

CUSTOM HOUSE ROW

Sub-Collector McDonald Charged With Peculation in Office.

HAD FINNEGAN A PULL?

McDonald Accused of Working the Government and Importers in Various Ways—Electrical Bell to Broker's Office—Who Was Paid for It?

Charges and counter charges were thick Tuesday around the customs house. The trouble was precipitated early in the morning, when Sub-Collector McDonald and Customs Officer Allan Forrester had a misunderstanding which resulted in Mr. McDonald's suspending his assistant, Mr. Forrester, the suspended official, promptly retaliated by filing charges against his superior, accusing him of malfeasance in office and misappropriation of government funds. A copy of these charges was forwarded Tuesday to Inspector Clute, of the customs department, while another copy was sent to the minister of customs at Ottawa. The department will hardly overlook accusations of this nature, and an investigation will probably be held in the next fortnight.

While the name of Louis Finnegan, the customs broker, was not mentioned in the formal charges, yet Mr. Forrester intimated Tuesday that Mr. McDonald and the broker were in collusion, where by each of them pocketed a financial way. This charge Mr. Finnegan denied, but he asserted that for five months back he had paid Mr. Forrester to throw business his way, and Mr. Forrester had not only accepted the money tendered him, but had hinted plainly to the customs broker that unless the payments were kept up he should throw business to the latter's competitors.

Mr. Forrester's Charges. Mr. Forrester, the suspended customs official, who filed the charges which have raised the present rumpus, was one of the provincial constables stationed here until the beginning of the year, when he resigned his position on the police force to take a situation in the customs office.

"I am satisfied that Mr. McDonald has been anxious for some time to get me out of the office," said Mr. Forrester, Tuesday to a Miner reporter. "He never missed a chance to jump on me for any or no cause at all. The trouble this morning arose when Mr. McDonald began kicking at me for neglecting to keep the cash book straight. What he particularly objected to was that I had left a blank following the entries. As a matter of fact he had instructed me particularly to leave a blank there so that one of the other clerks would have an opportunity to put his figures on file in the cash book. I had followed directions explicitly, and when I told him so he got mad at once and began abusing me. At last he called me a liar, and I told him that if he repeated it I would knock him down. Then he got more excited than ever, and wound up by saying that he suspended me, and ordered me out of the place."

"The whole thing was just an excuse to fire me, and McDonald thought that he could get rid of me in that way; but on that point he was very much mistaken. I had seen exactly how he was running the office, and I at once wrote to Inspector Clute and the minister of customs, telling them of the gross mismanagement that he had been guilty of. My eyes were not shut while I was working in the customs house, though McDonald evidently thought so, and I learned enough against him to make it mighty interesting when an investigation is made."

This Was Investigation. "He was working two distinct systems of stealing. His favorite method was to charge considerably higher duties than the law called for. He would turn in the rightful duty to the department and then pocket all that he collected in addition to that. For instance, if the regular tariff was 25 per cent he might charge the importer 35 per cent. On an invoice of \$100 the difference would amount to \$10, and as there were 50 and 60 entries being made daily, his system was a regular business. As a matter of fact his most successful efforts in that direction were made just this spring. In some cases the new law raised the duties and in others it lowered them. Whenever an importer was unfamiliar with the new law it was perfectly easy for him to exact exorbitant duties, and he would then appropriate the difference. "Another of his schemes was to put in bogus vouchers for office expenses. He would put in bills for articles that were never purchased at all, and the government would refund him the money which he alleged he had spent for the materials specified. His peculations in this way were particularly profitable in connection with the bills for coal oil and other supplies, large quantities of which the government paid for that had never been purchased."

Favored Broker Finnegan. "He and Louis Finnegan, the customs broker, were the closest of friends, and McDonald threw everything that he could into the hands of the broker. In fact there was an electric bell connecting the two offices, and McDonald would press the button to summon Finnegan whenever a stranger came in to pay duty. Finnegan would promptly show up, and secure the business of making out the entry papers for the new comer. It is easy to guess that the two divided up the fee that Finnegan charged for this service. The office which Finnegan occupies should really be placed at the disposal of the employees of the customs house."

Mr. McDonald Explains. Mr. McDonald was not at all disconcerted by the charges made against him. "Forrester was not really a competent man," he said. "He got madly worked up this morning over a trifling matter, and at last got so abusive that I was compelled to suspend him for a while. Evidently these charges are the result. They are all ridiculous and I am not at all afraid of an investigation. There is not a word of truth in any of his accusations. He lays particular stress upon the fact that I had been putting in bogus vouchers, yet as a matter of fact almost the only vouchers I filed were for stamps

and janitor service, both of which would not aggregate more than \$10 or \$12 a month. Evidently there were no great opportunities for pilfering in that line. "In regard to his charge that I made exorbitant duty charges, and pocketed the difference, the facts in the case are these. It was a week after the new tariff went into effect before we received the revised schedules from the department. In the meantime we were obliged to collect duties under the old schedules. When the new tariffs arrived we went over the invoices that had been entered during the previous week, and in cases where under the new law a higher tax should have been levied we collected the difference from the importer. In cases where the new law lowered the tariff there was a balance due importers who had entered such goods during the following week. In every case where the importer called for the money coming to him on this account it was paid to him and there is still some cash on hand which can be had on demand by the importers to whom it is due.

