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Lower Prairie Creek Project: Scottish Syndicate

Susie Van Kirk

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Susie Van Kirk Historic Resources Consultant

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Susie Van Kirk
Historic Resources Consultant
Summer 2015 Research

Lower Prairie Creek Project
Scottish Syndicate

Understanding the Scottish Syndicate/Evans, et al. debacle that wrested thousands and thousands of acres of virgin redwood forests in northern California from the public and into the hands of private timber companies is a serious challenge. Marvin Shepherd (see notes below) tried in his 2015 book, *A Scottish Syndicate in the Redwoods*, but, despite an extensive review of primary source materials, questions remain. Local observers knew full well what was going on, but as C.F. Keller wrote in 1883, “mum,” was the word. A local notary, the County’s recorder, the man on the street, the power brokers, and the low-level hatchet men knew fraud when they saw it and it went on unabated. And then, when Humboldt’s rottenness finally got the federal government’s attention, the response was inexplicable. David Evans, Joseph Russ and Charles King were never charged with conspiracy to defraud the public of its lands. Instead the government went after low-levels like Charles Beach for “subornation” of perjury, telling the unknowing “entry men” to lie. What is even more amazing is that Eureka—at the end of the continent, absolutely isolated and cutoff from not only the rest of the world, but the United States—had such politically-powerful men that they could orchestrate what came down from Washington, D.C.

Corporate shell games, regardless of location—Humboldt County, San Francisco, Minnesota, or Scotland—were too complex to follow. But what is available locally are the index, patent, and deed books in the Recorder’s Office in Eureka. To have any understanding of what Evans and his associates were doing, considerable time must be spent on the Courthouse’s fifth floor, reviewing pages, pages, and pages of records that transferred the public domain to David Evans, then James Walker in San Francisco, and through a number of involved transactions, into the hands of modern timber companies.

Another fraud-broker, Stephen A.D. Puter, was less involved in the Lower Prairie Creek Project area, but he was instrumental in Prairie Creek Redwoods State Park lands. His book should also be reviewed in conjunction with the Forest Owners and Scottish Syndicate files. Puter was convicted of conspiracy to defraud the Government of its public land. He served 17 months of a two-year sentence in the Multnomah County Jail in Oregon, where he and Horace Stevens wrote *Looters*. Puter was pardoned the last day of 1907.

Puter, Stephen A. Douglas. King of the Oregon Land Fraud Ring, in collaboration with Horace Stevens, late of the Government Land Service. *Looters of the Public Domain*. The Portland Printing House. 1908. To the memory of Davy Crocket one of the sainted heroes of the Alamo, who gave voice to the immortal expression “First Be Sure You’re Right Then Go Ahead.”

Notes:

Introduction by Horace Stevens, written March 10, 1908, Portland, Oregon: “Practically all the arrangements for this immense plunder originated among unscrupulous residents of distant

parts—in the ranks of the devout moneyed aristocracy beyond the Rocky Mountains....Careful analysis of the situation indicates that most of these stupendous schemes of plunder were concocted in the cunning minds of those who had made a life study of the subject. Upon the states of Minnesota, Wisconsin and Michigan rests the principal burden for this kind of offspring because they produced...a

“Jim Hill with his Rainier Mountain Forest Reserve steal of Northern Pacific;

“Weyerhaeuser with his tainted timber wealth that has made him “richer than Rockefeller;”

“Thomas B. Walker with his 500,000-acre grab of the public domain in California and Oregon.....

“C.A. Smith with his army of “dummy” entrymen and his 100,000 acres of perjured titles which the Government ought to cancel.

“And a host of others....

“Having exhausted the timber resources of the Middle West by their wanton process of destruction and waste, the virgin forests of the Pacific Coast appealed to them as only purity can attract the elements of lust. The question naturally arises: “Why were such men as Thomas B. Walker and C.A. Smith not prosecuted criminally for their plain and deliberate violations of the land laws of this country, but permitted to go scot free, when the records show that they fraudulently acquired enough land for the Government to make Puter’s efforts along those lines puny in comparison?” The answer is embodied in the fact that both are millionaires and because the U.S. attorneys for Oregon and California during 1902 and 1903 simply shut their eyes to their duties....”

Puter was born 1857 in Trinity County; grew up outside Blue Lake. Learned to survey, involved in logging, understood process of laying out townships and process of entrymen. Having participated in the survey of these lands (Scottish Syndicate areas), and located a good many people thereon, he was familiar with the entire tract from one end to the other, and well-posted on all the methods that the company [California Redwood Company] had employed in acquiring title thereto. It was only three years ago, in fact, that Puter went down to Humboldt County with C.A. Smith, a millionaire lumberman of Minneapolis, Minnesota and sold him 30,000 acres of the same tract, which had been cancelled and relocated by citizens of Humboldt County.

. Puter went to Oregon in 1888, went into the land locating business in 1889-1890. Met again with C.A. Smith in January 1900 in Minneapolis, previously had given him an option on 60 quarter sections of school lands in Oregon; 9,600 acres in Coos and Douglas counties; deal fell through. The Timber and Stone Act of June 3, 1878 was the favorite method of acquiring title at that time.

Puter talking: Although my initial effort to do business with Mr. Smith terminated in failure, it served as an incentive to approach him concerning a proposition of greater magnitude. As I had become more or less familiar with his system of operation, and felt satisfied he was not of the cheap variety, wherever personal interest was involved and that nothing would balk him in the line of investment providing there was anything in it for himself. Calling the next day, as per appointment, I found him exceedingly eager to discuss the matter of timber lands and the best method of acquiring title thereto. In fact, we had several conferences upon the subject, all of which were arranged at the suggestion of Mr. Smith...he asked me if I was aware of any tracts of good timber that had been surveyed, but which were still vacant and subject to entering. He then

inquired if it would not be a feasible plan to locate a lot of men under the Timber and Stone Act of June 3, 1878, furnishing them the money with which to make final proof and acquire title in that way... [Puter agreed] Smith was positive that in no instance would the expense of this character be exorbitant, few men had the necessary \$400, so would be able to get the location for \$100 to \$200 each. We entered into an agreement to secure 8000 to 10,000 acres for him of yellow fir timber land, to run at least 50,000 feet of merchantable timber to the acre and which was not to cost him over \$6 an acre, he agreeing to advance all funds necessary to getting title. Smith came out, viewed timber, he was satisfied, advanced money for making final proof. Smith wired money to his agent.

“In my opinion, this man, C.A. Smith, although possessed of millions is, without question the most selfish, covetous and avaricious land grabber with whom I ever had dealings—ever ready and willing to do business with me when I had lands to offer that he knew had been obtained fraudulently, because, as he figured, he could get them cheaply, and in the hope of securing such lands at a figure less than half their market value.

“On the other hand, whenever, I had large tracts of land to offer that were acquired legitimately and of great value, he would invariably nose around in an effort to learn what there was in it...” Puter said Smith didn’t want to pay even reasonable prices, which Puter negotiated and as a result Smith lost the Hooper Bros. property, mill, timber, and railroad and the Vance property.

AU (14 July 1906) Puter Is Sentenced, Portland, July 9. S.A.D. Puter, leader of the gang of minor conspirators in the Oregon land frauds, was today sentenced to two years in the Multnomah County jail and pay a fine of \$7,500. When Puter appeared in the Court this afternoon, D.A. Heney moved that the motion for arrest of judgment be overruled. Puter’s attorney assenting, the Judge made the order. Judge Wolverton then called for the verdict against the Puter gang returned Dec. 6, 1904. Puter said he had nothing to say in his own defense but Heney called the Court’s attention to the valuable services to the Government performed by Puter in supplying testimony. Because of Puter’s good works, the Court made Puter’s fine \$7500 instead of \$10,000, the maximum fine. Two years imprisonment is the law’s [illegible].

References

Weekly Demo Standard (5 April 1879) Plats of Townships 10 and 11 north; Range, 1 east have been received and filed in the U.S. Land Office for Humboldt District.

C.F. Roberts, Register, Land Office, published notices in the local newspapers that individuals had made application to purchase tracts of timber land.

Weekly Demo Standard (31 March 1883) notices

Weekly Demo Standard (21 April 1883) 10 notices

DTT (13 March 1883) No Timber Land Notices

DTT (14 March 1883) 7 Timber Land Notices

DTT (16 March 1883) 9 notices

DTT (17 March 1883) 12 notices

DTT (24 March 1883) 11 notices, including Wm. Killen, NE qt sec 15, 11NE, Charles Parker, Rudolph Surben, SW qt sec 2, 11NE; Frank Robertson, NW qt sec 26, 11N1E; Eli Dean, Manly F. Perry, SE qt sec 11, 11N1E, John Caston [microfilm very poor, can’t read]

DTT (4 April 1883) Columbus Wolcott, Harry McKenna

Weekly Demo Standard (24 March 1883) Communicated....These runners or land spies, having determined that a piece of land is worth filing on, at once inform their employers, giving probable amount of timber, the chances of getting at the same, and the number and location of the tract to be gobbled. The clique in Eureka, having received reliable data, at once cast about to procure suitable parties to file on these lands. With this object in view, they approach that class of our population who have no family ties and to whose mill, everything is grist, so long as there is any pay in it. Having spotted their man, they approach him, when something like the following dialogue takes place: "Would you like to make fifty dollars easy?" "You bet I would," comes the answer, "but how?" "Oh, that is very easy, all you have to do is to go to the land office and file on a piece of redwood land." "Oh, yes, that's easy enough said, but where is the land?" "You need not trouble about that, I will furnish all the necessary data concerning the land you are to file on." "Well, but," says our man, "will somebody ask any questions?" "Never fear," says the tempter with a knowing wink, "that is all right; we have attended to that little affair." "Well, how about the fifty dollars?" "You need have no fear on that head: I will pay you the money as soon as the land has been secured." "All right," says our noble citizens, and away goes another slice of Uncle Sam's land into the maw of the insatiable land grabber.

Now, Mr. Editor, this is no secret. I have no notion that this community will be surprised by this statement, but, can nothing be done to stop these land thieves and this nefarious practice? If these rascalities were carried on somewhere else, say a thousand or more miles away from Eureka, we should no doubt speak about them in very bitter terms, but here, mum is the word, bread and butter depends on our remaining quiet....

Something ought to be done. I think we ought to give them the showing up they deserve. It is better to talk about this now, when we may, perhaps, prevent some of the wrong than to wait until they have accomplished their object and then denounce them when it is too late to remedy. C.F. Keller.

[The editor of paper replies; more from Keller 31 March 1883; editor replies; more from Keller 7 April 1883; more from editor]

Daily Times Telephone (31 July, Tuesday, 1883) California Redwood Lumber Company—Articles of incorporation of the above named company were filed in San Francisco on Friday last [27th] with Joseph Russ, C.H. King, David Evans, J.M. Streeter, and W.S. Wood, as directors. The capital stock of the company is \$10,000,000. This bit of news, gleaned from San Francisco papers, arriving by the steamer on Sunday, created quite a commotion on our streets, and has been the talk in all circles since that time. It has been known for some time past that the Trinidad mill and landed property, together with several of our own mills, and some tracts of redwood, were bonded. It was pretty generally known that the Trinidad property, which was elected to be taken on the expiration of the bond, would change hands on or about the first of August. Mr. Bell, the superintendent, came up on the *Humboldt* on Sunday. From him, we learn the transactions were closed on Friday, and that the money was paid yesterday. The management of the property, so far as the working of the woods and mills are concerned, will remain the same as under the Hooper ownership for the present.

The only mills and mill property bonded on this Bay was that belonging to Buhne and Jones, and Carson and Dolbeer. The bond for the latter firm provides for a segregation of their timber land, making it optional with the purchasers to take the whole property, including the

mill, or only that portion of timber lying north of Township 7. It would seem from present indications that no portion of the property will be taken, and that the bond of \$10,000 will be forfeited to Carson & Dolbeer, though it is barely possible that the timber north of Township 7 may be taken.

