

MINNESOTA PINE LANDS.

State Investigating Committee Reports What It Learned to Gov. Nelson.

THERE WAS MUCH AMISS

According to Their View of Testimony--Their Recommendations.

St. Paul, Dec. 22.—The report of the pine land investigation committee has been filed with Governor Nelson. It is an extensive document, covering some 200 typewritten pages and embraces 16 chapters, treating of the following subjects:

- 1. Sale of stumpage.
2. Sale of hardwood stumpage.
3. Mineral leases.
4. Approval of estimates and appraisals.
5. Duties of surveyors general.
6. State scalars.
7. State auditor's office.
8. Estimates and appraisals.
9. Estimators and appraisers.
10. State treasurer.
11. Stumpage thieves.
12. Matthew Clark's relation to state auditor's office.
13. Frauds; who is responsible.
14. Work of the committee. Its results.
15. Financial statement.
16. Recommendations.
The vital features of the report are here-with given:

CHAPTER 1.

Sale of Stumpage.

The first chapter of the report covers 32 pages. In the outset the committee declares that from an extensive research the committee is satisfied that the sales, as a general rule, are conducted in the interests of the buyers of stumpage and rarely in the interests of the state. The committee charges some of the ills to defects in the laws, but nevertheless the committee believes that the state officers have been guilty of criminal negligence for not having protection against trespass as far as the employees of the surveyor general's office were concerned. Several scalars testified that they always took the word of lumbermen to ascertain whether the logs were state logs or not. They received no instructions from the office of the surveyor general.

As conclusions, the committee finds that "the surveyor general of the Fifth district is in every way grossly incompetent and unfit to fill the important office he now holds. The committee reports that they were never able to find the surveyor general in his office, and were informed that he was seldom at his office. The committee believes that unless honest, intelligent citizens are appointed to these important positions, the sooner the office is abolished the better it would be.

CHAPTER 5.

Duties of Surveyor General and How Discharged.

The committee, after quoting the law relating to the duties of the surveyor general of logs and lumber, says that, although the duties are so plainly laid out by the letter of the law as to admit of no misconstruction, yet it finds from the records in the office and the testimony of officials under oath, that the provisions of the law have been uniformly ignored and that the state has suffered the loss of thousands of dollars thereby. The committee found that "he reports were badly mixed, and that the surveyor general, when asked to explain one of them, stated that he could not do it. The reports did not show whether any thefts had been committed or not. The testimony developed that the deputies relied entirely upon the information furnished by the parties hauling logs, and that the marks on the logs had not "usually" been examined by the officials. Deputy Surveyor General Sinclair admitted as a witness that during five years it had been a common practice where the mark had been left off stumpage cut from state lands. He further admitted that the state had no protection against trespass as far as the employees of the surveyor general's office were concerned. Several scalars testified that they always took the word of lumbermen to ascertain whether the logs were state logs or not. They received no instructions from the office of the surveyor general.

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CHAPTER 6.

State Scalars.

State scalars are persons appointed by the surveyor general to scale timber cut from state lands.

Speaking on this subject, the committee finds that the practice of allowing employees of lumbermen to be appointed to these positions is pernicious, and invites bribery and dishonesty. The committee suggests that the scalars should be appointed for their honesty, and their tenure of office depend solely on the character of their work. Deputies are a necessity, but should be required to give an ample bond to the state, conditioned upon the faithful discharge of their duties, and a law should be passed fixing so severe a penalty for the making of a false return of timber cut from any tract of land that none would dare to violate its provisions.

CHAPTER 7.

State Auditor's Office.

To the State Auditor—the land commissioner, as he is called—says the committee, we should look for the protection of the state's interests; for an honest administration of the laws and a proper appreciation of the great responsibilities placed upon him. It is here more than in any other department, that we should have the right to expect that condition of affairs that marks the faithful, intelligent servant, the honest man.

