

EGAN TELLS OF HIS BIG LOANS

COLLECTOR OBLIGED WITH THE COUNTY'S MONEY.

Grand jury to Hamilton County Boss When Asked and Would Have Loaned Davis Any Sum. Thought It Was Only Up to Him to Make Good When Time Came.

County collector Stephen M. Egan of Hamilton County, New Jersey, on trial before Judge Justice Francis J. Sweeney and a struck jury in Jersey City charged with embezzlement for having used of county funds to the Jersey Supply Company, owned by the late Robert Davis Democratic county boss for many years, testified for the defense yesterday afternoon. He has been led to believe, and the jury members had never advised him to the contrary, that he was "supreme and the whole thing" in the matter of handling the county's money and could do as he pleased so long as he provided the cash when it was wanted. He was defended by Ex-Governor J. Frank Sweeney.

Assistant Justice Sweeney took his place on the bench in the morning Egan swore that he had formally surrendered in Jersey City in his hands, James McMahon and John Murphy, in order to lay the case before the grand jury. He had been advised by McMahon and Murphy to do so. Egan was then asked by the grand jury to produce the money. He refused to do so. The grand jury then ordered Egan to produce the money. He refused to do so. The grand jury then ordered Egan to produce the money. He refused to do so.

At the county collector's lawyers then called to the stand Vice-Chancellor Garrison, who had been called to the County House to be sworn in for the application and secured from him an order, returnable forthwith, because why the writ should not be issued. The Vice-Chancellor refused to do so after both sides had stipulated to the facts and shortly afterward Egan's trial began. Before the jury had heard the evidence, Egan moved for the dismissal of the indictment, giving several reasons for the request, namely, that the indictment was void because of the fact that the grand jury which found the indictment against the County Collector, the court denied the motion and the ex-Governor took the first of many objections to the State First Assistant Prosecutor of the Pleas George T. Vickers and that under the law the County Collector could not dispend the county's funds except for legal purposes and declared that it would be shown that on August 1, 1909, Egan drew checks for \$100,000 and \$11,000 in favor of the Jersey Supply Company without legal authority for the disbursement of the money.

Edward J. Edwards, cashier of the Jersey National Bank of Jersey City, testified that the two checks passed by Egan to the bank, the money being drawn from the general fund of the County Collector and credited to the account of the Jersey Supply Company. He also testified that the Jersey City Supply Company had asked Ex-Gov. Sweeney to sign a check for \$100,000 and \$11,000 in favor of the Jersey Supply Company. He said that he had signed the check and that he had given it to Egan. He also testified that he had given Egan a check for \$100,000 and \$11,000 in favor of the Jersey Supply Company. He said that he had given the check to Egan and that he had given Egan a check for \$100,000 and \$11,000 in favor of the Jersey Supply Company.

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PRaise FOR P. WEBSTER

Hannis Taylor Says He Foresees Department of Commerce and Labor.

Hannis Taylor, constitutional lawyer and ex-Minister to Spain, taking last night to the Union League Club urged its members to regard the bill of party to stand by the judiciary, especially the United States Supreme Court, "from which flows," he said, "the form of judge-made law which has rendered an apparently rigid Constitution so elastic that as a living and growing organism it has been able to change the relations of society have changed." He insisted that the reforming hand of the jurist, not of Congress, must be depended upon to "make those new adaptations in our most complex system of government in the transition that is now going on."

Mr. Taylor's topic was "The Origin and Growth of the American Constitution." He told the club members that he had compressed the results of thirty years of study into his address. He called Polignat Webster, the Connecticut Yankee who has received isolated credit for originating the present form of United States Government after the Articles of Confederation in 1787, "the architect of our Constitution who has been forgotten."

Webster, said Mr. Taylor, "was a ripe financier and trained political economist of sorts, and he was the man who, in his own financial and commercial, had made Madison, Pinckney or Hamilton, then young men, the formative of the new system of government. At every step the three young men marched behind their great intellectual leader, who had it in mind that each clearly understood as early as 1781 that the amending of the Articles of Confederation was a chimera."

As the proceedings of the convention remained a sealed book until long after Webster's death, in Philadelphia in 1795, he never saw any of the plans offered. Nothing is more remarkable in connection with Webster's work than his almost supernatural prescience as to future conditions. He foresaw the need of a Department of Commerce and Labor a century before it was established.