The entire property of Buhne, Jones & Kentfield, including their two mills, all their timber land, the Freshwater railroad and tugs, *Mary Ann* and *Buhne*, are "nominated in the bond," which will expire tomorrow. The owners were satisfied yesterday that the terms of the bond would be complied with and the coin paid as soon as the examination of titles could take place, for which a reasonable time is allowed. They were also requested to proceed with the manufacture of lumber and logging arrangements the same as usual until such time as all the details of the transfer can be legally arranged.

No business matter has ever taken place in our county that has been the theme of so much discussion in all circles, as has the one that has just culminated in the purchase of the property above mentioned. For eight months past, unusual activity along the coast in entering up timber land, indicated a concentration of a large amount of money in purchasing and manufacturing redwood lumber. Speculation is rife among our people as to the effect of the movement on the permanent prosperity of our county. We can hardly see how injury is to come upon any class of the community by the change.

The syndicate is stood off by mill property enough in the hands of private parties to protect themselves, and create a lively competition in the lumber market. The Freshwater railroad company will be then, as it is now, private property. The tugs cannot discriminate, for the mills are abundantly able to own their own tug. Carson owns the best boat on the bay for towing rafts. The Korbel railroad up one side of Mad River, Vance's road up the other, with the Eel River and Eureka, and South Bay roads reaching out toward Van Duzen and upper Eel River, would not look as though all the lumber business in this county would be done by one firm for a while yet.

We have said before and still believe that the manufacture of lumber will be greatly increased by the building of new mills and laying down of more iron. This will require more skilled and unskilled labor, more supplies, more men, and more money. We believe further that the whole transaction has a connecting link which is nothing more nor less than a railroad between here and San Francisco.

DTT (3 Aug. 1883) Real Estate, Aug. 2. F.J. Hooper, J.A. Hooper and Josiah Bell to California Redwood Company. All the timber land, about 20,000 acres, together with mills, wharf privileges, rights and franchises, railroads, moorings, anchors and chains, in Trinidad Bay, saw mills, shingle mills and all properties thereunto belonging in Trinidad, all being what is known as the Hooper mill property.

Ferndale Enterprise (3 Aug. 1883) Articles of Incorporation of the California Redwood Company were filed in San Francisco last Friday with a capital stock of \$10,000,000. The directors are Joseph Russ, C.H. King, David Evans, J.M. Streeter, and W.S. Wood. The company has purchased the entire Trinidad mill and landed property, and at last accounts, the entire property of Buhne, Kentfield and Jones was as good as purchased, the owners being satisfied that the terms of the agreement would be complied with and the money paid over. This company is the English syndicate of which we have heard so much, and which not long ago bonded the above-mentioned property, and also the property of Dolbeer & Carson. The *Times Telephone*,

from which we glean our facts, says that the bond of the last named firm provides for a segregation of their timber land, making it optional with the purchasers to take the whole property including the mill, or only that portion of the timber lying north of Township 7.

Democratic Standard (25 Aug. 1883) The appointments of the California Redwood Company are being perfected. On August 13, the Trinidad Mill Company turned over the whole of its mill property and timber land as agreed upon; on the 14th D.R. Jones & Co. surrendered their possessions under the bond; on the 14th Russ & Co. transferred their lumbering interests and this week, Carson's northern lands were turned over to the new company. The Henderson and Gross tracts on Freshwater have also been transferred as their bonds accrue. Last week, the company's papers of incorporation were filed for record with County Clerk Kensey, which completes the legal formula, enabling the California Redwood Company to transact business in Humboldt county....the promoters of this company are not only Californians, but are Humboldters, the Directors for the first year being Hon. Joseph Russ of Ferndale, C.H. King, formerly of Eureka, now residing in Oakland; David Evans, Eureka, J.M. Streeter, San Francisco, W.S. Wood, San Francisco....

The Company proposes to enter the manufacture of every class of lumber upon a scale far beyond the present cutting capacity of the county and are even now perfecting their arrangements for placing of redwood lumber in the principal seaboard marts of the leading commercial nations, but their main object is to reach the eastern market. Orders are already in hand from Europe for cargoes for points which have never before been reached. Confidence seems to be again restored in the community, the scare which had been raised by the foolish and impracticable talk of visionary persons having gradually subsided as it is plainly seen that competitive manufacture is still to go on as usual and that the increased production is in legitimate keeping with our practically inexhaustible lumber resources....

San Francisco Chronicle (2 Feb. 1884) State Timber Lands; How they are being grabbed up by dummies—Concerning the valuable timber lands belonging to the State, comprised in the sixteenth and thirty-sixth sections in each township, and which it is openly charged are being illegally obtained by a ring, the existence of which, at least, is known to State Surveyor General Willey, a short, but interesting statement is made by Richard Bradley of his experiences and what came under his observation in Humboldt county, where the principal timber belt is located. He says that in October 1882, he went to Humboldt and filed a pre-emption claim on Government timber lands on Redwood creek. Above Trinidad and right in this vicinity, to use his own words, no less than four townships, or about 88,000 acres of land lying between Trinidad and the Klamath river, two-thirds of which is timber, have been obtained by a syndicate through fraud and through the collusion of public officials. Under the existing law, a man must be an actual resident for 60 days and build a house on the land when he locates a school land claim, which is for 320 acres at \$1.25 an acre, and in Humboldt is nearly all timber land. The Government charges \$2.50 for timber land, only allows 160 acres to one man and requires six months residence and the erection of a house thereon before a patent will be issued.

Understanding this fact, Mr. Bradley's next statement will be interesting. He says that after he had settled, eight or ten men located around him, one on nearly every 320 acres of State school timber lands in Townships 9, 10, 11 and 12, Range 1 east, and that from living among them, he learned positively that those men were simply dummies, paid to locate the land and acquiring title for a syndicate known as the California Redwood Company, of which David

Evans is the manager for Humboldt and Charles H. King of J. Russ & Co., the agent in this city, that he knew of these men swearing that they had been actual settlers for 60 days, while he knew of his own knowledge that some of them were not there 24 hours and some not at all, that at precisely the same time these men or many of them were supposed to be residing for six months on Government timber land, which they had pre-empted and upon which they erected cheap log cabins, they coolly swore the oaths which, if they were true, would prove that they had lived 60 days on school lands at the same time they were living six months on Government land. Mr. Bradley said that it might be possible for a man to be in two places, some distance apart from each other, at one and the same time, but he had never heard of its being done until these men swore to it. He says he saw some of these men taken to Trinidad to make oath before a notary, in order to prove up the claim to State lands; that they were intoxicated, and in this condition, at midnight, were taken to the notary's office, but that he (Bradley), being present as a witness for one of the men, saw or heard no oath whatever administered. He further states that when he returned from Humboldt in June last, he went to Sacramento purposely to see Mr. Willey, but failing to do so, wrote him a full account of what had come under his observation, yet he had never received anything in the form of an answer, either written or verbal. In fact, he had never heard a word in relation to it.

San Francisco Chronicle (21 Feb. 1884) Land-Grabbers at Bay; A Timber-Land Syndicate Under Indictment—Twenty-three members of the United States Grand Jury appeared in court yesterday afternoon and reported indictments against David Evans, Charles Beach, John Vance, Harry A. Marks, C.B. Noyes and M.P. Roberts, all of Eureka, Humboldt county, on charges of subornation of perjury. It was understood that there was another indictment, but it was withheld on account of the absence from the State of the indicted one. [Joseph Russ]

The perjury is alleged to have been committed in connection with an organized attempt by a powerful syndicate to grab the public timber lands in Humboldt County, lying between Eureka and the Klamath River, and constituting one of the most valuable tracts of timber land in the country. The *Chronicle* has quite recently exposed the fact that this was fast being pressed to a consummation, the syndicate being composed of those indicted and, it is charged, the Redwood Lumber Company of Humboldt, and an English firm in this city. It is claimed, however, by the company that all of the lands were acquired in large tracts and patented at least 15 years ago. The dummies used to acquire title or patent were generally men who for the few dollars paid them were willing to live on the land the necessary time and furnish the required affidavit of such residence at the expiration of the period.

Assistant United States Attorney Cook and the Grand Jury have devoted the principal portion of their time for the past ten days to an examination of the case. This long period was required owing to the desperate efforts of the interested parties and their agents to properly interview the witnesses in the case before they could be put upon the stand, and the Government had a great deal to do to counteract these influences. It is charged that the indicted persons employed M.P. Roberts and Frank McLaughlin to search the county for men who would make the necessary affidavits, each man receiving \$50 or more to pay into the Land Office when the affidavits were sworn to, they at the same time, assigning their claim to some member of the syndicate.

The law bearing on the subject requires that each entry man shall make an affidavit that he did not apply to purchase the land on speculation, but in good faith, to appropriate it to his own exclusive use and benefit, and that he had not in any manner directly or indirectly made any

agreement or contract with any person whereby the title which he might acquire would inure to any person other than himself.

The indictments each contain 25 counts and make a total of 325 pages of legal cap. They charge that each entry man took his oath by the procurement of the defendants and that he and the defendants knew it was false, for he had already agreed to sell, and had, in fact, received the money for it when he made the affidavit, and that the defendants in procuring each of the entry men to make such an affidavit committed in each case the crime of subornation of perjury. The punishment is a fine of \$2000 and imprisonment to the State Prison for five years. Bail in each case was fixed at \$5000.

Humboldt Standard (28 Feb. 1884) Timber Land Indictments—Twenty-three members of the United States Grand Jury appeared in court yesterday afternoon, says the *San Francisco Chronicle*, on January 25th, and reported indictments against David Evans, Charles Beach, John Vance, Harry .A Marks, C.G. Noyes and M.P. Roberts, all of Eureka, Humboldt County, on charges of subornation of perjury. It was understood that there was another indictment but it was withheld because of the absence from the State of the indicted one.

The indictments each contain 25 counts and make a total of 324 pages of legal cap. They charge that each entry man took his oath by the procurement of the defendants and that he and the defendants knew it was false, for he had already agreed to sell it and had, in fact, received the money for it when he made the affidavit and that the defendants, in procuring each of the entry men to make such an affidavit, committed in each case the crime of subornation of perjury. The punishment is a fine of \$2000 and imprisonment in the State Prison for five years. Bail in each case was fixed at \$5000.

The *Bulletin*, in commenting on the subject, connects the California Redwood Company with the transaction, which brings out a reply from the attorneys of that company as follows:

“Editor *Bulletin*. In your issue of last night, under the heading of ‘Land Grabbing,’ you allude to the Redwood Company of Humboldt, as forming part of a syndicate, which is alleged to be endeavoring to secure large tracts of land by fraudulent practices. The allusion is so evidently intended for the California Redwood Company that we felt compelled, in justice to that Company, to state that we examined and passed the title to all the lands acquired by it and that all the lands in which the Company is interested are covered by United States patents issued years ago and concerning which there is not and cannot be any controversy. The California Redwood Company is in no way interested in any of the land involved in the alleged or any of the violations of the law.” Yours, etc. Lloyd and Wood, San Francisco, 21 Feb. 1884.

Humboldt Standard (24 March 1884) The U.S. Grand Jury has found an indictment against another citizen of Humboldt County for alleged frauds under the Timber Act. Bail is fixed at \$5000. The name of the indicted person is withheld from publication until after his arrest.

Daily Humboldt Standard (4 June 1885) California Redwood Company (Limited) [Scotsman, April 29, 1885] An extraordinary general meeting of the share holders of this company was held in the Freemason’s Hall, Edinburgh, yesterday. The meeting was private, but the following report has been supplied. The following extraordinary resolutions were passed: That it has been proved to the satisfaction of the company that it cannot, by reason of its liabilities, continue its business and that it is advisable to wind up the same....