Relations With Finnegan. "As for the bell between my office and Mr. Finnegan's, that was put in when I was sick last winter to call Mr. Finnegan when I was in need of a doctor or medicine. Since then I have occasionally used it to call him when a customs broker was needed in the office, but I have never accepted one cent from him on that account.

"As for my renting him the office which he occupies, that is really placed at my disposal as a residence by the government. However, to be nearer the customs office I have rented living rooms in the rear of it. Mr. Finnegan pays the rent for the office and I have turned over the official residence to him for an office.

Says Forrester Got the Bait-Off. Mr. Finnegan was very indignant at the charges preferred against Mr. McDonald.

"I am satisfied," he said, "that Mr. McDonald's record is absolutely clean. As for any collusion between him and me, such statements are absolutely false. I will state though that at the request of Mr. Forrester I paid him \$10 monthly to throw business my way, and he it was who used the electric button about which he is raising such a pharisaical uproar. The arrangement between us was made at Forrester's suggestion, and McDonald was quite ignorant of it."

Forrester Hits Back. Mr. Forrester, on being told of Mr. Finnegan's statement that money had been paid him for touching the bell, said: "The statement is absolutely untrue. I rang the bell for Mr. Finnegan on instructions from Mr. McDonald. Mr. Finnegan on more than one occasion told me I was short to come to him for money. I did so twice or three times and have since repaid him. The bell was in the office when I first went there."

ABOUT AS WELL OFF

Fall in Silver Has Made Little Difference to Slocan Miners.

COMPARISON OF PRICES

Advance in Lead and Reduction in Freight and Treatment Rates Together With Better Transportation Facilities Make It a Stand-off.

J. B. McArthur, who returned from the Slocan yesterday afternoon and who is largely interested in silver mines, was asked last night what effect the decline in silver was having on Slocan ores. He said: "If silver does not go below 50 cents silver mining in the Slocan will be as profitable as last year, and will be profitable in most of the mines at 40 cents. Lead is now \$3.30, with a duty of \$1.50, leaving the net price to the British Columbia mine owner \$2.10 per hundred pounds. Lead last year was from \$2.10 to \$2.30, with a duty of 75 cents, leaving the net only \$1.55. The mine owner thus nets 35 cents per hundred pounds more on his lead than last year.

CITY COUNCIL MEETING.

McNeill Reappointed City Solicitor With Fees Instead of Salary. The city council on Tuesday promptly took advantage of the absence of Mayor Scott by appointing A. H. MacNeill city solicitor. A bylaw was introduced by Councilman Wallace appointing Mr. MacNeill to the position, and under a suspension of the rules it was at once put through. The appointment is during good behavior and the compensation is to be "the usual and accustomed fees."

ORE WAGON FELL ON HIM.

James Smith Seriously Injured While Working in the Smith Shop. James Smith, a member of the volunteer fire department, met with a serious accident Monday while in the employ of Beverly & Maloney, blacksmiths, on Washington street. While putting the jacks under a heavily loaded ore wagon, on which they were putting new tires, the jack slipped, and the whole weight of the wagon fell on him, the result falling on his back, breaking two ribs and injuring his spine considerably, while the hub struck him behind the head and nailed his face fast to a pile of rocks. The unfortunate man was soon brought to and taken to his room, where he is being taken care of. It is expected he will be able to be out and around in a week or ten days.

ASSAULTED A CHILD.

E. Ferguson, of Nelson, Held on a Serious Charge—Local Notes. Nelson, Aug. 16.—[Special.]—Yesterday afternoon as little Mary Maslonka was taking a walk along the lake shore, accompanied by Maud McLaughlin and Aleck McLaughlin, she was accosted by a man, who, after talking to them, coaxed them to go to his cabin, which is about 80 yards from the hospital. They went willingly enough, as he promised them some switches he had cut. When

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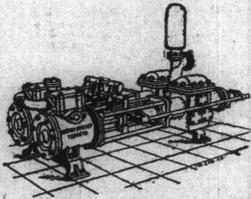
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there he made a criminal assault upon the Maslonka girl, who is only nine years old. The little girl made such an outcry and, the other children joining in, such a commotion was raised that the fellow desisted, when the children made their escape.

