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# THE SALT LAKE HERALD.

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If a man is successful in advertising he is remembered, like the reformed leader of society, for the wrong things he did well. —Rusty Mike's Diary.

## ROAD UNABLE TO RAISE THE WND

Chicago Great Western Railway Owed \$9,000,000 It Could Not Liquidate.

RECEIVERS TAKE CHARGE ARRANGEMENT SAID TO BE ONLY TEMPORARY.

St. Paul, Minn., Jan. 8.—Judge Sanborn this afternoon appointed A. E. Stickney as receiver of the Chicago Great Western railway road. Kellogg and Severance were appointed attorneys for the receivers.

London, Jan. 8.—The expected meeting of the noteholders of the Chicago Great Western company, with A. D. Stickney president of the company, was held this afternoon. It was decided to appoint a receiver for the company, to maintain the status quo during the time to prepare a first mortgage bond covering all the indebtedness of the road and to obtain a vote of the stockholders on this measure. There were many stockholders at the meeting.

Notice Issued. Subsequent to the meeting the following notification was issued by the London agency of the company:

"At a meeting held today of some of the holders of the Chicago Great Western railway notes, which mature shortly, the president of the company announced that in order to maintain the status quo it had been decided by the London finance committee that application should be made to a United States court for the creation of a temporary receivership until such time as the company should receive authorization from its stockholders for the issue of first mortgage bonds to an amount sufficient to finance its requirements."

Mr. Stickney, addressing the noteholders, dwelt on the financial conditions in America, which interfered with the payment of the 5 per cent notes that mature during the present year.

No Mortgage on Road. Only one interested firm, Keyser & Co., which has made large sales of the notes maturing in March, opposed the receivership. After the meeting President Stickney said:

"The Chicago Great Western fortunate has no mortgage. It issued a lot of notes which matured during a time of financial depression, as usually is the case, and consequently we could not pay them. A great majority of the noteholders were perfectly willing to extend the time of the notes, but some of the holders could not be reached, and it was uncertain what they might do. The committee thought it best under the circumstances, to place the property in control of the court during the time necessary to issue mortgage bonds and sell them. In ordinary times it would take three months to issue and sell these bonds, but how long it will take to sell them under present conditions is problematical."

NO OTHER WAY OUT. Action Taken After Consideration by All Interested Parties.

St. Paul, Jan. 8.—The following statement regarding the reason for the receivership was given by Mr. Kellogg this afternoon:

"The receivership is not the result of the action of any single creditor or stockholder, but has been taken after careful consideration by all parties interested, many of the creditors and the board of directors. The immediate reason for the receivership was the failure to obtain an extension of the notes now due and coming due during 1908, which were given for money borrowed for improvements and betterment of this property."

"The company has spent about \$19,000,000 during the past ten years in lowering grades, constructing new bridges, culverts, acquiring additional terminals and equipment, doubling tracking and in general improvements and betterments of the railway, and has outstanding notes for this purpose to the amount of about \$19,000,000. During last spring a plan for financing the road was agreed to by the board of directors and the finance committee, but owing to the stringency in the money market and other unforeseen causes they have been unable to carry it out."

"The earnings of the company were materially decreased during the autumn by a strike at the shops, which tied up the equipment. The strike was won by the company, but the damage had been done."

"The receivership will be temporary, pending the time required to carry through the plan of financing the road."

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## CURRENCY BILL DRAWN IN HOUSE

Measure to Be Introduced by Chairman Fowler to Remedy Existing Conditions.

BRYAN IDEA INCORPORATED PROTECTION FOR DEPOSITS AND BANK NOTES.

Washington, Jan. 8.—The sub-committee of the house committee on banking and currency, to which was entrusted, the framing of a bill to increase the elasticity of the currency, reached a conclusion today and will report favorably to the full committee a bill drawn in the main by Chairman Fowler of the committee.

The bill will be introduced by Mr. Fowler and referred to his committee, where it will form the working basis for the framing of a bill of possibly the same scope and tenor.

The bill provides for the complete retirement of all present outstanding national bank bond-secured currency and authorizes in lieu thereof a currency based upon general assets of the banks to be worked out in this way.

Redemption Cities. The controller of the currency will designate throughout the country certain redemption cities, so that there shall be a redemption city within at least twenty-four's reach of each national bank. The national banks will indicate to the controller of the currency to what redemption city they wish to be joined. The controller will then select a time and place within each redemption district for the organizing of the banks in the following manner.