In connection with this meeting, it may be mentioned that Mr. James Alexander Robertson, C.A., who acted as attorney for Messrs. Russ, Evans, and King, three of the vendors resident in California, applied to obtain admission to the meeting, which was refused on the ground that his power of attorney had been recalled....Mr. Robertson represents the share holders in California who hold 20,000 ordinary and 30,000 deferred shares in the company....

Daily Humboldt Standard (8 Sept. 1885) The Redwood Company— We are informed that a basis of settlement has been agreed on as the result of the negotiations between Hon. Joseph Russ and the Redwood Company. Certain property in this city, the Excelsior mill, and about 20,000 acres of land are to be transferred to J. Russ & Co. The land which is covered with a growth of timber lies on Freshwater, Little River and Elk River. The Jones property, including the railroad at Freshwater, the mill on the Island and large tracts of timber land, the Redwood Company will retain. By the contract agreed on, logs or lumber will be carried over its railroads by the Redwood Company at a certain price for Joseph Russ & Co.

Daily Humboldt Standard (28 Jan. 1886) California Redwood Company—[extract from Edinburgh Scotsman] Court of Sessions, 11 Dec. 1885....old company was found in July 1883 with a nominal capital of 900,000 pounds, which was increased to 1,000,000 pounds in July 18. The object of this company was to purchase 72,000 acres of redwood land in America, along with two mills and the business carried on there by two firms....

Daily Humboldt Standard (9 April 1886) Redwood Timber Cases—By the steamer *Ancon* yesterday arrived Deputy United States Marshal Hopkins on business connected with the alleged timber land frauds in this county. Shortly after his arrival here, Mr. Hopkins placed under arrest F.W. Bell, M.P. Roberts, H.A. Marks and C.E. Beach. The offense with which these gentlemen are charged is subornation of perjury. They immediately gave bonds as follows: C.E. Beach in the sum of \$5000 with F.W. Bell, James Simpson and Peter Belcher as sureties; M.P. Roberts with Wm. Wallace and C. Luther as sureties; F.W. Bell with A.W. Randall and C.E. Beach as sureties; and H.A. Marks with W.H. Johnston, R. Sweasy, J.S. Brown, C.G. Stafford and Stephen Hill as sureties.

FE (24 Sept. 1886) Hearings granted for owners of land to show cause why all entries should not be cancelled—known as northern syndicate lands—alleged that property obtained through fraudulent means.

DHS (29 Oct. 1887) Fraudulent Timber Claims [from Santa Rosa *Democrat*, interview with B.F. Bergen, Special Agent of the U.S. General Land Office--....The case in which Mr. Bergen is directly interested is that of a Scotland syndicate which holds in its possession 64,000 acres of redwood timber land, situated in Humboldt county. This land, states Mr. Bergen, was taken up in 1883 under the Act of June 3, 1878. The manner in which the Scotland syndicate secured title to the vast tract of land, more valuable than any unimproved tract of similar size in the State, is as follows.

The agents of the syndicate secured the services of 400 or 500 men at \$50 each to file upon the land, and deed it to the syndicate or the agent, David Evans. In many cases, the transfers were made by the entrymen before the 60 days specified by the Timber Act had expired, in which

cases, the dates were not cited in the deeds until after proof had been made. The modus operandi employed by the syndicate as given above, was obtained by Mr. Bergen through affidavits and depositions of the entrymen, which being embodied in his report to the General Land Office, secured the cancellation of the fraudulent claims. The syndicate, through its agents, applied for a rehearing, which was granted. The evidence taken during the course of the rehearing embraced 8000 pages of printed matter, nearly 400 witnesses for the Government having been examined. Mr. Bergen is now on his way to Eureka from where he was called on August 1st to go to Washington to brief the testimony referred to. The matter is now pending before the department, and is said to be the most important of any which has been under consideration for some time past. Three other agents, Major Orner, M. Goucher and Wilson T. Smith, were appointed by the Government before Mr. Bergen, but nothing was accomplished. Mr. Bergen, however, from the first, prosecuted his investigation on a system which has been prolific of valuable and practical results. James D. Walker of the firm of Faulkner, Bell & Co. of San Francisco is the financial agent of the syndicate. Mr. Putnam, who officiates as manager, holds one-tenth interest in the lands claimed by the syndicate. The value of the lands, as estimated in the reports of the syndicated agent, is \$22,000,000, and the enormity of the transaction, and the great impact which it has on the commercial interests of the country, cannot fail to be appreciated when it is considered that the only redwood timber in the world is to be found within the comparatively small district known as California....

Rohnerville Herald (2 Nov. 1887) The San Francisco *Call* of Saturday says: The demurrers of Charles Beach, H.A. Marks, and David Evans to the indictments found against them several years ago in the old United States District Court for subornation of perjury, were yesterday sustained by Judge Hoffman as to counts 1 to 38, inclusive, and count 77, but were overruled as to the other 91 counts. Exceptions to the latter action of the Court were entered by the defendants' counsel. The accused are charged with having induced E.H. Burnett and others to falsely swear before the Receiver of the United States Land Office at Eureka, Jan. 6, 1883, that their applications for redwood timber land entries were for the advantage of the present defendants, who were at the time grabbing large quantities of valuable government land in Humboldt County. They will soon be tried on the remaining counts.

FE (16 March 1888) The Secretary of the Interior has instructed the Attorney General to commence suit for the cancellation of a large number of redwood timber entries in Humboldt county. It is shown that the department proposes to go for the record of the California Redwood Company in its showing of fraudulent entries. Some 150 entries of this nature are charged to have been made as far back as 1879, only a year or so after the timber act was passed.

WHS (5 April 1888) Judging from the tone of a letter received by Peter Belcher from Wm. H. Pratt, the land departments and pretty much everyone at Washington have come to the conclusion that there is rotteness at the foundation of pretty much all the land transactions which have taken place in this county for a score of years past.

WHS (12 April 1888) Timber Land Witnesses—Deputy United States Marshall Taggart took down to San Francisco by the steamer *Humboldt* today eight witnesses who are held in custody for want of the requisite bond, in connection with the trial of the celebrated timber land case of Marks, Beach, Evans and others, now on trial before the United States District Court, sitting in

San Francisco. Among others interested as witnesses are H.S. Petersen, Frank McLaughlin, R.D. Swift, William Dowling, James Gregory, H.H. Stalder, R.H. McEntee and Frank Baker.

FE (13 April 1888) The timber land entries made in this county by James Whiting and Frank Duffy for David Evans have been cancelled. The timber land witnesses from this county who couldn't give bonds and who were taken below last week are confined in Alcatraz Military Prison. One witness taken to San Francisco to testify in the land cases of Beach, Marks and Evans needed new clothes.

WHS (19 April 1888) California Redwood Company, Commissioner Stockslager's Decision. Dept. of the Interior General Land Office, Washington, D.C., March 29, 1888. [from U.S. Serial Set No. 2561, 50th Congress, 1st session, Dec. 5, 1887-Oct. 20, 1888. House ExDoc. Doc 282-293.]

Register and Receiver, Humboldt, California. Gentleman: I am in receipt of your letter of August 18, 1887, transmitting the record of the hearing in the case of the United States vs. Richard Allard, et al., involving the following timber land entries under the act of June 3, 1878, and one pre-emption entry, viz:

[40 timber land entries; 1 pre-emption. Five in 11N1E or 11N2E] 11N1E: Entry 5081 Daniel Campbell, N half NW qt, N half NE qt sec 35; Entry ?266, Michael Mulligan, SE qt sec 6, 11N2E; Alex Welch, Entry 52??, Lots 3 and 4, E half SW qt sec 7, 11N2E; E.J. Stapleton, Entry 5387, Lots 3 and 4, E half SW qt sec7, 11N2E; James A. March, Entry 5311, NE qt sec 26, 11N1E,

Of these entries, thirty-five were cancelled and four held for cancellation upon reports by special agents of this office, to the effect that said entries were made in the interest of other parties than the entryman, and two were cancelled upon records of hearings.

Upon application by H.C. Putnam, one of the parties to whom the land embraced in said entries has been conveyed, he alleging that he was a bona-fide purchaser for value without notice of any defect in title, and that the charges contained in the special agent reports were false, the honorable Secretary of the Interior on July 24, 1886 directed this office to order hearings in regard to the entries which had been cancelled and such hearings were ordered by office letter of August 20, 1888.

Upon publication by the parties to whom the lands had been conveyed, hearings were also ordered in regard to the entries which had been held for cancellation. By office telegram of December 1, 1886, you were directed to make one hearing of all these cases, the same parties being interested in all the cases, and the allegations against the entries being substantially the same. On the day set for the hearing, Special Agent B.F. Bergen appeared with witnesses on the part of the Government, and Clinton Gurnee, S.M. Buck and H.L. Smith appeared for W.H. Swift, T.W. Harvey and R.S. Walker, a portion of the land having been conveyed to them as trustees, and for H.C. Putnam.

A large amount of testimony was taken relative to the fraudulent character of the entries under consideration, and the general system by which such entries and many more were made in the interest of David Evans and others associated with him.

It appears from the testimony of Richard Bradley that his timber land entry No. 4892 and his pre-emption cash entry 5261, were made in accordance with a written contract with Henry A. Marks, to whom he was referred by David Evans, Bradley agreeing to make a timber land entry for Marks for \$50, and a pre-emption entry for \$150. Before he made proof on his pre-emption

claim, he and Marks had a disagreement. [illegible]...His testimony is corroborated by E. Hanson who saw and heard the conflict between Bradley and Marks.

Henry S. Peterson testified that he made his timber land entry No. 911 for Marks in accordance with a written contract, he receiving \$50 for so doing, Marks furnishing the description of the land, and paying all the expenses of the entry.

Entrymen Flinn, Baker, McEntee, Jarnagan, Frank Stevenson, Bohall, Haines, Loyd Kopp, Brown, Lewis, McKenna and Marsh testify that they received the description of the land from either Charles Beach, Marks or someone associated with them, filed a sworn statement, and sometime afterward signed a paper, the contents of which they did not know, but which they supposed to be a conveyance of the land and received \$50. From their testimony it is apparent that it was the understanding between them and Marks and Beach, at the date they filed their sworn statements, that the only benefit they were to derive from their filing was the \$50 to be paid when the deed was signed, and that the title to the land was to inure to the benefit of Beach, Marks or the parties for whom they were acting.

Entrymen Swift, Perkins, Thomas Burnett, E. H. Burnett and Walker testified that they made the application for their own use but that without making proof, they sold their right to the land to Beach or Marks for \$50. In the case of Perkins, it is shown by the testimony that he was dependent upon other people for support, and could have had no reasonable expectation of being able to pay for the land. All the entrymen who were examined testified that they were furnished by Beach or Marks with the description of the land they were to apply for, and in all but one or two instances, with the money to pay for filing their sworn statements, and were told to file such sworn statements in the local office, that they never proved up or paid for the land, and that they do not know who made such proof and payment.

It was impossible to secure the attendance of the entrymen as witnesses for the reason that a few were either not found or were sick, and the others, although personally served with a subpoena from the register and receiver, refused to attend and give their testimony.

Special Agent Bergen was sworn and testified that of the entrymen who were not examined, Foley, Palmer, Waring, Raymond, Bradford, Klocker, Lockhart, W.S. Stevenson, Matthews, Allard, Cousins, and Wilson F. Smith, late special agent, testified that the balance of such entrymen, except Campbell, namely, Grady, Waxon, Johnston, Archer, Mulligan, Welch, Stapleton and Littrell, admitted to them in most cases and under oath, that they were induced to make their entries by Marks or Beach, who furnished them with a description of the land to be filed upon, paid the filing fees and sometime after, upon their signing a paper supposed to be a deed, paid them \$50 and that they never made proof or payment for the land and do not know who did.

The entries of Marsh, one of the witnesses, and of Campbell, relative to whose entry, for some reason, no direct testimony was introduced, were cancelled by office letters of June 25, 1885, upon records [illegible] rings ordered upon reports by W.H. Goucher, late a special agent, the claimant in each case, and David Evans, to whom notice of the hearings was issued, having failed to submit any testimony in support of such entries.

