

PLEADS NOT GUILTY. THAW NOW AWAITS TRIAL

Defence Will Be Practically Based on "Unwritten Law."

So far as court proceedings are concerned for Harry K. Thaw, who shot and killed Stanford White last Monday night, he will from to-day have a chance to remain quietly in his cell in the Tombs prison for some months to come.

The last procedure that will affect him, at which his presence will be required for some time to come, was when he was arraigned for pleading to the indictment charging homicide yesterday, before Judge Cowing, in Part I of the Court of General Sessions.

Thaw had an apparently unconcerned air all day yesterday and looked better than he had done at any time since his arrest.

Mrs. Thaw spent several hours yesterday with her attorney, William M. K. Olcott, and made a statement of all she could remember of her meetings with Stanford White, both before and after her marriage to Thaw.

There were rumors yesterday that Stanford White had left debts of several hundred thousand dollars. One rumor had it that he had borrowed \$300,000 from a prominent young man in this city, which has not been paid.

For about twenty minutes Judge Cowing had been engaged in hearing pleas on bail cases, and then the prison cases were heard. The line filed in from the rear of the room, led by a covering Italian who was to plead to manslaughter.

Anthony Comstock was practically eliminated from the case yesterday by quick work on the part of Thaw's counsel, who refused all permits for Comstock to visit Thaw.

The "unwritten law" plea, it is understood, is still the one which Thaw's counsel will use. The defence has decided that it will also use a plea of emotional insanity, but merely as a legal means of getting the facts in the case before the jury.

Therefore, it is understood, Thaw's counsel will put forward, as a line of defence, the plea that Thaw, aroused to anger against the man who had wronged his wife, gave way to a fit of emotional insanity, and when in that state of mind, murdered his wife's trader.

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In the first degree, found against him for the killing of Stanford White. Although it is the customary thing for the prisoner in such cases to have his counsel plead for him, Thaw did not wait when questions were asked, but spoke up in a loud voice, which could be heard throughout the courtroom.

There was a big difference between the appearance of Thaw yesterday and on the morning before, when he appeared at the coroner's inquest. The twenty-four hours intervening seemed to have acted as a tonic. In place of the silk handkerchief worn in lieu of a collar, he wore a clean collar and necktie, and his clothes were pressed.

Having eaten a more hearty breakfast than he has done since his imprisonment, Thaw read the papers for a time, until released to go down a flight to meet a postman who had a registered letter for him.

Just before 9:30 o'clock he was taken across the "Bridge of Sighs" to the Criminal Courts Building for arraignment. There were a score or so of prisoners to plead ahead of him, and after sitting in the "pen" for some time, Thaw asked permission to wait outside, as the air was close.

The same consideration which has been shown Thaw since his arrest was again shown him, and the keepers provided a chair, on which he sat on the bridge, where the air was cooler. Crossing his legs and tilting his chair, Thaw nonchalantly read the papers.

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decide to give preference to the case of Thaw. This procedure, however, is out of the ordinary, and counsel do not expect that such action will be taken.

Mr. Jerome is hastening back from Canada, where he went for his vacation. He will arrive Monday morning or not later than Monday night, and will then take charge of the case.

Whatever decision Mr. Jerome arrives at regarding the trial of the case, it is believed that the trial will be one of the most sensational that this city has ever had.

The district attorney's office yesterday continued the proceedings which were instituted on Thursday. Witnesses by the dozen, it is estimated, are being subpoenaed for testimony.

The report shows that the value of the Mutual Life's real estate holdings on December 31, 1905, was \$2,390,483.82, adding:

The original cost of the real estate, including improvements on same, appears by the books of the company to be \$2,132,137.28. This, when deducted from the depreciation of \$6,546,784.41, previously shown, leaves a net value of \$1,425,352.87.

It is shown that the company's real estate investments pay an annual return of less than 2 1/2 per cent on the invested capital, and the committee says:

It will thus be seen at a glance that the return to the company on the large amount it has invested in real estate is very low, and that immediate and extensive business lines. They are laying the foundations deep and firm for a safe and economical conduct of the business, and the results will be particularly apparent in the future, as increased dividends over a course of years.

The purchase of most of the real estate holdings of the company were made from time to time made, were, so far as appears, without the aid of trusts. In the administration of this branch of the company's operations, great methods and care in the selection of property and in the expenditure no competition seems to have been offered or desired.

As an example, the committee speaks of alterations costing \$50,000 made in the building at No. 32 Nassau street for the Guaranty Trust Company and charged to the Mutual Life Company. It also cites a contract of R. C. Fisher & Co. for marble banking rooms on the Cedar street side of the building, and recommends a thorough examination of other contracts, amounting in all to \$4,121,000, with a view to suits for recovering to the company excessive payments.