On the contrary, we are compelled to say that it is here we find the most palpable neglect of duty; the least regard for the welfare of the state's interests; the most careless and unsystematic conduct of the business of the state, and the greatest display of either unpardonable ignorance of the duties of the office under the law, or downright official dishonesty. It is in justice to all concerned that the committee says that this state of affairs is confined to no particular period in the history of the state auditor's office, but, so far as the committee have been able to determine, has been uniform and uninterrupted for many years.

Matthew Clark's relations to the auditor's office, we believe, shows a condition of affairs to which your particular attention should be called, and which, if not punishable by law at the present time, should be taken up by you in your message to the legislature and the passage of a law recommended to punish the commission of such offenses in the future. We believe, through the failure of Mr. Biermann to comprehend the situation, Clark has been allowed to retain his situation in the auditor's office as a vantage point to the furtherance of his own real estate business. Mr. Biermann continued him in office for four years, knowing all the time that he was there for the purpose of gaining information to enable him to make money. The committee have seen no indication, however slight, and do not believe that Mr. Biermann was directly or indirectly interested in Clark's speculations, or that he received any pecuniary benefits therefrom. The committee believes that Biermann has not been imposed upon, and, as a proof, cite the appointment of one Washby as a state appraiser, who was totally unfit for the position, and even so after serving four years.

The committee further declares that the appointment of a stumpage clerk is neither necessary nor authorized by law, and should be discontinued at once.

CHAPTER 8.

Estimates and Appraisals.

After quoting the law and giving a detailed statement of some witnesses, the committee finds that the work of estimating and appraising of state timber has been done in a manner which is practically

of no value. Estimates were signed in blank and filled out later in the office of the state auditor. Appraisers were sent out who never examined the sections of land which they were to estimate. The committee state that half has never been sold, and there are grave doubts as to whether it ever will be, so monstrous is the iniquity of the whole matter.

The estimates were fraudulent, and yet all the pieces of land were sold the same fall, when the worthless estimates were entered. In addition the committee finds that Sinclair was engaged privately by Clark, that the latter did not even put in the amounts reported to him by Sinclair, but much smaller, and that the whole matter in relation to these fraudulent estimates was a deep laid scheme to defraud the state, which in reality was defrauded out of a large sum of money. The guilty parties should be punished, and the committee believes that the incoming legislature would be derelict in its duties if it fails to provide for the continuation of the investigation. The committee concludes by saying that it finds Clark's testimony unsatisfactory and vacillating, and that the ways of Clark, as far as they relate to estimates and appraisals, are such as to merit the unqualified condemnation of the committee.

CHAPTER 9.

State Appraisers and Estimators.

Speaking of these important officers the committee says that instead of finding them to be men noted for their honesty and efficiency, the reverse has been found to be the case. And this condition of affairs has been the rule in the auditor's office for years. The committee finds little to commend in the work of these men, and much to condemn, and is of the opinion that they are aids to timber thieves rather than protectors of the state's interests. The committee believes that estimators should be required to take oath of office, and give a bond for the faithful performance of their duties, and also that a law should be passed making it a crime to return false estimates and appraisals of timber growing on state lands, punishable by long imprisonment in the state's prison.

CHAPTER 10.

The State Treasurer and His Collection of Stumpage Drafts.

The committee find that in disregard of law, so far as the handling of business connected with pine stumpage is concerned, permeates every department of the state government through which it passes. The law provides that "the party owning state lands shall pay the amount of such draft within ten days after the said draft has been placed in the hands of the treasurer, the treasurer shall take possession of the logs in question and sell them; or, in lieu thereof, turn the draft over to the attorney general, who shall immediately proceed to collect, etc."

The committee finds that this provision, too, has been ignored. In support of this finding the committee cites the fact that in a report by the treasurer in October, 1893, there were \$94,930.55 in collected stumpage drafts, some of which had been placed in the office as far back as 1884, 1889 and 1892. This is loaning the state's money to the lumbermen to carry on their business, and the committee adds that it is rare that interest is collected by the state treasurer upon these overdue drafts. As a result, logs cut are manufactured into lumber long before the state receives its money for stumpage, and, coupled with the fact that the notorious fact that the so-called bonds furnished to secure payment of such drafts, are grossly and notoriously worthless.