The land at the time the entries of Marsh and Campbell were cancelled and

had been conveyed to James D. Walker, but as the deeds to Walker were not recorded until July 27, 1885, this office had no knowledge of such conveyance to him at the date such entries were cancelled.

Thirty witnesses, not parties to this case, testified that about the time these entries were being made, they were induced by Beach and Marks to file upon land under the act of June 3, 1878, that Beach and Marks furnished the description of the land they were to file upon, and agreed to pay all the expenses of the entry, beside giving them \$50 each for their timber right. The records of this office show the timber land entries by these parties were made but they testify that they never made proof or payment for the land embraced in their sworn statements, and do not know who did. The land embraced in said entries, appears from the records to have been conveyed to Swift, et al.

All of the entrymen who were examined and the witnesses, who testified that Beach and Marks induced them to file for timber land, testified that they never saw the land embraced in their entries, and could not tell the character of the same. Nearly all of them testified that they never knew the contents of their sworn statements, and do not remember having been sworn to the same.

To show who did make proof and payment for the land, five parties who acted as witnesses in the cases under consideration testified that they were regularly employed by Beach and Marks to act in such capacity, and received \$1 for each case in which they acted, and the late Receiver and his son testified that Beach and Marks during the period in which these entries were made, paid large sums of money on timber claims, Beach paying as high as \$6,000 in one day....

Fifteen persons testified that they were approached by Beach and Marks and offered \$50 if they would file on a timber claim for them, but that such offers were refused.

A large number of prominent citizens of Eureka testified that it was the current rumor in 1888, the year these entries were made, that Beach and Marks were paying men \$50 each for taking up claims for them, and a number of the entrymen testified that it was so generally understood that such was the case, that it was unnecessary for them to make an express agreement with Beach and Marks as to what they were to receive for their services.

H.D. Swift, one of the entrymen, testified that Beach agreed to pay him \$5 each for every man he would induce to file a timber claim for him, and that McEntee, another entryman, was one of the men procured in accordance with such agreement.

John Conar testified that Beach and Marks induced nine or ten sailors, who were boarding at his house, to file sworn statements for them, and agreed to give them \$50 each, but as the entries could not be completed, the contract was not carried out.

These entries were made at various dates from February 5 to May 21, 1883. The original deeds conveying this land were filed in evidence, from which it appears that from one to four days after entry the land was conveyed to David Evans, except in one case where the land was conveyed to Beach who soon after conveyed it to Evans. The same day or within two days, except in two cases, after the deeds to Evans were acknowledged, he conveyed the land to James D. Walker, and Walker on March 13, 1885, deeded a one-tenth interest, therein, to H.C. Putnam and on July 16 and 17, and October 9, 1885, the balance of the land was deeded by Walker to W.H. Swift et al. as trustees.

The deeds to Evans were not recorded until July 10, 1884, and those to Walker were not recorded until July 17, 1885, and I am of the opinion that such deeds were not recorded for so long a time, for the purpose of concealing from the Government the fact that such land had been transferred by the entrymen and the date of such transfers.

Nearly all the entrymen, who were examined swear that they did not read the paper supposed to be a deed, which they signed, nor was it read to them. None of them could

remember the exact date upon which they signed such paper, some testifying that it was at least sixty days after they filed their sworn statements, others testify that they signed such supposed deeds about six weeks after their sworn statements, while entryman Flinn testified that the time he signed such deed could not have exceeded three weeks after filing his sworn statement.

Bohall, another entryman, testified that the paper he signed was simply a blank deed, not filled up, while several testified that they do not remember seeing any writing upon the deeds they signed, but that as the papers were folded, the deeds may have been filled up without their noticing the fact.

It appears from the record that most of the deeds to Evans were acknowledged before F.W. Bell, a Notary Public at Eureka, and that \$50 were paid to the entrymen at his office. It also appears from the testimony of many other parties, whose entries are not involved in this case, but who testified that their filings were made at the instance of Beach and Marks, that they also signed the supposed deeds and received their money at Bell's office. Two Notaries Public testified that Marks asked them if they could not take the acknowledgements of deeds and date the certificates subsequent to the time the deeds were actually acknowledged, and they informed him they could not. Agent Bergen testified and his testimony is corroborated that one David Cutten told him that he was employed by David Evans for Russ & Co. to write deeds during 1882 and 1883, that he wrote between 400 and 450 deeds, leaving the dates blank, and when the acknowledgments were taken he would fill in the dates to correspond with the acknowledgements, that as soon as a batch of deeds was executed to Evans, he would write other deeds conveying the land to James D. Walker from Evans; that the work was performed by him at Gorham Barnum's saloon, where Beach and Marks had their headquarters, and that the money to pay for the land was furnished Beach by David Evans and his clerk, Robt. Smith. That neither Beach nor Marks had sufficient money to pay for lands to such large amounts as they did, is shown by the fact that on May 1, 1883, Beach swore that the value of his real and personal property only amounted to \$1091, while Marks swore that his was only \$604.

It appears very probable that many of the deeds were filled up and signed before proof and payment had been made for the land, and the testimony introduced on the part of the Government clearly establishes in my opinion, the fact that all the entries were made at the instance of Beach and Marks, who were acting as agents for David Evans, and with the understanding that the title to the land should inure to other parties than the entrymen.

This is in direct violation of the act of June 3, 1878, under which all but one of these entries were made, which provides that the entryman shall file a sworn statement, at least sixty days prior to entry, to the effect that he has made no agreement or contract, either directly or indirectly with any person or persons whomsoever, by which the title which he might acquire should inure in whole or in part to the benefit of any person except himself. It is also a violation of the pre-emption act.

Although five of the entrymen testify that their sworn statements were filed in good faith, their entries were evidently not made in good faith, as they conveyed the land embraced therein, the description of which was furnished by Beach and Marks, without having made proof or payment therefore or knowing that the same had been made, and if they had been sincere in their desire to make entries, it is hardly probable that they would have filed for land they had never seen, and apparently knew and cared little as to its value for timber. One of them, Perkins, could certainly have had no intention of completing his entry, as he could not find means even to support himself and he admits that Beach furnished the money to pay for filing the sworn statement....[more]....Wm. T. Pine testified that S.M. Buck, one of the counsel for the defense,

offered to pay him as much as he would receive as a witness if he would not testify, and David Cutten, who it is alleged, wrote nearly all the deeds and could undoubtedly have given much important testimony, refused to appear as a witness, and it is shown that he was employed at the time by counsel for the defense to write copies of the deeds which they intended to offer as evidence. Beach and Marks, although present at the hearing, refused to testify, as they were under indictment for subornation of perjury in connection with some of the entries under consideration. ...

[List of points the defense used]

A number of business men of Eureka testified that during the year 1883, it was the practice to purchase land upon the duplicate final Receiver's receipts as evidence of title, and that such receipts were regarded as being equivalent to a patent, but the principal testimony consists of depositions of parties in London, Edinburgh, Chicago and San Francisco.

The witnesses are nearly all stockholders in the Humboldt Redwood Company (limited) for whom it appears that W.H. Swift, T.W. Harvey and R.S. Walker are acting as trustees. It appears from the depositions that in the summer of 1882, Chas. H. King of the firm of Russ & Co., consisting of King, Russ and Evans, approached James Davidson Walker of the firm of Faulkner, Bell & Co., both firms being located in San Francisco, Cal., and stated to him that there was a large body of timber land in Humboldt county, Cal., which would soon be offered for entry, and proposed that Faulkner, Bell & Co., should furnish money for the purpose of securing title to the land. This proposition was apparently accepted by Walker, who at once had a timber expert named, Townsend, examine the land, and he reported very favorably on its value for timber. Walker then went to Edinburgh, Scotland, and entered into an agreement with certain capitalists there to sell them 50,000 acres of redwood timber land at \$7 per acre. This proposition was agreed to and a written contract to that effect was entered into October 23, 1882. This was prior to the initiation of any proceedings to acquire title to the land from the Government, the first sworn statement to these cases having been filed November 17, 1882, nearly a month subsequent to the date of the contract between Walker and the Scotch syndicate, and the first entry having been made February 5, 1883.

It was agreed that the Scotch syndicate should pay Walker for the land as soon as the land was deeded to him, but that the title should remain in his name. The Scotch syndicate afterwards on July 7, 1885 organized the Humboldt Redwood Company for the sole purpose of getting the land into the hands of Swift, et al, as trustees instead of Walker.

A number of the principal stockholders in the Humboldt Redwood Company and Walker made depositions to the effect that they supposed the title to be good, as according to the agreement, it had to be certified by C. Temple Emmett, an attorney of San Francisco, Cal. to whom the deeds from the entrymen to Evans and from Evans to Walker, together with the Receiver's duplicate receipts, were surrendered for examination.

Walker states that he called Emmett's attention to the fact that several duplicate receipts were dated subsequent to the deeds from the entrymen to Evans, and that Emmett assured him it was all right, and as he had apparently had considerable experience in land matters, and knew that he had agreed with King before the land was entered to purchase the same, and knowing as he should that King could not acquire title to so much public land of that class by legal means in so short a time, is proof to me that he must have been well aware of the methods adopted by King to secure title to the land.

The Scotch syndicate knew that the land they agreed to purchase was still public land, as Walker states that before the agreement of October 23, 1882, was made, the matter was fully

discussed with them, and Walker had been given to understand by King that the land was soon to be subject to entry.

They claim to have trusted entirely to Walker and Emmett, who with the facilities at their command, should and must have known of the fraudulent manner in which the title to the land had been acquired, and they should assume some responsibility for the acts of their agents, and the knowledge possessed by them.

H.C. Putnam, who owns one-tenth interest in the land embraced in these entries, early in the year 1888, examined a great amount of timber land including the townships in which this land is situated, and reported on April 9, 1888, that the land would average 200 M feet of timber an acre, valued at \$1 per M standing, and his report was very favorable in every respect.

A large number of the entries which are under consideration were made after Putnam made his examination, and his interest was purchased on or before May 18, 1883, the date he made his first payment to Walker at the rate of \$7 per acre. Eleven of these entries were made after such purchase.

Putnam went to California with the express purpose of investing in timber lands, and when in Eureka at the time his examination was made, he ascertained how title to such lands could be acquired.

A man with his experience, he having been extensively engaged in the lumber business, would certainly have ascertained the manner in which title to the land had been acquired before investing \$25,000 in the same. While in Eureka, he could easily have ascertained, and probably did, the manner in which entries were being made, as it was current rumor there that anyone could obtain \$50 from Beach or Marks for making a filing for such lands.

Putnam himself reported that the timber on the land was worth at least \$200 per acre, and the Scotch capitalists were advised that the land was worth many times the amount they were paying for it, \$7 per acre, and that fact alone should have cause them to thoroughly investigate the title, especially when coupled with the fact that such title had not passed from the Government.

The Government price for such land was \$2.50 per acre, and the difference in that price and the one paid by the syndicate would leave sufficient margin with which to secure men to carry out the fraudulent transactions. The entries now under consideration are only a small portion of those in which the same parties are interested, and in which it is alleged that the title has been acquired in a similar manner, the records of this office showing at least 360 such entries and embracing about 57,000 acres of the finest timber land in the United States, which Putnam, who is admitted to be a specially well informed timber expert, estimated to be worth at least \$11,000,000.

It is apparent that after making the agreement with the Scotch syndicate, Walker turned his attention to securing title to this valuable piece of timber and in connection with J. Russ & Co., of which firm Evans and King were both members.

Evans employed Beach and Marks to procure men to make entries, they making their headquarters in Eureka, and they in turn, hired other parties to procure men for this purpose. The result was that the country was scoured to obtain such men. Honest men were deceived as to their rights, sailors only stopping in Eureka temporarily, parties who were induced to declare their intention to become citizens so that they could file sworn statements, and even paupers were made use of for that purpose.

