there with him.

"It is not true," said Mrs. Dieves, "that Mr. McKowen ever expended large sums of money upon me or that he ever presented me with expensive jewelry. Indeed it was just the other way. I gave him most of the jewelry he wore. When I learned that he was keeping company with other women I dropped his acquaintance. It is true that we dined together several times, but our meals were very modest and

most temperate. I always bet my own money when I went to the track."

It was an eventful day for the incarcerated embezzler. He occupied a huge steel cage with about a score of other criminals, and when he made his first appearance in the morning his face reflected the mental torture that had kept him awake nearly all night. He partook of the plain prison fare sparingly and smoked cigars furiously as he paced the iron floor like a caged animal all day. After his interview with Attorney Wright he seemed to pluck up a little spirit, and there was genuine hauteur in the way he returned the stare of the curious few who visited the jail to see him. And he treated the press representatives with a brusqueness that approached contempt.

BUT HE TALKED.

"My attorney has advised me to abstain from talking about my case to any one," he said to a Call reporter, "but I do not mind stating that every cent of the money I am accused of taking was spent on the race track. No woman got a dollar of it. I never owned a race horse and I never levered faro bank in San Francisco or anywhere else."

"Do you intend to make a defense in the courts?" he was asked.

"What do you think I hired an attorney for?" was the counter query.

Inquiry throughout Berkeley and Oakland failed to find substantiation of the tales of riotous living told about McKowen. He was a model of bachelor propriety in Berkeley, where Mrs. Grundy keeps a sharp eye on the unmarried attaches of the college, and beyond occasionally imbibing rather freely of whisky highballs at the Athenian Club he had done nothing in Oakland that could incite the censure of moralists.

The board of regents will hold a special meeting at 2 o'clock to-morrow afternoon in the Hopkins Art Institute, when the McKowen episode is likely to receive exhaustive consideration. There was filed with the Recorder of Alameda County yesterday afternoon a deed conveying all of William Albert McKowen's real and personal property to the University of California, and the document bore the name of Attorney C. A. Snook as witness. This seeming act of restitution does not actually amount to much, for the available earthly belongings of McKowen consist of three lots of Berkeley realty and some personal effects of inconsiderable value.

President Wheeler said yesterday afternoon:

"I do not desire at this time to discuss the subject whether I have hitherto made any recommendations concerning any changes in the system of bookkeeping in the secretary's office. It goes without saying that the system should be made a safe one. In the line of improvement it has been suggested that the treasurer might be made a more active office of the Board of Regents. At present the treasurer's office is merely a depository for funds. It has also been suggested that the accounts of the University of California should pass through the hands of the State Board of Examiners, but I am not well enough informed on that subject to give an opinion.

"At the bottom of this trouble lays the fact that McKowen had not been compelled to bank the funds he received. If that had been required of him this situation would not have been reached. If there had been a bank balance as a guide it would at least have been very much more difficult for McKowen to misappropriate the money that came into his hands.

SPECIFIC EXAMPLES.

"As to specific examples of McKowen's methods of accomplishing his thefts I am not prepared to cite many. One of the ways he stole money was to take it from the Levi Strauss scholarship funds. McKowen also took money turned over to him by Dr. d'Ancona for fees received from students in the Medical College. We are not as yet advised whether the \$1200 check from Mrs. Hearst which McKowen gave to Bookmaker Davis was intended for her scholarships fund or for the anthropological department, but that is, of course, non-essential at this time.

"Preliminary investigations into the condition of McKowen's books develop that he was behind considerably in his journal. That book was not up to date, and this points to laxity and apparently to the theory that McKowen anticipated trouble. Specific accusations will not be filed against McKowen until after the finance committee has received a report from the expert who is working on the books. Several days, at least, must elapse before the records have all been examined and their condition noted.

"Revelations concerning McKowen's habits were a complete surprise to me. I knew nothing about his gambling at the racetracks or anywhere else. I never suspected that he was thus engaged. The worst I ever heard in connection with McKowen was that he drank at times."