CHAPTER 11.

Stumpage Thieves.

"The caption of this subject is a phrase that, so far as the state of Minnesota is concerned, is a new history, and the committee wishes to call attention to the fact that the state of Minnesota has a large number of stumpage thieves, whose profession, whose very instinct is child robbery and to whom falsehood is a stimulant and perjury a pastime? Some of these characters have already been exposed, others will soon be compelled to pass through a like experience in cases already in court and those about to be commenced.

In the accomplishment of these thefts these persons resort to various ways and means. The first step is to impose upon and to bribe the state estimators, and to procure false estimates. Then all competition at the sale is stifled by the aid of their confederates in these transactions, who combine for that purpose, and the section is purchased at one-quarter or one-third of its value. The next step is to see the surveyor general and get one of their own employees to scale the timber. Or, in lieu thereof, some one who will keep his eyes and mouth closed, to everything that is said by the land commissioner. Then a patch of timber, 40 acres will do, is purchased adjoining the school section, the party then proceeds to cut and haul from both pieces of land at the same time. He cuts 6,000,000 feet from the school section and 300,000 from his own. The former is reported as coming from his own land and the latter amount is generously credited to the state. The committee has not ascertained yet the amount received by the blind scaler for his share in the transaction, but his tenure of office depends upon his degree of blindness. When we remember that the insurance companies openly charged that the timber thieves in the prosecution of their nefarious business were the cause of the great fire that swept over Hinckley and the surrounding country, burning up some 600 people and millions of dollars worth of property; that in setting fire to burn the cuttings for the purpose of covering up their tracks and prevent the discovery of their crime, they committed a still greater one, that of taking the lives of 600 men, women and children, we are moved to say that during our investigation we have had this matter brought before us many times, and we have the testimony of one witness who swears positively that he was instructed by a prominent lumberman to go and set fire to a section from which he had stolen 6,000,000 feet of logs and "make a good job of it." We may add that three different attempts were made before the section was satisfactorily burned.

CHAPTER 12.

Matt Clark's Relation.

Chapter 12 is devoted to Matt Clark's relation to the state auditor's office, the committee scoring Clark, who had charge of the stumpage record, to the auditor's office and had also private land business. The committee gives nine pages of testimony, and adds that "in the judgment of the committee, the foregoing statement of facts, which is unimpeachable, coupled with the testimony quoted, shows a lamentable condition of affairs in the state auditor's office and a very low estimate of the part of that official of what constitutes the duty of the clerk in his office to the people of the state."

CHAPTER 13.

Fraud—Who Is Responsible?

This most interesting caption is started by the following language: "A noticeable fact in the investigation conducted by this committee has asserted itself at every period of the work, viz., that every step taken, every corner turned, every leaf unfolded, has revealed new and unexpected corruption, at times startling in its depravity, until we may well believe that our investigations have only disturbed the slime that covers the pool of rottenness." As an instance, the committee cited the alleged payment of \$912 alleged to have been made by Auditor Braden on the last day of his term of office to one J. McGillis, for scaling logs, which in fact was never paid to that gentleman. It was discovered that the signature on the back of the voucher was a forgery. The committee further states that there was nothing less than a conspiracy to defraud the state out of this amount and that Matt Clark received this warrant and deposited in the bank to the credit of his wife.

Other cases are cited, and Mr. Clark's testimony is partially quoted, and proves beyond question the shadiness of the transactions. The committee believes that enough fraud and corruption in the auditor's office has been discovered to warrant a closer and further investigation into the matter. In conclusion the committee says: "If the state auditor himself is to use the state funds for the purpose of paying a favorite clerk \$500 for a worthless slip of paper, if the clerks in the employ of the state can, by such nefarious schemes, palm off upon the state such rubbish and then put their hands into the treasury and abstract the money therefor, or if the clerks of the state or private parties can by acting in concert, rob the state with impunity and no one be punished for it, then may the honest law abiding citizens of Minnesota hang their heads in shame, and say to the general government: "Take back the school fund you gave us, we have no manhood to protect it." This matter should be sifted to the dregs, the guilty parties, whoever they may be, compelled to refund their ill-gotten gains, and, if possible, sent to the penitentiary, where they properly belong."