F. A. CAUCHOIS IN DIFFICULTY. Creditors Will Help Him in Kaiserhof and Keene's Chop House.

An advisory committee of five of the largest creditors of Frederick A. Cauchois, proprietor of the Kaiserhof restaurant at Broadway and Thirty-ninth street, and Keene's chop house at 20 West Thirtieth street, will get together soon, it was announced yesterday, to confer with Mr. Cauchois and his attorneys regarding his financial difficulties, which are said to be temporary. The restaurant man recently offered to place his affairs in a committee's hands. Mr. Cauchois, his largest creditors say, is anxious to pay creditors in full and the committee seems sure that he can do so with a short extension of time.

Two years ago Mr. Cauchois got hold of the Kaiserhof and decorated it up to the last notch in Broadway's idea of a German restaurant. The fittings are said to have cost him more than \$100,000. His investment in Keene's chop house is said to have been about \$100,000. About \$200,000 of a fortune made by Mr. Cauchois in the office business he put into the restaurant and the chop house. He had adopted corrective measures legislation would not have been necessary, but they had done nothing, and the State had to do the job. He cautioned the officers of life insurance companies present as follows:

"If we see some of these evils facing us, as we apparently do see, must we all sit by and wait until somebody else takes up the matter, or shall we take it in hand ourselves? I have heard an expression this afternoon in the line of criticism of the agent and I am sure that it is not fair to say that he is a bad man, because the pressure is upon him from the home office. These policies, which are said to sell like hot cakes, are put into his hands with instructions to sell, to sell, to sell. And can't we take some of these lessons home to ourselves and not blame him too much for his existing and other germinal practices when we know we are continuing to pay the pressure upon him which is very likely to result in improper practices by himself? The result naturally comes back to the home office to the extent of the premium ourselves as executive officers."

Taylor Raps Insurance Law

Loans on Policies a Menace to the Business.

Robert Lynn Cox Replies to Head of Connecticut Mutual That Armstrong Committee Had to Mend Things Quickly Since Companies Did Nothing.

Almost at the windup of the meeting of the Association of Life Insurance Presidents at the Waldorf-Astoria last evening John M. Taylor, president of the Connecticut Mutual Life Insurance Company, who had been taking part in a discussion of the business and methods of insurance and the reforms needed, made a sharp criticism of the insurance laws enacted in this State as the result of the investigation by the Armstrong committee. Sitting on the platform at the time was Robert Lynn Cox, general counsel of the association and successor of Governor Cleveland as head of the organization. Mr. Cox, who was a member of the Armstrong committee as an Assemblyman, when Buffalo, promptly replied that the insurance men themselves were to blame, as they had not taken measures to correct evils and legislation was necessary.

Mr. Taylor had been speaking on the topic of borrowing from the reserve of an insurance company. Thirty years ago, he said, one of the best companies in the United States (he didn't name the company) let it quietly be known among its agents that the company would make loans on its policies. He described this practice as a menace to the life insurance business. Then he said:

"One of the most unfortunate things that has ever happened in the history of financial life insurance legislation was that statute written in the acts of New York at Albany in 1903 which compelled your companies and all companies doing business in this State to make loans upon their contracts. Nine States of the Union, gentlemen, have followed suit, and we are going to transact business in those States. That law may be unconstitutional. Suppose it is, and it is so declared. But like the statute preventing the removal of causes to the Federal courts, which has been declared unconstitutional in ten cases in the United States Supreme Court, there is the final umpire, the insurance superintendent or commissioner, who despite the unconstitutionality of the law says of the non-State company: 'Comply with it or I will cancel your license.' So we are perfectly helpless so far as declining to make these loans upon that class of contract in certain States is concerned."

