

IMMENSE PROFIT ON LAND SOLD TO WATER COMPANY

B. H. Pendleton Testifies Smith and Havens Cleared 300 Per Cent on Deal

FACT WAS NO SECRET

Former Councilman and Father of Deal With Titus Springs Sensation

OAKLAND, March 30.—That F. C. Havens and F. M. Smith purchased land in the San Pablo watershed during the formation of the Syndicate Water Company and "turned it in" to the People's Water Company, now the East Bay Water Company, at an increase of nearly 300 per cent. was testified to at the hearing of the State Railroad Commission this morning.

The testimony was given by B. H. Pendleton, former City Councilman, father of the famous Titus-Pendleton agreement and a witness for the city of Oakland. He said that he knew of the transaction from Havens himself, who told of the deal in the office of W. W. Garthwaite in 1907. Pendleton said that city officials and officials of the water company were present at the meeting.

This is the same transaction about which F. M. Smith was questioned some days ago, and which he said had "slipped his mind," later pleading that his records of the affair had been destroyed in the San Francisco fire. The testimony caused no little commotion this morning.

According to Pendleton, the figure at which the Smith-Havens corporation purchased the land was \$27 an acre, and it was sold for \$97 per acre. Pendleton said Louis J. Titus, former president of the company, justified the act as "proper business procedure."

Attorney Wigginton Creed, chief counsel and president of the water company, said the property was that of Mrs. Lafayette Fish.

Pendleton also went into the terms of the Titus-Pendleton agreement, saying that it was agreed upon for the company to receive a net income from the holdings and service of \$529,000 annually. Creed announced that it might be necessary to subpoena Titus at Washington, D. C., and have him return to give his side of the agreement.