CHAPTER 14.

Results of the Work of the Committee.

As a result of the work of the committee the state is gaining by a very large sum of money. The following cash was actually collected:

Table with 2 columns: Name and Amount. Includes Itasca Lumber Co., Staples & Muir, T. R. Foley, Itasca Lumber Co., Sheelin, Carpenter Co., S. Reynolds, T. H. Sheelin, F. G. Webber, Powers & Dwyer, and a Total of \$157,254.28.

In addition to these tables there are seven suits under way, in which the evidence is well worked up and the amount involved in these are in the aggregate \$205,076.44. This will bring the grand total of money recovered to the state, by virtue of the investigations to the figure of \$362,330.72.

As a result of the committee's work many who have been notorious timber thieves all their lives have commenced to make true reports. In stopping the sale of hardwood timber the committee has rendered the state a service which will amply compensate it for all money paid out in the work of prosecuting the investigations. The committee further finds that the robber; has extended into every nook and corner of the state, not barring territory where townships are supposedly still untouched.

CHAPTER 16.

Recommendations.

We make the following recommendations, which we trust will meet your approval, and request that you will forward them to the legislature with favorable comments.

That there shall be but one surveyor general for the state, who shall be appointed by the governor, to be paid a salary, and all fees turned into the state treasury, and all necessary deputies and employees be paid a reasonable salary; that all deputy surveyors general shall be required to take oath and give bond conditioned upon the faithful performance of their duties; that the neglect of the surveyor general to report the failure of any parties in complying with the provisions of the permit, or failure of the state auditor to report the same to the attorney general for prosecution, shall be punished by heavy penalties. That the governor, treasurer and land commissioner be required to meet as a commission for the consideration of the approval of estimates and appraisals, and recommendations of sale; that they shall keep a record of such meetings, and that no stumpage shall be sold unless the same be recommended by the governor and one other member of said commission; that the governor have a sufficient appropriation to enable him to properly investigate the correctness of such estimates by sending an agent of his own to examine any of the lands proposed to be sold, when, in his discretion, it may be necessary to do so; that all estimates now in the state auditor's office, upon which valid permits are not now in force, be canceled; that the notice of sale be published as at present, and that it shall contain a provision that an official copy of the list of lands from which the sale is to be made, will be furnished to all applicants, by the state auditor at any time after the compilation of said list; that there be but one sale each year, to take place not later than Nov. 15; that a list of the lands from which the stumpage is to be sold shall be compiled by the land commissioner at least thirty days prior to the date of sale, and shall thereafter be published at least once a week for three successive weeks prior to the sale; that no description shall be added to such list after that date, and no stumpage shall be sold unless contained in said list; that such list shall contain a description of each tract to be offered, together with the official estimate of the amount of timber thereon; that copies of such list shall be furnished to any party applying for the same, and in addition thereto a copy shall be conspicuously posted in the office of the county auditor in each county in which any lands therein described are situated. That no permit shall be given to cover more than two logging seasons, nor more than one description of land, and no extension or cancellation thereof shall be made, and a separate log mark shall be