Mr. Cox, who was not a bit provoked, said that when he heard criticism of what had been accomplished by the Armstrong committee he had an unpleasant feeling that it was directed at him, although it probably was not so intended. He knew the Armstrong committee had made mistakes, but what it had done had been done under great pressure. For years the life insurance heads had known of the evils that had existed, but had taken no steps to end them or correct them. If they had adopted corrective measures legislation would not have been necessary, but they had done nothing, and the State had to do the job. He cautioned the officers of life insurance companies present as follows:

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The principal speech at the meeting yesterday was made by William A. Day, president of the Equitable Life Assurance Society, who spoke on the "Conservation of Life Insurance." He said the country was taking interest in the conservation of material resources and he believed the people could be interested in the conservation of life insurance. In European countries, he said, the people are slow to insure, but when they do hold on to their policies. Here, he said, the insurance industry and drop it lightly. Those in charge of the insurance companies must decide upon measures to decrease and minimize waste. The public must be educated. The average policyholder seemed to think that his duty ended when he paid his premium. Mr. Day said:

You don't have to be a whiskey connoisseur to appreciate the sterling qualities of

John Jameson Whiskey

Its all around superiority is apparent to and enjoyed by the most casual drinker.

legislation to the end that their burdens may not be increased by further taxation, and by the enactment of unwise and unjust laws which operate to increase the cost of management without any corresponding benefit.

Other speakers were Dr. J. A. Macdonald, managing editor of the Toronto Globe, who favored arbitration and peace, and there was a symptom of a riot, Dr. Oscar Dowling, president of the Louisiana State Board of Health, and Dr. Luther H. Gulick.

Among the resolutions adopted at the meeting was one that should Congress legislate in the matter of the insurance companies should be allowed to come in under it.

Government Accountant Gave Name to Another House—sent a Check Back.

At the trial yesterday in the United States Circuit Court of George Graham Rice, Bernard H. Scheffels and the other members of the firm of B. H. Scheffels & Co. for using the mails to defraud in selling stock, L. J. Vorhaus, counsel for the defense, devoted most of the morning to interrogating Walter Lewis, the Government's expert accountant, about George Scheffels, the disgraced investment agent of the Department of Justice. One admission of Lewis was that he and Searborough had sent a list of customers of the raided firm to another company of mining brokers, and he admitted that he had received a check for this service. He said that he had sent the check back.

Lewis was present when the Scheffels offices at 44 Broad street were raided on September 29, 1910. He denied that he had seen Searborough, who was the first man to enter the offices, take any money or securities.

ALL CARS TRANSFER TO Bloomingdale's Lexington to 3d Ave. 59th to 60th Street Beginning Saturday, Dec. 16th, Store Will Be Open Evenings Until Christmas Store opens at 8:30 in the morning Juniors' Handsome Dresses, \$11.98 Girls' Fine Serge Dresses, 6 to 14 . \$3.98 Girls' Shepherd Check Dresses . . \$4.98 Misses' \$2.75 All Wool Sweaters . \$1.49 Children's \$1.25 Drawer Leggings . . 69c Children's Knitted Aviation Caps . . 39c Boys' and Girls' Woolen Gloves at . 25c Boys' \$2.50 W. L. Douglas Shoes, \$1.98

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FOR EQUIPMENT TRUST. P. S. Commission Approves the Application of the New York Central.

Court Calendars This Day. Supreme Court Appellate Division Terms at 10 A. M. Orders at 10:30 A. M.

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Bass Ale for family use on draught at home, may be ordered from any department store, dealer or jobber. It's the Best of the Season's Delights

The Coward Shoe Arch Support The Coward Arch Support Shoe is constructed to support the inner, or arched side of the foot, and corrects the tendency of the ankle to "turn-in."

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Guaranteed Weight 3-4 Carat Diamond RINGS \$29

NOTE We put each Ring in an expensive European Blue Box with an extra side box to match suitable for presentation without any charge.

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Pianos FINE XMAS GIFTS OPEN EVENINGS Hawley System Merger Plans. Edwin Hawley and Newman Erb, as chairman and president of the Minneapolis and St. Louis Railroad, have announced in a circular to stockholders the agreement upon the exchange of one share of Minneapolis preferred and nine shares of Minneapolis common for ten shares of Iowa Central preferred and one share of Minneapolis common for two shares of Iowa Central common.

NEWARK BOY KILLED BY TROLLEY CAR.

Base ward Bergman, 5 years old, of 189 West street, Newark, was instantly killed by a trolley car near his home last night.

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Court of Appeals Calendar.

ALBANY, Dec. 14.—Court of Appeals calendar for to-morrow: Nos. 852 and 858.

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The Wall Street edition of THE EVENING SUN contains all the financial news, the stock and bond quotations to the close of the market.

The closing quotations, including the "bid and asked" prices with additional news matter, are contained also in the night edition of THE EVENING SUN.—Ad.