The testimony clearly shows that a conspiracy was entered into in 1882 by Walker, King, and certain Scotch capitalists to secure an immense tract of valuable timber land in Humboldt

Co., Cal., before any of these entries had been made and when they knew such lands had not been entered. The tracts of land embraced in these entries were undoubtedly part of those to which they intended to acquire title. They had such land thoroughly examined by experts, secured witnesses to make final proof, and openly and fearlessly hired parties who had never seen the land to make such entries. All the benefit the men who made the entries derived, or expected to derive, was \$50 for use of their names. The entries were made by reckless and wholesale perjury and subornation of perjury.

The parties interested even went so far as shown by the testimony of Wilson T. Smith, late a special agent of this office, as to attempt to bribe him in order to prevent an adverse report relative to such entries being made to this office.

Walker was a partner of the Scotch capitalists and held the land in trust for them for over two years, while the land was in Evans' name on the records of Humboldt County, Cal., for over a year before the deeds to Walker were recorded and Evans was evidently an agent or a partner of the parties who were endeavoring to secure title to the land. Putnam was also a partner with Walker and the Scotch capitalists in the venture.

That Walker, Putnam and Evans did not have notice of the fraudulent transactions in connection with the entry of the land is hardly creditable, and if they did not, the slightest effort on their part would have revealed the facts to them, in fact, they must have kept themselves intentionally ignorant of such transactions if they did not ascertain that they were fraudulent.

That such entries were fraudulent was a matter of general notoriety in Eureka, where they were made, and the Scotch capitalists must have had knowledge of such facts. If not personally known to them, it was without doubt known to their agents and associates in the transaction, who were in California, and they are therefore charged with notice, and are not in a position to maintain the defense of innocent purchases, even if such a defense was admissible before patent issues.

The action of this office in cancelling certain of such entries and in holding the balance for cancellation is accordingly adhered to, and you will so advise all parties in interest, informing them that they will be allowed sixty days, within which to appeal to the Honorable Secretary of the Interior.

At the expiration of the time allowed for appeal, you will report what action, if any, has been taken, Respectfully, S.W. Stockslager, Acting Commissioner.

ExDoc 282-293 as above

Dept. of Interior, General Land Office, Washington, April 2, 1888. S.M. Stockslager, Commissioner.

Case by case entries listed from Humboldt Land Office and their status regarding cancellation.

Entries canceled upon agent's report [land conveyed to W.H. Swift, et al. No application for hearing] CE 4625 [?] Wm. Ross, SE qt SW qt, S half SE Qt, NE qt SE qt, sec 34, 11 N1E Wesley Dean, SE qt NE qt sec 25, 11N1E and land in 9N2E.

Entries canceled, hearing ordered [land transferred to Swift et al. and Putnam] appeal upheld cancellation

5317 W.T. Pine, SE qt sec 1, 11N1E

Cases under investigation, transferred to Swift, et al. and Putnam
4716 W.M. Martin, 10N1E, also lot 4, SW qt SE qt sec 32, 11N1E.

Cases under investigation

List of entries held for cancellation upon agent Bergen's report, but awaiting application for hearing under the rule by claimant, long list in other T and R
5302 Rudolph Surben, SW qt sec 2, 11N1E
5332 J.M. Morrison, NE qt sec 13, 11N1E.

Dept of Interior, L.Q.C. Lamar, Secretary, Nov. 18, 1886.

Sir: I have the honor to herewith transmit three reports, and accompanying accounts from the Commissioner of the General Land Office relating to 151 entries under the timber act of June 3, 1878, made in Humboldt County, Cal., on which patents have been issued by the Commissioner of the General Land Office.

From the reports of special agent B.F. Bergen, and accompanying affidavits, it appears that a Scotch corporation or syndicate was formed for the purpose of obtaining control of all valuable redwood lands located in said county. This syndicate was represented in California by James D. Walker, who made a contract with Joseph Russ, David Evans and Charles King, composing the firm of Russ & Co. to carry out the object in view. These, in turn, employed as agents in the nefarious work Charles E. Beach, Harry A. Marks, and M.P. Roberts (brother of the register of the Humboldt county land office), who employed other agents, the affidavits of some of whom will be found herewith.

The affidavit of Frank McLauchlan [McLaughlin] shows that he was employed by said Charles E. Beach to furnish men to make timber applications, for which, he, McLauchlan, was to receive \$5 for each man, and the men were to be paid \$50 each on completion of the entry. Under this contract a number of men were furnished, whose names and the tracts entered by them are given. The contract was then changed so as to make McLauchlan's compensation \$20 per week, and at this rate he furnished a large number of entrymen, whose names and tracts entered are also given. The papers relating to said entries were prepared by Beach, Roberts and Marks, acknowledged before Fred W. Bell, notary public. The money to pay for the lands thus entered, came through Russ & Co., and was not paid by the men, but by Beach or some of the others.

John Conar, who is the keeper of a boarding house, testifies that he entered into an engagement with said Marks to furnish men, seamen, or sailors to make timber entries for which each entryman was to receive \$50; under this agreement, he furnished a large number of men, then boarding with him, whose names and entries are given. T.H. Foss testifies that he was in the local land office and saw Harry Marks pay the money to the receiver, at one time, for 20 or 25 timber entries.

David Cutten states that he was employed by Russ & Co. to draw deeds conveying the lands entered as aforesaid, and under his employment prepared between 400 and 450 such deeds, while doing this work he occupied the same room in which Beach and Roberts were engaged in preparing the entry papers, and knows that on one day, issued papers to 82 different entrymen. Beach and Roberts would give him a list containing the names of the men and descriptions of the tract of land and he would prepare the deeds for the same in favor of David Evans, leaving always the date of the deed blank, so that it could afterwards be filled in to correspond with the date of the acknowledgements. Every few days he would go to F.W. Bell, the notary, who took the acknowledgements and obtain from him a batch of the executed and acknowledged deeds, and after filling in the dates to correspond, would draw other deeds for the same land from Evans to James D. Walker, the agent of the Scotch syndicate, and then deliver the deeds to Evans. George A. Kellogg, recorder of Humboldt County, certifies that there were filed in his office for

record on July 10, 1884, 363 deeds, all in favor of David Evans, except 12 to Charles E. Beach and two to Harry Marks, and all for land in said county....

I, therefore, have no hesitation in joining in the recommendation of the Commissioner of the General Land Office that suits be instituted in the proper tribunal to secure cancellation of said patents....

Dept. of Interior, April 25, 1888 from Secretary Wm. F. Vilas, asking to secure cancellation of six entries: [including]

5342 James A Ferris, NE qt sec 23, 11N1E

5365 [?] Archie McKandry, NW qt sec 10, 11N1E

5358 [?] James Gregory, N half SW qt, W half NW qt sec 14, 11N1E.

List of patent entries sent to Attorney General Nov. 18, 1886

In 11N1E

5120 David Bowler NE qt sec 10

5222 Thomas L. Gregory, SE qt sec 10

John Huestis NE qt sec 25

R.C. Soper NW qt sec 15

Herbert Neff, W half SW qt sec 35

Charles Parker SW qt sec 26

E.A. Betterley SW qt sec 24

[more]

WHS (10 May 1888) California Redwood Cases—The Secretary of the Interior at Washington transmitted to the House on April 27th a report of the conspiracy of the California Redwood Company to obtain the largest part of the fine redwood forests in Humboldt county. The following is a brief epitome of the Secretary's report:

“It is disclosed that a scheme was entered into by members of the firm of J. Russ & Co. and Faulkner, Bell & Co., both of San Francisco, Cal., to obtain possession of the valuable redwood forests situated in Humboldt County of that state. After a careful examination by experts as to the extent and character of the timber claims, D. Walker of the firm of Faulkner, Bell & Co. proceeded to Edinburgh, Scotland and made a contract with a syndicate of capitalists there to sell them 500,000 acres of redwood timber land at \$7 per acre. It was made to appear to the syndicate that it was worth at the very least \$200 per acre. It was agreed by the contracting parties that payments for the land were to be made as fast as Walker obtained deeds for the same. Under this well-concerted plan, boldly carried out, more than fifty-seven thousand acres were entered and title sought to be obtained to perhaps the most valuable tract of timberland in the United States, valued by experts of the conspirators at \$11,000,000 and worth, probably much more. Of the entries thus fraudulently made, a number, which had not progressed to patent, have been cancelled or recommended for cancellation by the Commissioner of the General Land Office and more are under investigation by that officer.

“In response to the inquiry as to what additional legislation, if any, in my opinion is needed to secure the rights of the Government in this matter, I invite attention to that portion of the letter to the Commissioner from the Register and Receiver of the Humboldt Land Office, sent herewith, wherein it is shown that the Government agents were unable to produce testimony of

great importance to the investigation of these frauds because there is no process of law by which witnesses can be compelled to attend and testify in hearings before the land officers. For years Congress has been urged to enact such laws as will remedy the evil. The Register and Receiver, occupying a position quasi judicial in character charged with the delicate and grave duty of passing upon the property rights of a very large class of individuals upon the record and testimony taken before the local officers. The Commissioner of the General Land Office and this department, on appeal, are compelled to pass judgment ultimately, a judgment which has been held by the courts to be final as to matters of fact.” San Francisco *Bulletin*.

WHS (10 May 1888) Humboldt Timber Cases. The San Francisco *Call* of May 4th says:

“The trial of Charles E. Beach, one of the triumvirate under indictment in the United States District Court in connection with the famous redwood timber grab of Humboldt County, was begun yesterday before Judge Hoffman. Beach is represented by H.P. Van Duzer, George A. Knight and S.M. Buck, while the prosecution is being conducted by United States Attorney Carey.

“The particular offense alleged against Beach is subornation of perjury in procuring a large number of persons to enter land as for their own benefit, but really for the alleged grabbers. Each indictment contains 120 counts....

“A large number of persons from Humboldt County aggregating more than a hundred have been summoned as witnesses in the case. The examination of witnesses for the prosecution will commence this morning and a stubborn contest is anticipated.

“Second Day—The jury and Federal officials interested in the trial of Charles E. Beach on fifty-four charges of subornation of perjury in the Humboldt timber grab have prepared themselves for a long siege. The hearing of this case will consume fully a fortnight, as both sides are making a most stubborn fight. In his opening statement to the jury yesterday morning, United States Attorney Carey explained that Beach with David Evans and H.A. Marks employed a large number of men as “dummies” to make timber entries in Humboldt County in the interest of the California Redwood Company. These men were paid about \$50 each for the use of their names and in this manner large tracts of timber land were secured. The indictment against Beach alleges 114 distinct offenses, the alleged grab amounting to 18,240 acres, which at an average price of \$20 would aggregate \$364,800. S.C. Boom, the Register of the Humboldt Land Office at Eureka was first called by the prosecution. He merely identified the various entries made by the alleged dummies. Most of the day was consumed with this process of verification.

“E.H. Burnett, one of the men who made application for land, swore that he filed an entry at the Land Office, but was unable to pay \$400 to prove up. It was suggested to him to sell his right to the land for \$50 which he finally did, the money being paid to him by a man named Bell. Witness did not know the defendant or have any money dealings with him. He never went near the land, had no idea where it was and never thought about it. Witness had no knowledge of the contents of the instrument disposing of his interest.”

WHS (17 May 1888) The Beach Timber Case. The San Francisco *Examiner* of Thursday last says:

For several days, the U.S. District Court has been occupied in the trial of Chas. E. Beach on a charge of grabbing about \$350,000 worth of redwood timber land in Humboldt County by the aid of hired “dummies.”

It now transpires that many of the indictments were, to say the least, very loosely drawn. They were prepared in 1884, when Mr. Hilborn was U.S. Attorney and are said to have been drawn up by his assistant, Carroll Cook.

On Tuesday, defendant's counsel objected to many of the indictments, and the entire day was consumed in arguing the law points involved. Judge Hoffman finally ruled that where there was a variation of six weeks between the date named in the entryman's affidavit and the allegation in the indictments, such variation destroyed the validity of the proof offered.