Almost one-fourth of the company's gross assets, the report says, is invested in loans secured by mortgages on real estate, and \$4,153,514 has been lent on mortgages which are in excess of 60 per cent of the value of the real estate, while there are 131 loans, securing more than \$2,000,000 in certain real estate business. The value of the property. In a separate statement the committee says of the latter loans:

These are what are known in the company as "cherry loans." It has been the policy of the company for many years to loan upon the church property of the various denominations, and the money so loaned has been made completely secure by the purchase of fire and theft insurance. For instance, the company has about eighty loans on Catholic churches in all parts of the country. The buildings in question are of great value. The committee recommends that the policy of the company be changed so that the value of the buildings in such cases, and undertook to appraise the value of the property. It is estimated that the policyholders desire a change of policy in this regard, there is no reason to suppose that on the part of the trustees there will be any loss whatever in money to the company.

The company's practice of lending money to policyholders on their policies is discussed in the report, and the following recommendation is added:

Your committee see no good reason why the company should not continue to loan money on its policies as heretofore, except in foreign countries where the law is such that the company would not be able to recover its money. It would respectfully call the attention of the officers of the company to the recommendations of the accountants, and to the fact that the company will throw further checks around the operations of the policy loan department and conduct to greater care and accuracy in the administration thereof.

"Expenditures of a questionable character and for purposes not disclosed by the books and vouchers of the company. The committee's report is shown in Schedule A. The report was given out yesterday. Mr. Truesdale was asked by reporters if he would permit an inspection of the schedule.

"The schedules are voluminous, and we probably shall not publish them," was his reply.

As to the general character of the expenditures, the report says they amount to \$913,575 from January 1, 1897, to December 31, 1905. The report adds:

Included in this sum are the payments made on order of the committee, amounting to \$383,034.40, to which reference was made in the committee's report, which recommends that the proper legal action be taken to require an accounting to the company, showing to whom the payments were made, and the amount of each. Also included in same are payments made direct to A. C. Fields, aggregating \$72,089.65, being a small part of the amount heretofore mentioned, which your committee have therefore recommended that he be required to account for. Also included in same are the sums of \$12,222.22 in payment of the New York Life Company, and the sum of \$13,333.33 paid direct to the last named company, said to be for the purchase of certain legislative expenses, regarding which much evidence was given before the legislative investigating committee. Also included in same is the sum of \$18,834.28 paid to J. Heye, an employee of the supply department, and for the most part charged to the account of the company.

Your committee are of the opinion that these payments through Heye as well as many others covered by said Schedule A, in the form of cash, were handed by A. C. Fields, for which he should be held accountable to the company.

Included in said payments are sums aggregating \$4,260 for cash for the president, to secure the payment of which legal action should be taken on the company's behalf.

Without doubt there are included in the statement referred to many other payments which were legitimate and proper, but in the opinion of your committee the proper officials of the company should be once investigated as far as possible, all payments covered by said statement, and the proper steps be taken to ascertain whether any of them are of a character that may be made an object of inquiry by the company, and if so what legal steps are possible and should be taken to effect recovery.

The statement referred to in the foregoing does not cover the sums paid for so-called legal and other expenses, which are covered by Schedule B, in connection with the manipulation of the stationery and printing accounts of the company.

The committee says that the requisition which it made on trustees of the company for information was answered fully by all the trustees except Richard A. and Robert H. McCurdy and Elihu Root, as to whom the committee says in a separate statement:

It was hardly expected that answers would be received from the Messrs. McCurdy, and it is presumed that Mr. Root's occupation in other fields of usefulness has prevented details of services performed being given in part in the report as follows:

In reply to inquiries as to leases of portions of home office building to officers or trustees of the company or to relatives of such officers or trustees or to subsidiary companies in which the Mutual Life is interested, it was shown that two trustees, also three firms of which trustees are members, also two relatives of trustees, also four such subsidiary companies, all rented offices in said home office building.

The rentals charged in all cases included light, heat and care of the premises leased. The rentals were stated to be, in each case, as much as charged other tenants of like space similarly located. The leases were made on different dates, and all expire on May 1 of different years, from 1907 to 1915.

One trustee who leased offices in said building, the rental being \$2,000 per annum, has been paid semi-annually \$2,000 for the last five years, and the same trustee has also received for legal services and advice rendered the officials of the company. This was apparently an annual rental, as the same trustee has received similar services performed have been rendered.

The creation of the immigration department of the federal is in response to the request made by the National Conference on Immigration held in New York City last December.

THE TRUESDALE REPORT

TRIBUTE TO PEABODY.

Committee Regrets Cost of Accountants—Mutual Realty Unprofitable.

William H. Truesdale and John W. Auchincloss, the only remaining members of the "housecleaning" committee appointed by the trustees of the Mutual Life Insurance Company last October to investigate the company's affairs, made their final report yesterday, basing all recommendations for reforms on statements made to them by hired accountants. They express regret that the services of the accountants have cost a large sum, without stating the amount, but say the expense has been unavoidable.