Each national bank in that district, regardless of its capital stock, will be entitled to one vote. Representatives of the banks will meet at a time and place designated and elect a board of managers to consist of seven members. The seven will elect a chairman, who will become a deputy controller of the redemption district, except that he shall not have charge of the enforcement of the criminal statutes.

Guaranty Fund. Each national bank is authorized to present to the secretary of the treasury national bank notes and lawful money in lieu of other national bank bond-secured outstanding notes. Then if the bank's application therefor is endorsed by the board of managers of the redemption district to which it belongs, the bank will receive guaranteed credit notes to the amount of its capital stock. These notes will be subject to a tax of 2 per cent per annum. Each bank will be required to deposit as a guaranty fund with the treasurer of the United States 1 per cent of its average deposits for the preceding twelve months, and 5 per cent of the credit notes which it takes out. The revenue thus obtained is to be used to support a national guaranty fund of \$200,000,000 for the guaranty of both the deposits and the outstanding bank notes of every national bank. Eighty per cent of this fund is to be invested in United States bonds, drawing 2 per cent interest, while the remaining 20 per cent is to be deposited in banks of the various redemption cities for the purpose of redeeming the guaranteed credit notes of the banks of the various redemption districts.

Would Reach \$25,000,000 at Once. When the national guaranty fund reaches \$25,000,000, which would be almost simultaneous with the birth of the new law, the government is expected to return to the banks the United States bonds which the government now holds as security for federal deposits, the object being to enable the banks to get control of the bonds so that the government can invest the 80 per cent of the guaranty fund in 2 per cent bonds and regain control.

In buying these bonds the bank holding them shall be paid their original purchase price, providing their exact purchase price can be proven.

It is Mr. Fowler's idea, as embodied in the bill, to have the new credit notes printed on a green background, in differentiation from the yellow back ground of the gold notes and white background of the silver certificates.

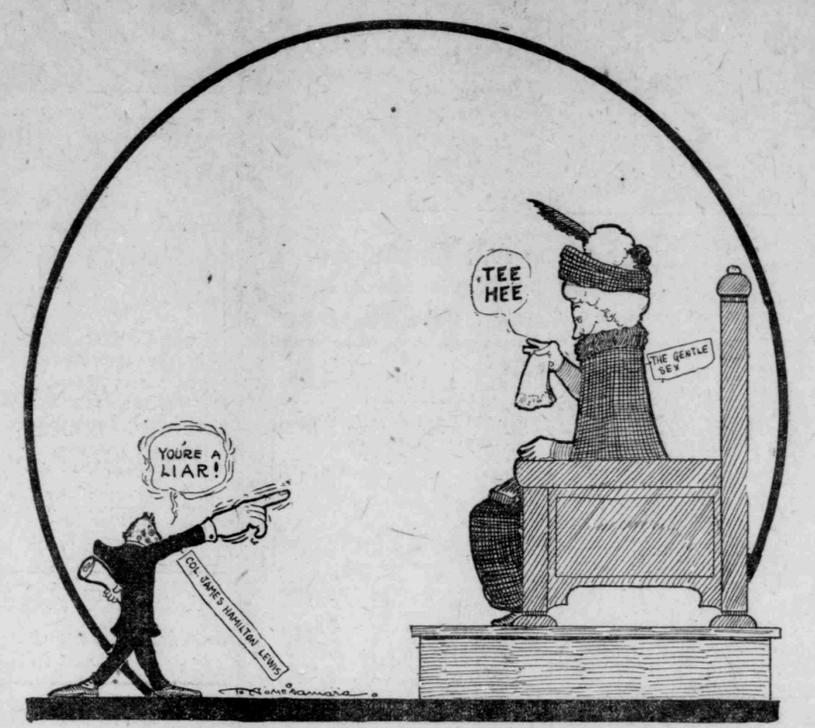
Mr. Fowler's Statement. Mr. Fowler, chairman of the committee on banking and currency, today made the following statement regarding the financial situation:

"We are today, with regard to our financial and currency practices, where we were in 1896 with regard to the standard of values, and to decide now to make all kinds of bonds the basis of currency would be just as serious and fatal a mistake as to have adopted silver then as our standard of value."