used on each description. That in view of the worthless character of many of the bonds given as a security for the fulfillment of the conditions of the permit, careful legislation should be had regarding the same. That in case of the assignment of a permit a new bond shall be required from the assignee, first bondmen not to be released. That no permit shall be issued except to the party in whose name the stumpage is purchased at the sale. That actions shall be instituted against all parties who have taken out valid permits for cutting timber on state lands, and have failed to carry out the provisions thereof, for the recovery of any loss the state may have sustained by reason of such failure. That appraisers be required to verify by affidavit an estimate of each one-quarter section, or less, if tract contains less, as now provided by law; the oath to be taken before the secretary of state, or some notary public, in his office; that said estimates shall be signed, filled out and dated by the appraiser from the original notes made while upon the land described; that it shall show the days when he was actually upon the ground, and when it was filled up in the office of the land commissioner; and, that the appraisers be required to take and subscribe an oath and give a sufficient bond conditioned upon the proper discharge of his duties. That such estimates shall be bound in book form, with the date of filing in the auditor's office indorsed thereon; and all field notes of the appraisers shall be filed in the auditor's office. That no information, estimate or appraisal in respect to standing timber upon any lands in the state, furnished by any person other than an employe of the state, shall be paid for out of the state funds. That the state treasurer be required to enforce the provisions of the statute in regard to the collection of stumpage drafts. That in the execution of all mineral leases the timber upon the land leased should be reserved to the state, and that pending action of the legislature hereon, in order to prevent the wholesale leasing of land for the purpose of holding such timber, the state auditor decline the issuance of any additional leases for mineral purposes. That the incoming legislature pass a stringent law to prevent the kindling of fires where cuttings of pine have been made, even by the owner of the land, unless proper safeguards are established to prevent its spreading to adjoining property.

That all reports of the surveyor general as to the quantity of timber taken from state lands shall be based upon the scale made on the land, instead of upon a bank scale, as is now the prevailing custom. That the scale used by the surveyor general should in all cases be what is known as the full scale, making no deduction on account of rot or other defect in the timber.

That the land commissioner shall cause all permits, and the bonds accompanying the same, together with any assignments thereof, to be filed in his office, and recorded in a book kept for that purpose. That the land commissioner shall keep a general index of all instruments, documents and papers filed or recorded in his office, showing the date of filing and the place of record. All papers, letters, documents and instruments coming into the hands of the land commissioner shall be filed by him, and, together with copies of all letters written by him, shall be preserved as a part of the records of his office. That the land commissioner shall keep a stumpage record book, which shall state the number of the permit, the date thereof, the date of expiration thereof, date of sale, date of approval of sale, description of the land upon which the timber was located, date of appraisal or estimate, amount of timber on the land as shown by the estimate, value of the same, the name of the person making the appraisal or estimate, the price to be paid for the timber, amount of timber cut, date of cutting, name of purchaser, amounts paid by purchaser, date of payment, log mark, date of making scale of timber cut and the name of person making scale, together with a reference to all correspondence respecting the description, name of assignee, date of assignment, names of bondsmen and date of recording bond. That a form of permit, estimate and appraisal be established by law.

All of which is respectfully submitted. IGNATIUS DONNELLY, Chairman.

M. J. McGRATH, C. F. STAPLES, S. W. LEAVITT, A. Y. LEATON, J. F. JACOBSON.

Mr. Donnelly adds on his own account that a law should be passed forbidding the sale of pine because of being in danger of fire and recommends that the state should absolutely refuse to permit any private party to purchase the stumpage of its pine land under any and all circumstances.

BRADSTREET'S REVIEW.

Unseasonable Weather in Many Localities a Check to Business.

NEW YORK, Dec. 24.—Bradstreet's Review says: The volume of trade continues small, as expected from evidence of shrinkage within the month. Unusually mild, unseasonable weather continues to check distribution of coal, heavy clothing, shoes and rubber goods in the Northwest, South and throughout the Central, Western and Eastern states, although at larger cities the favorable reports as to holiday goods and specialties at retail are for the great part the outcome of bright, mild weather.

Improvement in prices is recorded in only a few leading lines—wheat, copper and lower grades of shoes, which have long sold at depressed figures. There are nine important staples which are steady or firm—leather, hides, lumber, live hogs, coffee, naval stores, cotton and pig iron. When one considers the list of staples for which The Week's Quotations are Lower, it is found nearly equal to those in which advances and steadiness in price are given. Cotton goods are weaker, and sales of moment are made only at business.