At the end of all the recommendations and criticisms of the committee comes the following tribute to President Peabody and his assistants in the past administration of the company:

The president and his staff are making a most conscientious and thoroughgoing study of the business and affairs of the company on broad, correct and conservative business lines. They are laying the foundations deep and firm for a safe and economical conduct of the business, and the results will be particularly apparent in the future, as increased dividends over a course of years.

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no bills showing details of services rendered have been furnished. The replies to the committee's inquiries show that nineteen members of the board held stock, in varying amounts, in the Guaranty Trust Company, that the holdings of these members, together with the stock held by the Mutual company, constituted more than a majority of all the outstanding stock of said Guaranty Trust Company. They show that seventeen members held stock of the United States Mortgage and Trust Company, that nineteen members were stockholders in the National Bank of Commerce, that eight members were stockholders in the Fifth Avenue Trust Company, the Morris Trust Company and the Union Trust Company, that a small number held stock in the Commercial Trust Company, of New Jersey; the Lawyers' Title Guaranty Company, the Title Guaranty and Trust Company, and others.

All but four of the trustees replying, state that they owned stock in one or more of the subsidiary companies referred to in the requisition. Seven of the trustees replying have relatives, either near or remote, in the company's employ. Only three trustees have ever borrowed any money from the company, and these were in strict compliance with the company's requirements as to security, etc. Nine trustees state they were interested in syndicates in which the Mutual Life was interested, and two more have been through firms of which they are members.

The committee says it is unwilling to believe that many of the trustees of the company interested themselves in subsidiary companies from selfish personal reasons, but adds the opinion that such relations are not sound in principle. It also says:

Men of high character and standing, who should be trusted to administer the large trust funds which these companies have accumulated, cannot afford to put themselves in a position where their own interests are least cause for suspicion as to the motives which govern their action as such trustees.

NEW SUBWAY PLANS.

Bids on Five Routes May Be Called for This Year.

Barring unforeseen obstacles, the Rapid Transit Commission will advertise for bids for the building of subways in Lexington, Third, Seventh and Eighth avenues, Manhattan, and in Fourth avenue, Brooklyn, on or before January 1 next. The various commissions appointed by the court have reported favorably on nine of the eleven routes thus far considered. The Appellate Division has adjourned for the summer, but it is assumed by the Rapid Transit Commission that before adjournment the court passed on the greater number of these reports, and that the final approval will reach the commission within a week.

As soon as that approval is given, Chief Engineer Rice will assign a large force of engineers to the preparation of plans for the principal routes. The surveys have already been made. The plans cannot be begun till the order is given by the commission, and the commission cannot act until the Appellate Division approves the reports on the various routes.

Chief Engineer Rice says it will take just about three months to prepare the plans for the main line tunnels. Assuming that the minor formalities are out of the way by August 1, the plans and specifications should be complete by November 1. The advertising for bids will take about sixty days, bringing the awarding of the first large contracts up to about the first of next year.

That delay is likely to be shown by the move made by clients of Martin W. Littleton, who have enjoined the city from proceeding further with the Third avenue route. Mr. Littleton's clients allege that the city's financial condition will not permit of the building of subways. Mayor McClellan holds that the city has more than enough to get ahead with its subway plan. Chief Engineer Littleton's action is dropped, there is reason to believe that a great deal of time will be lost by trying injunction suits. What was done by Mr. Littleton in Third avenue could be done by others on less reasonable grounds in other parts of the city.

Chief Engineer Rice believes that the next subways will be built in four years from the time they are actually begun.

The Rapid Transit Commission assumes that there will be several bidders. It was learned yesterday morning that the city has been made completely secure by the purchase of fire and theft insurance. For instance, the company has about eighty loans on Catholic churches in all parts of the country. The buildings in question are of great value. The committee recommends that the policy of the company be changed so that the value of the buildings in such cases, and undertook to appraise the value of the property. It is estimated that the policyholders desire a change of policy in this regard, there is no reason to suppose that on the part of the trustees there will be any loss whatever in money to the company.

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Your committee are of the opinion that these payments through Heye as well as many others covered by said Schedule A, in the form of cash, were handed by A. C. Fields, for which he should be held accountable to the company.

Included in said payments are sums aggregating \$4,260 for cash for the president, to secure the payment of which legal action should be taken on the company's behalf.

Without doubt there are included in the statement referred to many other payments which were legitimate and proper, but in the opinion of your committee the proper officials of the company should be once investigated as far as possible, all payments covered by said statement, and the proper steps be taken to ascertain whether any of them are of a character that may be made an object of inquiry by the company, and if so what legal steps are possible and should be taken to effect recovery.