"The time is ripe, the circumstances are auspicious and a careful investigation of all the facts and conditions justifies the conclusion that congress can and should so legislate as to bring about these results:

"First, a uniform banking system.

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"A Woman Has No Idea of the Sanctity of an Oath." Address by James Hamilton Lewis to the students of the Northwestern University Law School at Chicago.

## WALSH TELLS HIS STORY IN COURT

Aged Financier Endeavors to Explain Failure of the Chicago National Bank.

Chicago, Jan. 8.—John R. Walsh, in his first public explanation of the affairs of the Chicago National bank since its closing by national bank examiners, took the witness stand today in the United States district court to defend himself against charges of misapplying funds.

He admitted that he had personally endorsed the loans of millions of dollars to the railroads and other enterprises in which he held large blocks of stock. He also acknowledged that the system of memorandum notes used in the bank was his.

Denied Personal Gain. He denied, however, that he undertook these transactions with any thought of personal gain, claiming that the interests of the bank and its allied institutions, the Equitable Trust company and the Home Savings bank, were his chief concern.

Mr. Walsh was on the stand four hours. Direct examination of the witness was still in progress when court adjourned.

Large Crowd in Court. The expectation that Mr. Walsh would testify drew a large crowd to the court room, and every seat was filled soon after he took the stand. Although he had been one of Chicago's leading citizens for years, he has appeared in public comparatively few times, and he seldom if ever spoke in public. This was evident when the questioning began today, for his replies were given in so low a tone that they were scarcely audible to the attorneys, and he was admonished to speak louder several times by his own counsel. With this exception, the witness gave little indication of either his 70 years or the strain of his long trial.

## CARPENTERS MAY STRIKE

Reduction in Wage Scale at Goldfield Will Likely Be Productive of More Trouble.

Goldfield, Nev., Jan. 8.—The carpenters' union is dissatisfied with the reduction in the wage scale made by the Mine Operators' association, and especially with the open shop proviso, and may strike. The central labor body, to which the carpenters and electricians belong, has issued an open letter to Governor Sparks, asking for legislation making arbitration of wage disputes compulsory.

The Esmeralda delegation of the state legislature has held a meeting and decided to uphold Governor Sparks if he asks for the retention of troops in Goldfield. Of the members J. E. Bailey, formerly sheriff of the county, was once a peace officer at Mercur, Utah. Tighe, another assemblyman, and Hamilton, who is a member of the Western Federation, as well as State Senator Pyne, protested against the president's action in sending the troops to Goldfield.

Four arrests were made today of men believed to have been implicated in the robbery of the residence of Mrs. Charles Keidel, which occurred last night at 8:30 o'clock. Two of the men were James Guinan and James Herington. Both men carried revolvers. Guinan carried a card in the Needle, Ariz., miners' union, in the name of Steve Collins. He was released on bonds for \$150. Two other arrests are known to have been made, but the sheriff refuses to divulge the identity of the men arrested. The thieves secured money and diamonds to the value of \$1,000 from Mrs. Keidel. The robbery was a daring one, and was committed during the early hours of the evening.

## DEFEATED ONLY WHEN DIVIDED

Ex-Justice Morgan J. O'Brien Speaks Before Democratic National Club.

New York, Jan. 8.—Speaking to the topic, "Why is the Democratic Party Divided?" Morgan J. O'Brien, ex-justice of the appellate division of the New York supreme court, who was the guest of the Democratic National club tonight, declared that if the causes that have divided the Democratic party were summarized in would be found "that they have been due to our failure to stand firmly for Democratic principles, to a preference shown by some for popular drifting sentiment, as contrasted with sound doctrine, and to a preference for party tradition."

Grover Cleveland, who was unable to be present, sent his compliments in a letter, in which he expressed the conviction that the situation confronting the people had dictated their attention more to their relief from conditions that alarmed and startled them, than to the empty satisfaction of partisan supremacy.

Ex-Justice O'Brien, after referring in highly complimentary terms to Mr. Cleveland and by inference to Alton B. Parker as "an ideal candidate," said:

"The aims and principles of the party have been so frequently stated in platforms and public addresses, and so well summarized in Jefferson's first inaugural address, that it is unnecessary to repeat them in length; but, in passing, it is proper to note that whenever the party has stood firmly and unitedly for these principles we have never met with a defeat, and it has only been when the party has been divided because of the hope that success would result from following some shifting popular sentiment or some new and impracticable reform that we have met with overwhelming and deserved defeat. To ascertain the cause of this we need but look carefully into the campaigns that have been waged and contrast the men and measures that were successful with the conditions that existed at the time of defeat."