The matter coming to the ears of Chief of Police Wolverson, he immediately made search for the fellow, who was found in the Slocan. He went peacefully enough until he reached Ward's saloon, when he made a desperate attempt to escape, but with the assistance of bystanders the chief landed his prisoner in jail. He was promptly identified by the children, the McLaughlin girl being only five and her brother younger. Their parents run a boarding house on Vernon street.

The man, who was identified as R. Ferguson, was given his preliminary trial before Provincial Magistrate Crease this morning. He stoutly asserted his innocence, but there were too many witnesses as to his being seen with the child, and he was promptly bound over to an officer while in the charge of his duties, and promptly given a month at hard labor in Kamloops, where he will be taken tonight.

No news has yet been heard from the authorities regarding Murderer James Woods, who is as cool as ever and apparently enjoys the novels and magazines he reads every moment when he is not eating.

There have been a great many people the past week forced to answer summons as to their violation of the fire law in erecting frame buildings.

MINING NOTES.

Work on the 20-stamp mill at the Fern mine is progressing rapidly, the machinery nearly all being on the ground. The management expects to have it running by October 1. The owners of the Gold Tip on Toad mountain, are jubilant over a new find. In doing the assessment work the miners discovered a four-foot vein of free milling quartz. A force of men has been put to work doing development work. Walter L. Brown, manager of the Ainsworth Mining and Smelting company, has gone to Seattle on business for the company.

HAS GOLD MINES ALSO.

Slocan City Not Entirely Dependent on Silver—Townsend and Thompson. Slocan, City, Aug. 13.—[Special.]—While the continued decline in the price of silver is having its effect upon most of the camps in this district, Slocan City is congratulating itself upon the fact that its progress is not entirely dependent upon the development and profitable working of the silver mines around the town. The completion of the Slocan Valley railway will open up a district which it has been demonstrated, possesses gold ore bodies, in size and richness, second to none in the Kootenay. Owing entirely to the impossibility of getting ore to a point of shipment, Lemore creek mine owners have had to content themselves with development work, although there are even now several hundred tons of ore on the dumps in that locality, which will be taken out as soon as facilities can be obtained. Evidence of this kind is possibly the only kind that will convince the outside world that the Slocan district has gold ore bodies worthy of the most careful inquiry and examination.

The Townsend, situated near the Two Friends group on Lemore creek, is showing up well and the owners are pushing work on it, hoping to make a mine out of it before the fall comes on. It is being worked by the Townsend Mining company, of which J. J. Banfield, of Vancouver, is president. Assays run from 70 ounces in silver and \$5 in gold upwards.

It was reported yesterday that the Thomson group at Silverton had changed hands, the consideration being \$35,000. This property is situated on Renell creek, six miles east of Silverton, and was under bond to Dr. H. Bell-Irving, of Vancouver. It has been looked upon as one of the best of the many good mines around Silverton for some time.

LOCAL BREVITIES.

The tunnel on the Norway, near Trail, is now in 135 feet, and the ledge continues as strong as ever. It is now 14 inches wide. Recent assays run above \$50 in gold to the ton.

J. H. Fox, of Trail, has located three promising claims near Champion sta-

tion, on the Nelson & Fort Sheppard railway. An eight-foot ledge of pyritic ore has been exposed, which assays \$26 on the surface.

The Edinburgh (Scotland) Evening Dispatch of July 31, contains an interesting letter from D. B. Bogle, who was on that date in the Scottish capital, on the subject of the Klondike placers and the gold mining industry of British Columbia in general and Rossland in particular.

Par for Rossland Debentures. The finance committee of the city council has received a number of offers for the city's debentures, and will probably meet today to take action upon the bids. The offers all range closely around par, and are for the entire issue of debentures, valued at \$50,000, and running for 20 years at 6 per cent.

Death of Mrs. James Rutherford. Agnes Atkinson Rutherford, wife of James Rutherford, well known in this camp, died at her home on the Little Spokane river, near the city of Spokane, on the 13th inst., after an illness of two weeks. She was born at Northcote, Ontario, in 1859, and was a woman of many domestic virtues.

COULD NOT TURN IN BED. Terrible Suffering of an Elora Lady From Rheumatism—Fifteen Years a Sufferer, But Cured by Two Bottles of South American Rheumatic Cure.

No pen can describe the intensity of suffering that may come from an attack of rheumatism. "For fifteen years," says Mrs. John Beaumont, of Elora, Ont., "I have been more or less troubled with rheumatism, which took the form of pains in my back, often coming to my bed, and rendering me part of the time wholly unfit for my duties. At times I suffered so intensely that I could not turn in my bed, and the disease was fast reaching a point where both myself and my husband had become thoroughly discouraged of recovery. A friend recommended South American Rheumatic Cure, and after the first bottle I was able to sit up, and before four bottles were taken I was able to go about as usual, and have been in excellent health." Sold by McLean & Morrow.

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