Business in wool is dull still and will continue so until after Jan. 1, when the tariff provisions go into effect. Jobbers and other wholesalers as a rule report commercial travelers as of the road and that little is doing except to take account of stock. The outlook for trade after the holidays is fair, although larger Chicago dealers report stocks on hand larger than expected, except among jewelers who have unexpectedly enjoyed a heavy trade.

WHO WILL WIN?

Fight For the United States Senatorship is Decidedly Interesting.

MR. COMSTOCK'S CANDIDACY.

Feeling Exists, He Says, That the Country Should Get the Plum.

St. Paul, Dec. 24.—The politicians, members of the legislature and candidates for speaker have cleared out of town and gone home to hang up their Christmas stockings. The last subject discussed before going, and it was discussed vigorously and with a knowing air, was the announcement of Mr. Comstock that he was a candidate for the United States senate. Some said the announcement was a surprise, while others had long considered him a candidate, to be trotted out at the right time. There is a story started that Mr. Comstock's coming out will bring out several other candidates from southern and western counties.

What Comstock Says About It.

The Minneapolis Journal interviewed Mr. Comstock, and he said: "After looking the field over, I am satisfied that there is room for another candidate and have decided to enter the senatorial contest. I am not fighting any other candidate, but have entered the race believing my chances of success to be as good as those of any other man. I do not claim that either the state or the Republican party owes me anything.

"I expect a hearty support from Northern Minnesota—in fact, my strongest support. The outlook is now very encouraging for me. I find a general feeling that the senator should come from outside of the cities, and I concluded to take the field. I have no fight to make against Mr. Washburn. I do not enter the race as any one's catspaw, but shall do my best to win, and I believe I can."

Comstock will open headquarters at the Merchants, and Sabin is also there, while Washburn has large quarters at the Windsor hotel. Gibbs and Van Sant also have quarters at the Windsor, likewise Dan Shell, and after Christmas day the battles will be under full swing at each headquarters.

THE SPEAKERSHIP.

Plain Statement by Dan Shell, Who Means to "Fight Square."

Mr. Shell said to a Minneapolis Journal man:

"Whoever started the story that I would pull off the track don't know me. I was brought into the field by my friends of the Second district, some of whom I have known for 20 years, and I wouldn't sell them out for the whole state of Minnesota. They told me to enter the race, promising that they would stand by me, and I will stay until they tell me to quit. I will be in the contest to the end. Shortly after the first of the year, the Second district members will get together in St. Paul to canvass the situation, and I will abide by their decision on that day. From what I am able to learn, I am not a weak candidate. Neither Gibbs nor Van Sant has enough votes to elect and I don't see why my chances are not as good."

Mr. Shell says he believes his chances for the speakership are as good as before the Hennepin delegation declared for Van Sant. He declares that he will not enter into combinations, but will make a square fight and stick to the battle till victory is won by him or somebody else.

MODERN WOODMEN.

State Convention of the Order to Occur at St. Paul This Week.

ST. PAUL, Dec. 24.—The Modern Woodmen of Minnesota will hold their annual meeting in St. Paul Wednesday and Thursday of this week, with headquarters at the Windsor hotel. There will be 100 delegates. State officers will be elected. There has been a net increase of 2,000 in the Minnesota membership during the year. Action will be had on legislation this winter affecting beneficiary funds of the Woodmen, Workmen and similar societies. The state law of 1885 held that life insurance funds received from those societies could not be attached for debts, but Judge Canty of the Minnesota supreme court has just decided that this provision is unconstitutional, so an effort will be made to secure the co-operation of the fraternal organizations in having the state exempt \$5,000 from attachment.

Advertisement for 'Young Wives' and 'MOTHERS' FRIEND' medicine, including text: 'TO Young Wives', 'MOTHERS' FRIEND', 'Robs confinement of its Pain, Horror and Risk, as many testify.', 'My wife used only two bottles. She was easily and quickly relieved; is now doing splendidly.— J. S. MORTON, Harlow, N. C.'