Saying that he had been informed that one of those invited had declined an invitation to the dinner because the speaker's views on certain public questions were opposed to those of Mr. Bryan, Justice O'Brien said that it was just such intolerance that had been the greatest stumbling block to the success of the Democratic party.

## GOULD AGAIN IN CONTROL

F. Augustus Heinz Unable to Make Good for Stock of Mercantile National Bank.

New York, Jan. 8.—Ownership of the principal interest in the Mercantile National bank passed today from F. Augustus Heinz to Edwin Gould. Mr. Heinz and his associates controlled the bank until the collapse of the corner in United Copper stock last October. Mr. Heinz obtained the chief interests in the bank by purchase of the stock of Edwin Gould and William Nelson Cromwell, but much of the stock was left in Mr. Gould's hands as security for a loan negotiated by Mr. Heinz, who became president of the bank. Mr. Heinz continued in that position until the disastrous attempt by Otto Heinz & Co. to corner the copper stock, as a result of which Mr. Heinz withdrew from the bank, as he stated, to rehabilitate his brother's firm. After the financial stringency which followed these movements, Mr. Heinz was unable to take over the stock which he had deposited with Mr. Gould, and at a conference today it again passed into Mr. Gould's ownership.

## FRED G. BONFELS FOUND GUILTY

Denver Post Man Fined \$50 and Costs for Assaulting Former Senator Patterson.

Denver, Jan. 8.—Fred G. Bonfels, one of the proprietors of the Denver Post, was found guilty of assault and battery upon Thomas M. Patterson, former United States senator and principal owner of the Rocky Mountain News and the Denver Times, by Justice of the Peace Thomas Carlon today, and was fined \$50 and costs.

Mr. Bonfels attacked Mr. Patterson as he was walking from his house to his office Dec. 28 last, knocked him down with a blow in the face and struck him several times afterward.

At his trial Mr. Bonfels set up the plea of justification, based upon the publication of articles in Mr. Patterson's newspapers containing charges against him which he declared to be false.

Justice Carlon heard considerable evidence bearing upon these charges, but held that "words of any nature, spoken or published, don't justify an assault," though, he said, they could properly be considered as mitigating circumstances in fixing punishment.

The justice took both Mr. Patterson and Mr. Bonfels to task for personal attacks upon each other in their respective newspapers and requested them, "for the good of the general public," to stop the practice. He warned Mr. Bonfels not to repeat the assault, as he has threatened to do.

Mr. Bonfels's attorney filed notice of appeal from Justice Carlon's decision to the county court.

## FLEET PASSES PERNAMBUCO

Extensive Program Prepared at Rio Janeiro for Entertainment of American Sailors.

Rio Janeiro, Jan. 8.—The program for the entertainment of the officers of the American battleship fleet under Rear Admiral Evans, who is sighted passing this port today at noon on its way to Rio Janeiro.

The date for an entertainment by the fleet will visit the ministry of marine and the Naval club. On the 13th they will be given a breakfast by the minister of marine, Admiral Alencar, at the hotel on the summit of Mount Corcovado.

The 14th the American ambassador, Irving B. Dudley, will give a banquet at Petropolis, the suburb of the city, where the diplomats reside. On the 15th the visiting naval officers will be entertained at breakfast by the president of the republic, Dr. Penna, a reception at the Crystal palace at Petropolis will be held on the 16th, and on the 19th there will be a big banquet in honor of the visitors by the foreign minister, Baron de Rio Branco, in the Monroe pavilion.

MINES CLOSED DOWN. Chattanooga, Tenn., Jan. 8.—The Shady coal company, operating mines and coke ovens at Rathburn, sixteen miles from this city, today closed down the plant and about 100 men are idle. The men resisted a proposed reduction in wages amounting to 10 per cent.

## ANNUAL MEETING OF SUGAR TRUST

Speckels Trying to Discover Line Between Company Property and Havemeyer Estate.

PUBLICITY IS PROMISED SURPLUS RESERVED AS WORK-CAPITAL.