He also ruled against the admissibility of certain counts in the indictment, on the ground that they were uncertain and indefinite in their descriptions of the quarter sections in question. Instead of describing the land in a way to correspond with the entryman's affidavit, they said a "portion" of a certain named section, whereas each section has 16 legal subdivisions.

Another point raised by counsel for defense was that when the affidavit which contained the alleged false oath failed to describe the land accurately, said affidavit could not be received in evidence, on the ground that the Register was only authorized to administer oaths in the form prescribed by law, and the law required that the land must be described by legal subdivision of sections. Hence the entryman's oath, not being administered according to the legally prescribed form, was not binding and no perjury was committed. On this point, the Judge reserved his decision.

Yesterday, Jacob Hutchings, Ewing Littrell, Oscar A. Horner, Alexander Montgomery, William Moore, William P. McCormick and Lyman A. Hunt testified that the land in question was covered with redwood forest. The last four named said that Beach had employed them to so testify.

The *Examiner* of Saturday had given the following as status of the land cases at that date:

The trial of Charles E. Beach for timber grabbing, which has occupied the attention of the District Court all the week, is approaching a close. The prosecution yesterday called C.F. Roberts, receiver, and Solomon Cooper, register, of the Eureka land office to identify certain documents.

After considerable discussion, counsel for the defendant notified the District Attorney that on Monday he would move to have the case dismissed on the ground that the Government had not made out a case. He claimed that testimony had been offered on only 15 counts out of 114, and that the evidence in seven of these had been ruled out of court, having only eight counts on which any evidence had been produced by the Government. He said that all the witnesses but two had testified that they had made their application with the intention of keeping the land for their own use and benefit, but finding afterwards that they were unable to pay for it within the required ninety days, had sold their claims for \$50 each.

One witness, Littrell, when closely questioned, answered evasively and said he had forgotten. Baker, Mr. Van Duzer, claimed was the only witness who admitted on the stand that he had made his application with the intension of selling out; and even he testified that he could not read or write, and did not know what was in the affidavit he signed, as it was not read to him.

On the other hand, Mr. Carey, counsel for the Government, claims that the testimony of not less than four of the witnesses shows that they did made false oaths, with the intention of selling their rights to Beach, and that they were hired by him with that understanding and for that express purpose.

The trial will be resumed Monday. Before it is concluded, it will have cost the Government quite a sum of money. There are about one hundred witnesses who have been brought here from Humboldt County, eight of them are being boarded at Alcatraz. They are paid

\$1 a day and board. All the others have given bonds and are remaining at liberty in the City. These receive \$2.50 a day. Besides these expenses, the witnesses are allowed mileage. The cost of the trial, therefore, will not be less than \$3,000, not including the cost of working up the evidence, which is several thousand dollars more.

WHS (24 May 1888) The Beach Indictments—May 15th was consumed in the U.S. District Court in listening to arguments of counsel. The defense moved the court to instruct the jury to find a verdict of not guilty, because of insufficient testimony and defects in the indictments. It further urged that proof had not been shown that the contracts for sale of lands were in writing, as the law required.

Judge Hoffman denied the motion of defendant for the instruction to the jury to return a verdict of not guilty on the ground of insufficiency of proof and defectiveness of indictments. This ruling was excepted to, and the attorneys for defendant announced that they would rest the case without introducing testimony.

U.S. Attorney Carey asked that a recess be taken in order to afford him time to prepare for his opening statement. After reconvening, the entire afternoon was occupied by the government attorney in presenting the facts elicited during the trial. The 16th was occupied by the arguments of the defense. George A. Knight opened, and would be followed by S.M. Buck and A.P. Van Duzer.

Western Watchman (26 May 1888) A Candid Review of the Land Business. Editorial by William Ayers.

WHS (31 May 1888) Failure of Evidence—Our telegraphic dispatches from San Francisco during the early part of last week announced that the case of David Evans in the United States Court had been dismissed but did not specify on what grounds. The morning *Call* furnishes the following information in relation to the dismissal of the indictments.

“By agreement of the counsel in the cases of Chas. E. Beach and H.A. Marks, both of whom are under indictment for subornation of perjury in connection with the Humboldt timber lands, continuances were allowed for the term, as United States Attorney Carey was not prepared to go on with any case but that of Mr. Beach.

“With reference to the indictment of David Evans for similar offenses, United States Attorney Carey said: ‘In consequence of the defective counts numbered 64, 102, 65, 106, 100, 71, 66, 104, 110, 73, 67, 105 and 111 [microfilm poor, not all numbers legible], I find myself without any evidence against Mr. Evans as to the particular counts covering the entry men with whom he was connected in any way by the evidence in relation to subornation of perjury, and in consequences of this defective descriptions of the land continued to some of them, and in others, for instances, where the date alleged in the indictments does not correspond with the dates of the affidavits themselves, the case against Mr. Evans on the part of the Government fails. I have no proof outside of those averments and in consequence of that, I ask that the prosecution, as to him, may be dismissed. A nolle prosequi was thereupon ordered entered and Evans was discharged from custody.’

“The indictments dismissed were drawn up by Carroll Cook, when he was Assistant United States Attorney.”

AU (6 Oct. 1888) The Beach Trial—The *Chronicle* of Wednesday says: “At the trial of Charles E. Beach, charged with subornation of perjury, in the District court yesterday, Frank McLaughlin testified that he had never been authorized by Beach to represent that entry men at the Eureka Land Office could get \$30 for making filings on timber lands. He admitted that Beach paid him \$5 for bringing people desiring to file on land to him. He said also that he had never seen Beach make out descriptions of filings, nor had he been approached by him for questionable purposes. The trial will be resumed today.

FE (26 Oct. 1888) Charles E. Beach, recently convicted in U.S. District Court of subornation of perjury, is preparing a series of documents to ask for a new trial. If effort fails, he will petition President Cleveland for pardon. Nov 12 set for sentencing.

WHS (29 Nov. 1888) C.E. Beach Sentenced—Charles E. Beach, who was convicted on five counts of subornation of perjury in connection with timber frauds in this county, appeared in the United States District Court yesterday morning and his counsels, Messrs. Van Duzer, Knight, and Buck, moved for a new trial....

FE (30 Nov. 1888) Beach Case—Judge denied petition for a new trial....Judge ordered a 3-year prison term at hard labor and a fine of \$2000....

WW (10 Aug. 1889) At every turn in the great timber land cases, Mr. Buck has been successful. One trial in which he was left out as counsel resulted in a conviction. This case being again placed in his hands, he has gained reversal of judgment which, it is thought, will end the case—that of United States vs. C.E. Beach. [Beach did not go to prison]

WW (22 Nov. 1890) Up the Northern Coast—[Editor Ayres reports on his trip up the coast]....The trail up Prairie creek for six miles lies through as pretty a piece of rich bottom land as the Almighty has ever made for the use of man and then allowed the Syndicates to gobble it all. No, not all, for on the way I found Mr. Davidson [Davison] and A.P. Roberts getting out timber, a single drain out of all these thousands of acres of magnificent land that are locked up to occupancy.... Six miles up the creek is the prairie which lies back of Gold Bluff, and where Mr. A.J. Harris has located. He has a fine claim but the mining companies are contesting his right to settle on it. The case was to have been tried Friday the 14th. Some way I feel a sympathy with the settler who is trying to make a home in these unbroken wildernesses. On the creek and its branches, there is fine bottom land enough to make comfortable homes for 30 to 50 families, but it has been gobbled up by the syndicates, and it lies here in silent occlusion, useless to mankind. I think it is egregiously wrong that desirable lands are thus withheld from use, when there are so many seeking homes. It is a shame and disgrace that our system and the laws permit it. But [illegible] is and the traveler passes over miles and miles of the very finest character of bottom lands on this creek, by a narrow trail, seeing not a sign of a human habitation, or any evidence of cultivation or occupancy. Yet the homeless may not touch one foot of it. Surely something is wrong.

BLA (16 Jan. 1892) The Inexorable Klamath Road [letter from J.F. at Redwood] As regards the coast wagon road, let one say a word. The *Watchman* advocates it though we all know the land is owned by the Scotch Syndicate from Trinidad up to Redwood Creek and above. There are fewer

settlers now on that road than there were ten years ago. Everything was sold out to the big Scotch Syndicate. The *Watchman* makes a great ado over the Prairie Creek section. Well, let me tell you such talk is nothing but buncombe. The prairie isn't over half a mile wide all through and the best part is owned by the Syndicate. Doubtless, when the editor of the *Watchman* lived at Mattah, he thought that country worth something and in need of development.

BLA (3 March 1894) Trinidad—"Not dead but sleeping" would be a proper label for somnolent Trinidad. The village by the sea has made no progress for years. With a deep harbor that needs only a government appropriation and a breakwater to make it a seaport not to be despised; with vast forest of redwood which must someday be made into lumber and shipped from here; with a climate superior to that of Eureka and the equal of that of Arcata; situated on the new coast road between the county seats of Humboldt and Del Norte respectively, it is easy to see that the town has a future. There is, I understand, a scheme on foot with reference to the Scotch syndicate that will result to some advantage to Trinidad. The people are sick and tired of seeing that corporation holding its timber year in and year out for speculative purpose and not turning a hand....

BLA (8 Feb. 1896) Sues the Scotch Syndicate; As to the Lawful Ownership of Some Valuable Timber Lands; The Suit Filed Monday in the United States Circuit Court by the Attorney General--

Shepherd, Marvin. A Scottish Syndicate in the Redwoods. Georgie Press, Walnut Creek, 2015. Notes

p 21. Timber and Stone Act passed 3 June 1878. Applied only to forest land; only four states, Calif., Oregon, Wash., and Nevada. Entry man could file on 160 acres of surveyed timberland; had to swear it was for his own use and that he had not made prior agreement to sell to another. The law did not recognize the needs of timber companies to acquire an interest in thousands of timberland acres simply to supply their mills.

p. 23. California Redwood Co. primarily owned by Scottish investors, prime tract of redwood timber federally surveyed in early 1880s and made available for patenting. Object was to acquire 50,000 acres and sell to Scottish investors at \$7 per acre.

p. 29. Scottish American Investment Co., Ltd. formed in 1873 for develop investments in U.S., timber, mining, railroads, etc. Directors Wm. John Menzies, Edward Blyth, civil engineer, Alex Duncan, Thomas Nelson, J. Dick Peddie, John Cowan, Alexander Hamilton, and George Warrender.

Some of these directors would emerge as directors of the California Redwood Co., Humboldt Redwood Co., Ltd., American Lumber Co., Ltd. and the Edinburgh and San Francisco Redwood Co., Ltd. SAIC established American advisory committee, mostly Scotsmen living in America, including James Davidson Walker, commission agent and principal in Falkner, Bell & Co. in San Francisco. Walker was to present a significant number and variety of investments for consideration by SAIC, Ltd., but in the end the company found him to be rather untrustworthy.

p. 30. SAIC, Ltd. acquired control of 800,000 acres in Quebec and Ontario, and fee simple in 5880 acres in Michigan and 1200 acres in Wisconsin. Organized the British-Canadian Lumbering and Timber Co., Ltd. and created The American Lumber Co. in 1882 to function on the American side of the Canada border. William Manzies, Thomas Nelson and George Warrender signed contract with James D. Walker in October 1882 to acquire redwood timberland.