A. Bonnhelm of Sacramento, who endowed the Bonnhelm scholarships at the State University, said last night there was no truth in the report that he sent checks to the holders of the scholarships because he distrusted McKowen.

"I have always sent the checks direct to the holders of the scholarships," said Mr. Bonnhelm. "I have known McKowen, but did not suspect him. In fact, I heard of nothing derogatory to his character until I read the accounts in the newspapers two days ago."

Regent Britton was in Sacramento yesterday and visited Governor Pardee. He said he had inquired into the Bonnhelm scholarship matter and found that it was straight so far as McKowen was concerned.

ANOTHER CASE.

That proper vigilance has not been exercised in caring for some of the financial interests of the State University is shown in the litigation over a claim of the Regents against the estate of the late William C. Turner, a wealthy pioneer of Merced County.

Turner died in 1894 and the Regents brought suit for foreclosure of mortgage for \$50,000 against Turner's estate. The matter dragged through the courts and many appeals were taken by both sides to the suit. The Supreme Court finally decided against the Regents of the university on the ground that a copy of the mortgage had not been appended to certain of the legal court documents, and the attorney for the Regents had also failed to mention the book and pages of the State records wherein the mortgage had been duly recorded.

The Supreme Court said that the claim was a good "unsecured" one, but not a good "secured" one. The oversight of the attorney for the Regents resulted in the non-recovery of the funds loaned.

Later on an attempt was made to reopen the case on the ground that the Judge of the Superior Court who rendered a decision in the case was disqualified from hearing the cause on the ground that he was a creditor of Turner's estate and that he had appointed the administrator who had rejected the claim of the Regents. The subsequent litigation, however, brought no relief to the Regents of the University.

THE GOVERNOR TALKS.

SACRAMENTO, Dec. 17.—The checks placed on the expenditure of State funds by the State Controller and the State Board of Examiners do not apply to the hundreds of thousands of dollars

which are annually received and expended by the Regents of the State University and their executive officers. The constitution and laws of the State place the Regents in full control of the funds, and they in turn must trust to the honor and ability of those whom they employ to do the detailed clerical and executive work.

Governor Pardee, who is president of the Board of Regents, to-night explained the financial system of the university and remarked it was not improbable that the method of bookkeeping was out of date. The Governor said the university is exempted almost entirely from the provisions of the general law requiring demands on State funds to go through the State Board of Examiners. The procedure is for the Board of Regents to make a demand on the State Controller for the money raised by taxation for the support of the university. This money is then deposited with the treasurer of the Board of Regents and warrants are drawn on it by the Regents and are paid by the treasurer of the Regents.

OBsolete BOOKKEEPING.

Asked with reference to the statement of President Wheeler that the system of bookkeeping practiced by the Regents was obsolete, the Governor said he was no bookkeeper, but it was not improbable that the system was out of date. He added that no matter how perfect a system of bookkeeping may be in any large business, there is necessarily some one man who in the end must be trusted. He could see no objection to supervision over the accounts of the university and of all other State commissions and interests by the State Board of Examiners. It could not be expected that the Regents themselves could give the time to the actual work of overseeing the details of the finances, as all the Regents are men of large affairs and successful in the management of their business interests. It was a fact, he added, that the busiest man made the best Regent, for he was able to grasp quickly and dispose of big affairs. Governor Pardee said he considered this a case calling for the vigorous prosecution of the guilty. He said the Regents would meet in San Francisco on Saturday next and would then take up the subject of McKowen's defalcations.

CONTROLLER'S OPINION.