New York, Jan. 8.—Publicity in the affairs of the American Sugar Refining company will be the policy favored by W. B. Thomas, acting president of that company, according to an announcement which he made at the annual meeting of the stockholders held in Jersey City today. On that point there have been several contests by the stockholders. Claus A. Speckels declared before the meeting that he was determined to discover what property of the company owned and what the property of the company ends and the estate of H. O. Havemeyer begins. Mr. Thomas presided at the annual meeting today. He said that the policy of this policy, and hoped to put it into effect. The directors were of the opinion, he said, that a substantial reserve should be maintained to meet the exigencies of business. Whatever reserve there was belonged to the stockholders.

The policy of doing as large a business as possible at small profits and of maintaining the strength of the company's position would be followed by the directors unless otherwise instructed. The business in the past year had been satisfactory and the company is in a strong financial condition, Mr. Thomas said. He advocated increasing the number of directors from seven to nine.

Change Now Necessary. Mr. Thomas said he believed Mr. Havemeyer's policy had been fully justified in the past, but that now a policy of publicity is desirable in view of the conditions which corporations confront. He added that he was heartily in favor of this policy, and hoped to put it into effect. The directors were of the opinion, he said, that a substantial reserve should be maintained to meet the exigencies of business. Whatever reserve there was belonged to the stockholders.

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One Speckels Motion Adopted. Mr. Speckels moved, and the stockholders adopted, a motion that a full statement of the properties and subsidiary companies owned by the American Sugar Refining company shall be made.

Mr. Speckels opposed, but the stockholders adopted a motion to preserve the accumulated surplus as a working capital.

John E. Pearsons of New York and R. Frazier of Philadelphia were re-elected directors, and Horace Havemeyer was chosen a director to succeed his father, the late president.

Mr. Speckels moved that the earnings of the company be included in the statement of the properties owned. President Thomas said the directors would regard this suggestion favorably in preparing the statement, but the Speckels' motion was not adopted.

The by-laws were amended so as to increase the board from seven to nine. Action of the body on Jan. 2 in reserving the accumulated profits and surplus for the working capital was approved by the stockholders, despite a protest by Mr. Speckels. The amount of the surplus was as yet unknown to the stockholders.

FIGHTING SHY OF THE ARMY. Impossible to Get New Recruits to Fill the Places of Resently Discharged Men.

Washington, Jan. 8.—The hard times in the industrial world that have driven into the marine corps and the navy nearly all of the men needed to fill the authorized quotas, have not helped the army so far in the matter of recruiting. Reports still flow in upon the war department of failure to secure recruits; of private buying their discharges; of non-commissioned officers refusing to re-enlist; and of resulting skeleton organizations that are little more than travesties upon fighting forces. A report just at hand is one from Fort McIntosh, Texas, in which the commanding officer of a battalion of the Nineteenth infantry says:

"I have present today in the four companies fifty-six men, and twenty-nine of these are to be discharged this month. At the end of this month we get no recruits one company will have three men and another four. The other two companies will have eleven and twelve men, respectively."

The report is one of a number being collected for the enlightenment of congress in dealing with the great question of "What is wrong with the army?"

DARROW RECOVERING. Los Angeles, Cal., Jan. 8.—Clarence Darrow, the Chicago attorney, has so far recovered from his illness that he has been able to move from the California hospital to private apartments. It is believed that all necessity of an operation has passed.

## LABOR OPPOSES TAFT

Concord, N. H., Jan. 8.—Opposition to Secretary Wm. H. Taft as a presidential candidate was embodied in a statement issued today by the executive committee of the state branch of the American Federation of Labor. The statement says in part:

"We, the executive committee of the New Hampshire branch of the American Federation of Labor, in sentiment and sympathy with union members of all political parties in this country, hereby declare ourselves unalterably opposed to the nomination of Wm. H. Taft, secretary of war, for the presidency; that we recognize in him, through his public utterances and judicial decisions and opinions, the arch enemy of organized labor; that he is the instrument and exponent of capitalistic power; that the writ of injunction which he upholds, never was intended and never should be permitted to deprive honest industry of its personal rights; that he object to his methods of campaigning as any one man's own, however exalted and influential may be his master, or widespread his own support and endeavor; and that we are determined and irrevocably opposed to his candidacy."

## HANDS FULL AT HOME

Paris, Jan. 8.—The Echo de Paris today prints an interview emanating, it says, from an "authorized Japanese source," with the object of showing that Japan is so absorbed with the maintenance of Asia that war with America is impossible.