Footnote: In Feb 1889 the Humboldt Redwood Co., Ltd., through its Trustees Swift, et al., deeded about 55,000 acres to the American Lumber Co., Inc., deeds 31:569.

p. 31. At the time that James D. Walker and Charles King approached them in 1882, Menzies, Nelson, and Warrender and SAIC were having quite a successful lumbering investment experience in Canada. They were quite susceptible when King and Walker suggested two proposals for them to consider. One would have the J. Russ Co. of San Francisco acquire about 40,000 acres of redwood timberland and, for a fee, would transfer this timberland to the Scottish investors. The second proposal was for the investors to form a syndicate that would create a monopoly on redwood lumbering California through the purchase of lumber mills, timberland, ships, trains and other lumbering components....As to the first proposal, the investors knew that the timberland to be purchased would be acquired by nefarious means from the U.S. government and they, as investors, might be placed in an untenable position. The decision was made not to form a company of limited liability to buy the timber, but to form a loose syndicate of investors who would contract to pay for each acre of redwood when the ownership of the acre was transferred from J. Russ Co. to their representative, James D. Walker....As to the second proposal, the directors all agreed to create a company, California Redwood Co., Ltd., that would be the largest redwood lumbering company in the world, an overt attempt to monopolize the manufacture of redwood lumber.

The original capitalization for the CRC was about 4.5 million...lumber recession began in 1884 and resulted in financial losses for all three companies, the California Redwood Co., the American Lumber Co. and the British Canadian Lumbering and Timber Co. [figures showing big time losses for the investors, collapse of the American Lumber Co. represented a loss of 1.7 million....]

p. 35. In 1852 the London commission house Harrison, Bell & Co., opened a commission house in S.F. and named it after two of its partners that were to run it, Edwin Faulkner and James Bell. When James D. Walker was selected by his English bank to open and manage a new branch in Victoria Island, B.C.; part of his responsibility would be to ultimately open a branch in S.F. Until that was legally possible, he should arrange an agent to act for his bank. He selected Faulkner, Bell & Co. Four years later James D. Walker lost the confidence of his bank directors and was forced to resign. He began working for Faulkner, Bell & Co., also as a commission agent. Later he became a principal in the firm.

p. 37. Walker moved from Victoria to S.F. in 1864. Mishandled business loans and company lost confidence in him. He left the services of the bank to become a commission merchant in the firm of Faulkner, Bell & Co. Lived in San Rafael; Involved in Episcopal Church, and local railroads.

p. 49. J. Russ Company: Joseph Russ, David Evans and Charles King...the three of them agreed on one plan to create a monopoly in redwood lumber manufacturing and a second plan to fraudulently acquire redwood timberland for sale to investors.

p. 52. Russ partnered with Slaughter Robinson to bring cattle into Humboldt in 1852; later partnered with Barry Adams to open meat market in Eureka. Went to Forks of Salmon 1855 after selling his half in meat market to Adams. Returned to Ferndale and started acquiring land on Bear River Ridge and Mattole Valley. Russ started mill involvement with one on Price Creek he bought from Nehemiah Patrick in early 1860s, operated it until 1875 when it burned down. Spicy Breezes and Mountain View dairy ranches, Fort Baker Ranch.

p. 55. May 1869 Russ and partners, Melvin P. Roberts, Euphronius Cousins and Capt. George Wood, purchased tract for lumber mill on Indian Island from Gunther. New mill just west of D.R. Jones and Co. mill. Cousins silent partner; Roberts sold his interest to Russ in 1870. Known as Russ, Wood, and Company, mill began operations in spring 1870, 35,000 feet per day, increasing to 45,000 feet. Wood died and his interest bought by Daniel Pickard and firm became Russ, Pickard and Company. In 1882 he upgraded mill to 90,000 feet, the upgrade under David Evans.

p. 58. Russ hired Charles King to manage the San Francisco operations of J. Russ Co. King began working on a scheme for J. Russ Co. to acquire thousands of acres of redwood timberland, some of it legally and some by fraud. In 1882, King bought out interests in J. Russ Co. owned by Nathaniel Bullock and Euphronius Cousins. David Evans bought one-eighth interest in company in Feb. 1883. Russ had two goals. Acquire redwood timberland in large quantities and to purchase mills, timberland, ships and trains that would allow him to create a monopoly of the redwood lumbering industry in Humboldt. Needed outside investors to do this. Evans was lumberman, King was timber merchant.

p. 59. King came to California in 1859. Moved around, taught school. Eventually made it to Trinidad and beginning in 1871, he began buying and selling timberland. 1875 was banner year. In 1876, six transactions involved Charles Beach. Met Russ in 1872.

p. 61. Married Kate Brown in Yreka in 1875. Kate's sister Jennie was married to lawyer Abraham Peury Van Duzer who later represented King in the timberland fraud indictments. In 1878, King invited by Russ to join his company as a manager in S.F. King was responsible for the J. Russ Co. lumber yard and the marketing of lumber to distant locations. King began developing way to acquire redwoods, but needed a hands-on lumberman like Evans.

p. 63. David Evans, born Wales 1838. Arrived Eureka in 1857 at age 19. Started work in Bay Mill, eventually became millwright. Built mills, invented mill machinery, went in ten years from sweeping out to owning a mill and building a very elegant house.

p. 67. 1878-1880 put Evans, King and Russ into a close and interactive working relationship. Evans was needed to manage the acquisition of the 50,000 acres as well as to manage day to day operations of the Calif. Redwood Co., beginning August 1883.

p. 73. King's idea to buy up mills, ships, railroads, etc. legally; obtain timberland illegally. Needed investors. [pursued acquisition of timberland to sell to investors to get money for the other scheme, i.e., monopoly of redwood industry??]

p. 78. J. Russ Co. could acquire timberland legally by purchasing it from entrymen who had received their patents. However, the timberland would be scattered in various locations, and there would be no guarantee that enough individuals with the most desirable land would agree to sell their land to the company. King had a better idea. He believed that for the promise of a minimal fee, numerous men would be happy to file entry papers on timberland that they hadn't seen and didn't want and to deed those lands to David Evans, manager in the J. Russ Co. Evans would manage the process of land transfers from entryman to investor.

The three men did not have enough funds to manage such a project by themselves. They hoped to find one or more investors who would provide the financial backing. As the timberland was acquired, it could be sold to the financial backers at a profit.

p. 79. King needed to find investors. Referred to James D. Walker of Faulkner, Bell & Co., who was interested. At their first meeting, King told Walker that a large body of redwood timberland in Humboldt County would soon be offered by the federal government for purchase. He explained that J. Russ Co. dealt largely in such lands, but did not, at that time, have the money to purchase or develop the new tracts that were going to be released. He suggested that Walker and some of his investors should buy the lands through the J. Russ Co. Walker interested, hired timber surveyor from S.F., James Townsend, to examine the lands. Townsend reported back to Walker that the timberland was valuable and well worth the price. Walker agreed to recommend that his investors buy 50,000 acres through J. Russ Co. for \$7 an acre.

p. 80. Sept. 1882, Walker and King go to Edinburgh. Meet with Warrender, Menzies and Nelson. They agree to the idea, but form their own syndicate instead of having SAIC involved. Walker would arrange for the acquisition of about 50,000 acres and the investors would pay \$7 per acre as they received the deeds to the land. Lands would be purchased through a manager of the J. Russ Co. with deeds to the lands finally placed in the hands of Walker as trustee for the Scottish investors. Townsend would certify the character of the land. Title of the lands had to be certified by a S.F. attorney, C. Temple Emmett. After certification by Emmett and Townsend, Menzies would write money drafts to Walker to pay J. Russ Co. for purchase of the timberland.

p. 81. Participants agreed that after the maximum acreage was acquired and paid for, a company would be formed in Scotland for the purpose of providing the necessary funds to develop them. Profits to be divided, one-half to Walker and other half to the three Scottish investors. Agreement signed in Edinburgh, Oct. 23, 1882. Signed by Warrender, Menzies and Nelson for the syndicate and Walker for himself. J. Russ Co. would be Walker's subcontractor to acquire the lands. King, Evans and Russ knew that the methods they were going to use were illegal. Circumstantial evidence indicates that the investors knew it as well.

p. 81. Henry C. Putnam was the only independent investor allowed into the scheme. Walker made the partnership offer to him, believing that he would be able to acquire more than the 50,000 acres intended for his Scottish investors. Putnam had been involved in a similar timberland fraud in Wisconsin in 1864. At that time, he was chief clerk of the Eau Claire District

Land Office and also an agent for eastern investors. His experience in Wisconsin could help the managers of the J. Russ Co. avoid possible obstacles to success. Putnam-Walker agreement, Putnam to buy 10% interest in the plan for \$25,000. Putnam paid Walker this sum on May 13, 1883.

p. 82. J. Russ Co. would organize a large group of men to file entry papers at the Humboldt Land Office. At the same time, each entryman would sign a deed transferring ownership to David Evans, who acted as trustee for J. Russ Co. When the certificate of purchase was received, it would be handed to Evans. A second deed would be arranged that transferred ownership from Evans to Walker. As financial agent for the Scottish investors, Walker would hold the land until about 50,000 acres had been accumulated. Evans would be in Eureka; King in S.F. The most pressing need was a system for recruiting the entrymen. Evans and King knew they would need hundreds of entrymen, sometimes many on the same day, to prevent anyone not involved in the scheme from taking up any of the most desirable tracts. One of Evans' earliest decisions was to hire three men as his lieutenants in charge of recruiting entrymen. They were Charles Beach, Harry Marks, a former partner and Evans' brother-in-law; and Melvin Roberts, a former partner of Russ and brother of the register in the Humboldt Land Office. Each of these three men would motivate other men to do the actual recruiting by paying them a bounty for each entryman brought in. Two other men, owners of seamen boarding houses, assisted in recruiting entrymen. They were John Conar and Coffee Jack.

p. 83. To move the process, numerous deeds were prepared in advance of their need. To perform this task, Evans hired a knowledgeable man named David Cutten as his private secretary. Cutten had worked for John Vance. In 1880 he was appointed deputy county clerk and was still in that position in Dec. 1882 when Evans approached him. Evan asked Cutten to ready four or five hundred blank deeds for lands to be completed before the plats in specific locations were filed in the Humboldt Land Office.

p. 84. Also needed was a notary public, who would certify that the entryman was whoever he said he was and assure that he had signed the deed of transfer. Fred W. Bell. Office set up in back room of Gorham Barnum's saloon on F between First and Second. Started slowly, but by early spring 1883 it picked up speed. Word was passed on the streets and in the bars that anyone who was willing to sign entryman's papers and deeds would be paid fifty dollars. Frank McLaughlin was one of the entrymen and then Beach asked him to find other entrymen, offering to pay him five dollars for each person. He quickly found fourteen entrymen. Beach offered to hire him at twenty dollars per week to find more men. He exceeded expectations, finding over ninety additional men.

p. 85. Cutten calculated that to reach 50,000 acres, they would need 312 entrymen at 160 acres per person. Two deeds per entryman would be needed: one to transfer ownership from the entryman to David Evans as trustee for J. Russ Co., and a second to transfer the ownership from Evans to James D. Walker as trustee for the Scottish investors. Cutten was paid \$5 for each deed.

p. 87. A final proof document was the last document needed by the land office before a certificate of purchase could be delivered to the entryman. As part of the final proof, the intended purchase of the land must have been placed in a newspaper for sixty days and it required the

testimony of two witnesses to the application. There were six men who under the pay of the company, J. Russ Co., acted as regular witnesses: W.P. McCormick, James McCormick, James Gregory, O.H. Horner, George Lewis and William Wright. ...receiver Solomon Cooper and register Charles F. Roberts accepted everything apparently as a matter of course.

p. 88. A certificate of purchase was received from the land office well before the patent, considered by Walker and his attorney C. Temple Emmett to provide the same ownership interest in the land as a patent. As the certificate of purchase or patents arrived on David Evan's desk, he would have another deed made up that transferred the title from himself to James D. Walker. Walker then sent them on to Emmett to certify that a proper title had been obtained. Townsend also to certify that they applied to timber lands. Upon receipt of the certifications from Emmett and Townsend, James D. Walker would forward these certifications on to Menzies in Scotland. Menzies would then release the investors' money to Walker so that he could pay J. Russ Co. for the land. As fast as the lands were conveyed by Evans to Walker and the titles accepted by the latter, drafts were drawn on the Scottish parties by Faulkner, Bell & Co. and funds were transferred to pay J. Russ Co.