State Controller Colgan said to-night that it was formerly the practice of the Regents to keep much of their funds in the State treasury, but a Supreme Court decision gave it entirely

within the keeping of the Regents themselves. Nearly \$300,000 was raised by taxation for the support of the university last year and the Regents drew on the Controller for the lump sum and it was turned over to their treasurer, I. W. Hoffman Jr. The university, through the Regents, receives heavy sums from many other sources, but neither the Controller nor the State Board of Examiners has a check on it. An exception occurred when, for the first time in many years, the Legislature at its last session included its appropriation of \$200,000 for the university in the general appropriation act, thus making its expenditure subject to the provisions of that act, which include auditing powers by the State Board of Examiners. But flat appropriations for the university made by the Legislature as well as funds received from other sources are handled by the Regents without reference to the Controller or examiners.

RESCUES GIRL; LOSES HIS LIFE

English Naval Constructor Sacrifices Himself to Save the Daughter of German Minister

BERLIN, Dec. 17.—Miss Von Rheinbaben, daughter of the Finance Minister, Baron Von Rheinbaben, had a narrow escape from serious injury or death to-day. She fell between two electric cars, but an English naval constructor, Henry Davidson of Newcastle-on-Tyne, rushed to her assistance. In pulling Miss Von Rheinbaben out of danger he was killed. Miss Von Rheinbaben was uninjured.

Strikers' Houses Blown Up.

NEWCASTLE, Colo., Dec. 17.—Five houses, occupied by striking coal miners and their families, were wrecked this morning by explosions of giant powder. None of the inmates were killed or seriously injured. Three suspects have been arrested and taken to Glenwood Springs, as it was feared they would be lynched if they were jailed here.

JURY AWARDS HIM DAMAGES

Twelve Thousand Five Hundred Dollars the Sum Given to a Marin Railroad Victim

VERDICT AT SAN RAFAEL

Carl Webber Obtains Judgment for Half the Amount Wanted From North Shore Company

Special Dispatch to The Call.

SAN RAFAEL, Dec. 17.—After deliberating for over eight hours a jury awarded at midnight to Carl J. Webber \$12,500 damages against the North Shore Railroad Company.

On the afternoon of July 17 Webber was alighting from a train at Corte Madera station. A freight train backed into the station yard and he was knocked down and fractured his leg. He brought suit to recover \$25,000. The case came up for trial last Tuesday and was not given to the jury until 4 o'clock this afternoon. During all the proceedings the courtroom was crowded and even up to midnight many citizens were waiting for a verdict to be rendered.

There is a long list of damage suits against the North Shore as a result of several wrecks last summer.

Amateur Heavyweights to Meet.

Alex Greggains has an attractive card for the regular boxing exhibition of the San Francisco Athletic Club to be held to-night in the Sixth-street gymnasium. Olin Sullivan, 210 pounds, meets John King, 240 pounds. They met in a sensational bout last month. The remainder of the programme follows:

Dick Cullen vs. Joe Bradshaw; Billy Healy vs. George Sullivan; Jack Adams vs. Billy Jansen; Pierpont Ordway vs. Jim Wilson; Kid Parker vs. Mike Synfy; Jack Burke vs. George Herbert.

The Hayes Valley Athletic Club has matched Joe Carroll and Paul Martin, champion featherweight of the coast, to meet in the main event of its show, which will take place at the Annex next Tuesday evening. The pair were matched last month, but on account of an injury to his leg Carroll could not appear.

A locomotive testing laboratory will be a feature of the transportation building at the World's Fair.

ADVERTISEMENTS.



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ACADEMICAL DIRECTOR

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Through the courtesy of Commerzienrath (Counsellor of Commerce) Dr. Datterer, I have received several bottles of your beer.

I have not only partaken of same, but have also made a searching chemical analysis, the result of which I enclose.

The analysis, as a matter of course, can give no idea of an important feature, the flavor of the beer.

I frequently receive samples of American beers for analyzation, but I can truthfully say without flattering, that I never drank a better American beer than yours.

The beer tasted full (round) and fresh, and no trace of the usual disagreeable pasteurization flavor was discernible.

Once more permit me to express my recognition.

Very respectfully,
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