"The entire attention of Japan," says the interview, "is taken with China and Korean developments. China has just dismissed a number of Japanese instructors, who have been replaced with Germans. The Manchurian situation is full of complications, and China demands the immediate integral application of the treaty of Portsmouth, which would deprive Japan of the possibility of exercising an efficacious influence in Manchuria."

Japan opposes the extension of the Pekin railroad to Foukoumer, by way of Hamintan, on the ground that the Pekin agreement of 1906 stipulated that China should not construct a parallel line, injurious to Japanese interests. The Japanese occupation of Korea also is meeting with much opposition, and for this and other reasons Japan is actively pushing the work of increasing her armament.

The message of the emperor of Japan clearly indicates that the country is looking to the far east and not in the direction of America.

## EDDIE DEPOSED FROM MINISTRY

Sentence Pronounced Publicly by Bishop Spalding in St. Mark's Cathedral.

FINAL APPEAL IS VAIN ACCUSED LEAVES JUDGMENT TO GOD AND FELLOW MEN.

SENTENCE AND REPLY. In accordance with the verdict and judgment heretofore referred to, and the duty thereby imposed upon me, I, Franklin Spencer Spalding, bishop do hereby pronounce upon James B. Eddie, presbyter, sentence of deposition from the ministry of the Protestant Episcopal church.—Bishop Spalding.

Your attitude is consistent with your policy of injustice in this matter. I leave my cause in the hands of the all just and unerring Judge of all mankind. The Anglo-Saxon race loves justice and abhors all secret acts of man against man, and while I am denied justice here, it will not be refused me by fair-minded men and women.—Dean Eddie, formerly of St. Mark's cathedral.

Grouped about the little altar in the shadowy basement of St. Mark's cathedral yesterday afternoon, a few spectators saw former Dean James B. Eddie drink the last bitter drops from the cup of shame which had been presented to him. All who gazed upon the scene felt the tragedy of it. And when it was all over, women, who believed in Dean Eddie's innocence, burst into tears. Others, stung to resentment, hissed the sentence pronounced by Bishop Spalding.

The bishop left the room, followed by Rev. Alfred T. Brown of Ogden and Rev. George H. Townshend of Provo. The spectators, most of them being women of prominence in Salt Lake social life, gathered about Dean Eddie, assuring him that they believed that he had been unjustly treated. It was a touching spectacle. The women, any one of whom would have shuddered at the thought of a woman's unpopularity, had bravely lent their support to their former pastor when he stood at the last ditch in his long and losing fight.

When the hour for Dean Eddie's humiliation came, Bishop Spalding rose from his seat upon the platform before the altar and read the formal address before pronouncing sentence. After stating that the ecclesiastical court had found Dean Eddie guilty of immorality and had rendered judgment that he should be deposed from the ministry, the bishop said:

"You are privileged to show cause why sentence should not be pronounced, offer anything in excuse or palliation."

Dean Eddie's Statement. Dean Eddie, at this, stood up. He is a little man, with snowy hair and a thin face, in which suffering has worn deep furrows. He read his address in a firm voice. When he raised his eyes from the manuscript, he fixed them upon Bishop Spalding, whom he accused of injustice. He said, in part:

"Like St. Paul before King Agrippa, I am glad to answer for myself, but I shall content myself with the following:

"I am innocent, absolutely innocent, of all the charges made against me. I have never, in thought, word or deed, committed any of the offences with which I was charged. I have never done ought that I would not do or be willing to have done to my own children. I always did the best I could for every member of St. Mark's cathedral, and the period of my ministry has been one of the most prosperous, materially and spiritually, in the history of this parish."

"From the records of my trial, from correspondence and from facts well known to many, it has been shown that, regardless of my guilt or innocence, law or evidence, truth and justice, this end now reached was determined on from the beginning by those calling themselves my friends."

"Guilty or not guilty," said Mr. Huntington on the 12th of December, 1905, 'you ought to resign and go away for the good of the church.'"

"In a letter written by you, Right Rev. Bishop Spalding, to me on the 9th of May, 1906, some time before the commission on my case rendered its report, you practically assumed my guilt and suggested the same course. You wrote: 'Since it seems probable that grounds for trial are to be reported, do not think me unfair or unloving if I consider the opposite alternative and ask you to consider it, too.'"

"Because of your widely published belief in my guilt among the clergy and laity of this district, and because of your position and influence as bishop, I am compelled to do as follows:

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