p. 89. When the directors of the California Redwood Co. decided to wind up the company in 1885, they created the Humboldt Redwood Co. All of the deeds held by Walker in trust for the Scottish investors were transferred to trustees for the Humboldt Redwood Co. However, Walker made sure that promises to him by the Scottish syndicate to pay him when the Humboldt Redwood Co. was created would not be forgotten. He was slow in transferring the deeds to the timberland. Land transfers were made over an eight-month period, on July 16, 1885; Oct. 9, 1885; and Feb. 17, 1886.

p. 93. April 1883, General Land Office sent Wilson T. Smith to California to investigate violations of Timber and Stone Act. Frank McLaughlin, David Cutten and John Conar provided info to him, plus others. Wilson accumulated a large file of evidence that showed fraud had occurred. He found ninety of the entrymen and procured their affidavits as to the frauds and the manner in which they were induced to make the applications. His report sent to A.G. McKinsie, his supervisor in the Bureau of Frauds at the GLO. When the department chief read about the 157 cases of fraudulent entries, he transferred Smith out of the Bureau of Frauds to another department.

p. 97. Former register of the Humboldt Land Office, Robert Gardner, was quite critical of McKinsie and his department. Wilson T. Smith was asked by the commissioner to help the federal prosecutor in San Francisco with the case. Evans tried to bribe him to suppress the facts and to abandon the investigation (\$5000) but Smith declined.

p. 101. The agreement for acquiring redwood timberland was operational beginning in 1882. Agreement signed July 7, 1883 with Scottish American Investment Co. to fund a redwood lumbering monopoly. James D. Walker was the contact person between the investors and the J. Russ Co. Acquisition of Hooper mills and Jones and Buhne mills, plus, railroads, timberland, ships and tugboats. James D. Walker, Joseph Russ, David Evans and Charles King were managers of the California operations on August 15, 1883. This was the California Redwood Company, Ltd. formed in Edinburgh. This would be the mother corporation and would provide

strategic guidance, funding and funding management. Directors were from the Scottish American Investment Co.

p. 102. Second company was California Redwood Company, Inc. Incorporated in California, but the majority of the stock would be owned by the mother corporation. This company would purchase the various manufacturing and shipping components in California. CRC, Inc. was capitalized at 4.5 million dollars. Financial agents in California was Faulkner, Bell & Co. Management agency J. Russ Co. with Russ, King and Evans as managers.

p. 103. Walker would be financial agent for the Scottish syndicate, a director in CRC, Inc., and in CRC, Ltd., and also president of CRC, Inc.

p. 106. CRC, Inc. acquired D.R. Jones Co., two mills, logging railroad on Freshwater Creek, steam tug, Annie and timberland, 17,824 acres. J. Russ Co. mill on Indian Island, half interest in steam tug, one quarter interest in 3 lumber schooners and 23,000 acres. Hooper Bros. two mills at Trinidad and Big Lagoon, shingle mill, wharf, and 19,300 acres. 7,558 acres from Dolbeer and Carson. Buhne and Kentfield, 2 tugs, J.W, Henderson, 3,831 acres, total acres 71,513. Investors told that this new monopoly would produce 52 million feet of lumber in first year of operation. Ended up with 3 mills, because one of D.R. Jones' mills was turned into machine shop and repair facility.

p. 111. Lumber recession was coming on in 1884 and David Evans was indicted in early 1884. Russ, King, and Evans were major stockholders in CRC, Ltd.

p. 114. In the last months of 1883 and early 1884, CRC was accused by federal investigators of being the instigator in the fraudulent acquisition of redwood timberland. Edward Blyth and William Menzies went to California, returning to Scotland in June 1884. Financial troubles for CRC, Ltd. Decision was to wind down CRC, Ltd.

p. 118. Investors were aware that one of the managers, Evans, had been indicted for fraud and the next one to be indicted was Russ on 7 Dec. 1885. [cites District Court records for Russ indictment]

p. 120. CRC, Ltd. dissolved, indebtedness of \$733,840, April 1885. Would form new company, the Edinburgh and San Francisco Redwood Co., Ltd., which would buy all remaining assets, such as some of the timberland and railroads of CRC, Inc. and manage them as a holding company. It was apparent that the management of CRC, Inc. by Walker, Russ, Evans and King was at an end. To ensure that they got back what was owed to them by CRC, Ltd., Russ, Evans, Charles and George Hooper and John Houlton of S.F, formed the Excelsior Redwood Co. on April 10, 1885, total capital 1 million. The lumber mills, timberland and other assets returned to Russ and Evans by CRC, Ltd. would be sold to the new company.

p. 121. June 1885, J. Russ Co. dissolved; new company Russ Mill & Lumber Co. Russ and Evans were ready to continue as lumber merchants after the wind up of CRC, Ltd. Agreement with CRC, Ltd. Russ and Evans would receive the mills in Eureka and Trinidad and 17,000 acres. Russ and Evans to return all the ordinary, preferred and deferred shares they owned in

CRC, Ltd., valued at 2.5 million and return \$200,000 cash and \$360,000 in debentures. Shortly after this agreement, these properties were transferred to Excelsior Redwood Co.

p. 122. Investors decided that all of the timberland with questionable title would be incorporated into a new company, the Humboldt Redwood Co., Ltd. This new company would try to protect the timberland from the government's attempts at cancelling their patents or certificates of purchase.

p. 131. First indictments were issued 20 Feb. 1884: David Evans, Melvin Roberts, Harry Marks, Charles Beach, Frank McLaughlin, John Vance and C.E. Noyes. Vance and Noyes indictments were dismissed. By spring 1886, government agent Benjamin Bergen had gathered enough evidence to also indict Russ, King, Walker, and Bell on same charge, subornation of perjury. Within thirty days of this second group of indictments, hearing were held and the indictments for all the men were quashed by the circuit judge based on procedural errors. By early fall of 1883, the investigation of fraud by Wilson T. Smith resulted in significant evidence that a serious fraud had occurred. His reports to the General Land Office in Washington were forwarded to the U.S. AG and a grand jury was authorized in S.F. in Dec. 1883 to hear the charges presented by U.S. Assistant Attorney Carroll Cook. Grand jury indicted Evans, Roberts, Marks, Beach, McLaughlin, Vance and Noyes. It would be another two years before enough evidence was gathered to indict Fred Bell and higher-level managers, Russ, King and Walker.

p. 133. Lawyers for defendants. A.P. Van Duzer for Evans, Beach, and Harry Marks. Van Duzer's brother-in-law was Charles King. Melvin Roberts never seemed to appear after his initial indictment.

p. 136. Benjamin Bergen spent four years on his investigation. Grand jury convened on January 19, 1886. Evans, Marks, Roberts and Beach were indicted again on April 3 1885. On this date, Van Duzer added two more clients to his list: Joseph Russ and Charles King. Fred Bell, also indicted on April 3, 1886; his lawyer was John J. DeHaven. Walker couldn't be served, had gone to England. Frank McLaughlin had become a prosecution witness, so he was not indicted again.

p. 136. April 30, 1886, Van Duzer moved to quash indictments and Judge George Sabin did so, which meant dismissal against Evans, Beach, Marks, King, Bell, Russ, and Roberts. King, Roberts and Bell would not appear in court on these charges again. Russ died in Oct. 1886. The case against Evans, Beach and Marks was revived in Oct. 1887, when Judge Hoffman heard arguments. Motion to quash their indictments was denied by Hoffman in January 1888. Charles Beach was the first to be tried, beginning May 1888. Evans was released and was never charged again.

p. 139. Beach was tried again in Sept. 1888 and was convicted. Judge Hoffman ordered him to three years in prison and a fine of \$2,000. Through pleas and appeals the incarceration of Beach was delayed time and again. On June 10, 1890, Beach was granted a new trial. From 1890 until the death of Beach in 1900, few newspaper reports on his case have been found. Apparently never served a day in prison. Case dismissed in 1908.

p. 140. Case against Marks was resolved two years after that of Beach. In 1910, his case received a nolle prosequi.

p. 143. Government discontinuing any attempt to regain the fraudulently acquired timberland.

p. 144 As stated in their original agreement of 1882, at some future time, when the Scottish parties believed that they had all the timberland that they were likely to acquire, they wanted to sell the timberland deeds held by trustee James D. Walker to a new company. Agreement of May 1885 stated that the timberland was now in the possession of new trustees and ready for purchase by a new company, Humboldt Redwood Company, Ltd. New company registered in Scotland on Aug. 17, 1885, capitalized at \$1,250,000, and to purchase the timberland of 50,000 acres for the sum of \$1,122,820. U.S. government investigators believed the Humboldt Redwood Co., Ltd. and CRC, Ltd. were essentially the same companies (same directors).

p. 146. Difficult to determine the exact amount of acreage that HRC, Ltd. owned by 1885. How many specific patents or certificates of purchase were canceled by the government remains unrevealed within the old records of the General Land Office.

p. 147. James Walker acted as trustee for original company and about Nov. 1884, he was asked to transfer the lands from himself to three trustees who would hold the land for the new company, William H. Swift, a Chicago lawyer; Turlington W. Harvey, a Midwestern timber merchant; and Robert S. Walker. James Walker transferred to Swift, et al., 16 July, 9 Oct. 1885 and 1 Feb. 1886.

p. 148. Prior to winding up CRC, Ltd. the company mortgaged some of its chattel and land assets to the Central Trust Company of New York. CTC declared that it held the real property in trust for the holders. American Lumber Company bonded its land to the Central Trust Co. Dec. 21, 1889. The federal government now had three adversaries to battle over the timberland patents. Humboldt Redwood Co., Central Trust Company and millionaire lumberman H.C. Putnam.

p. 149. On or about June 28, 1886, Putnam sent an affidavit to the commissioner of the GLO relative to 44 timberland entries of 160 acres each originally filed in the Humboldt Land Office. These entries had been canceled by the commissioner.

p. 151. Entryman filed, paid a filing fee, notice published for 60 days, returned and paid \$400, received a certificate of purchase.

p. 151. Robert Smith was David Evans' clerk.

p. 153. Jan. 1888. Putnam, et al. tried to bribe Bergen. S.F. Balcom, brother-in-law of Putnam visited Bergen in Eureka, then E.A. Bowers called on him and offered money, saying he represented W.H. Swift of Chicago who was one of the interested parties as well as counsel for the California Redwood Company. Wanted to receive patents to 62 entries. .

p. 155. S.M. Stockslager, Commissioner U.S. GLO, made decision to cancel 40 of the patents and certificates of purchase. Humboldt Redwood Co. and Putnam appealed to Secretary of the

Interior. New Interior Secretary, John Noble, in April 1892, upheld Stocklayers' decision with only exception needing further study.

p. 16. While the appeal process was continuing, HRC sold its timberland to the American Lumber Co., placing further distance between the original entrymen and their fraud. American Lumber Co. was incorporated in Scotland April 1882 and was an offshoot of the British-Canadian Lumbering and Timber Co. ALC would cut timber in northern Michigan and Wisconsin. In Feb. 1889, HRC sold its timberland to American Lumber Co. Shortly thereafter, ALC placed its timberland into the Central Trust Co. of New York.

p. 157. New entrymen file papers and received patents for 13 previously canceled certificates of purchase. California Redwood Co. and the Excelsior Redwood Company viewed this land as theirs and went to court. Excelsior Redwood Company was incorporated in 1885 by Evans, George and Charles Hooper and Joseph Russ. When Russ died in 1886, his stock was purchased by the Hooper brothers. Evans was minority owner and manager. In 1895, Excelsior and California Redwood took legal action to reacquire 13 tracts, 1,440 acres.

p. 161. On Feb. 2, 1896, Government filed bill of complaint against American Lumber Co. and Central Trust Co. to set aside 168 land patents acquired through fraud. Judge ruled on technicality regarding timing and that ended that. No effort again to retrieve patents.