

ASSAILING THE TAX.

Why Some Corporations Oppose the New Law.

IT HAS NO UNIFORMITY.

Lawyer Guthrie So Argues Before the Supreme Court.

CERTAIN CONCERNS FAVORED.

Companies in New York Exempted Purposely by the Wording of the Act.

WASHINGTON, March 7.—The Supreme Court did not reach the income-tax cases until 3 o'clock to-day, when W. D. Guthrie was recognized to open the case for the appellants. He appeared especially for Messrs. Pollock and Hyde, who appealed their cases against the Farmers' and Continental Trust companies of New York from the decision of the United States Court of Appeals for the southern district of New York. Mr. Guthrie devoted himself to an outline of the argument proposed to be made by the counsel for the appellants and had not concluded when the court at 4 o'clock adjourned for the day. He stated they would depend principally upon showing that the present income-tax law was unconstitutional because of its want of uniformity, and quoted at length from the provision of the law to show that the tax is not uniform, contending that Congress had no right under the constitution to levy a tax for the duty, excise or import, which was variable or lacking in uniformity as to individuals and corporations, because it was the fundamental rule that burdens in these respects should be equal upon all.

Guthrie said the two cases against the trust companies were similar, but that he would devote himself primarily to the Pollock case, because in that case the interests involved were greater than in the other, but while this company conducts an immense business its business is one which might be carried on as well by a private partnership as by a stock company, in which case it would be exempt under the laws from the income tax.

He said Pollock was a shareholder in this company, the net income or profits of which during the past year, subject to the income tax, exceeds \$300,000, of which \$50,000 represents rents of real estate and about \$90,000 investments in municipal bonds, which latter investment could not, he claimed, be taxed under a former decision of the Supreme Court. Guthrie asserted that the provision of the law exempting all incomes under \$400 would cause it to fall upon less than 2 per cent of the population of the United States and the law was therefore class legislation. He also showed that the tax was not uniform as regards corporations, of which a favored class were exempted, as, for instance, mutual insurance companies and building associations, as well as partnerships and religious and benevolent institutions.

As to the exemption of churches, benevolent concerns, etc., counsel would have nothing to say, as there was enough in the other exceptions in cases where the exemptions were in the interest of shareholders, though called by another name, to afford sufficient text for all they could say. As illustrative of the effect of the operation of the law he pointed out that an individual owning real estate bringing an income of \$8000 would pay \$30 in taxes, while a corporation would be required to pay double that amount. He also instanced the case of a partnership of five persons doing a business amounting to \$50,000 a year which would be required to pay no tax, while a corporation composed of the same persons would be compelled to pay \$500. In a word, he said, the application of the law would vary according to ownership.

The corporation was only an aggregation of individuals, and in most corporations a part, at least, of the stock, was owned by the middle classes. Guthrie dwelt upon the exemption in the interest of the building and loan associations, who were, he said, relieved of the annual payment of \$600,000, and whose assets, it has been asserted, were greater than the combination of all the national banks. All men would have to do to evade the operations of the law would be to organize building and loan associations. He argued if the present law should be held to be constitutional, Congress could levy a duty of 25 per cent on the imports of individuals and of 50 per cent of those of corporations, or if the sentiment in Congress should change, it could as easily reverse the process and favor the corporations. The principle would be the same.

Referring to the exemption made in the interests of mutual insurance companies, he asserted that in the United States there were 1900 such companies and that of these 1600 were doing business on the mutual plan, and he said in New York alone the wording of the act exempting such companies would relieve a thousand million dollars' worth of property from its operation. The leading mutual insurance company would secure the benefit of an exemption on its income amounting to \$300,000 per year, while its rival, organized on the stock plan, would have to pay its income tax. This advantage was given in the law, he asserted, simply because some one wanted to favor some particular mutual company.

Taking up the provision of the constitution requiring uniformity in levying imports, taxes, etc., he refuted the argument that the word uniformity was meant to have only a geographical application to prevent discriminating in favor of one State as against another, but contended it was meant to secure equality of taxation. Guthrie will resume his argument at 12 o'clock to-morrow.

LUBIN'S PLAN INDORSED.

Remedies for the Depression in the Price of Farm Products. WASHINGTON, March 7.—Last December a resolution passed the House requiring the Committee on Agriculture to investigate and report what is the cause of the depression in prices of farm products, detrimental to farmers' interests generally. A majority of the committee have filed a report in which they say chief among the causes of depression were the demonetization of silver, the high tariff and food adulteration, and that the remedy lies in the adoption of the plan proposed by D. Lubin of Sacramento, Cal., when he appeared before that committee last December, viz.: a bounty on certain agricultural products. Then

there must be anti-option and pure-food bills passed by Congress and silver must be demonetized before there can be any substantial relief for farmers.

BUYING AMERICAN CLOTH.

New Market for Woollen Goods Found in England. WASHINGTON, March 7.—Anomalous as it may appear, American cloth is being sold in the English markets and right in the center of the English cloth-manufacturing districts. United States Consul Meeker, who has reported the fact to the State Department, says this seems to justify the predictions made at the time of the passage of the Wilson tariff act. He states that a representative of an American house has been buying English cloth in England and has at the same time been selling cloth there. The American cloth is woolen stuff suitable for coating and men's suiting, selling at from 50 to 60 cents per yard. The English merchants pronounce it to be superior cloth for the grade, made of short wool and cannot see how it can be produced and sold for the price.

NO FREE SEED FOR FARMERS.

An Item Left Out of One Appropriation at Cleveland's Request.

WASHINGTON, March 7.—It transpired to-day that the agricultural appropriation bill as passed by Congress omits the usual appropriation of \$300,000 for seeds, to be distributed to farmers by members of Congress. The conferees on this bill received a quiet tip from the White House that President Cleveland would veto the bill if this provision for seed distribution was included. The conferees eliminated this item, but made no report of the same to the House and Senate for fear of raising a row that might endanger the bill's passage. There is now some talk among members of holding an investigation into this matter in the next Congress and to place the responsibility where it belongs.

CIVIL SERVICE AMENDMENTS

SOME IMPORTANT PROVISIONS ARE APPROVED BY THE PRESIDENT.

GOOD CHARACTER AND FAITHFUL WORK TO FIGURE IN PROMOTIONS.

WASHINGTON, March 7.—The President has approved sundry amendments of the civil service rules. These amendments were largely formal and were made necessary in consequence of the recent extension of the classification in the departmental service to include messengers, assistant messengers and watchmen and classification of the internal revenue service. One of the amendments gives the Civil Service Commission authority in its discretion to reject the application or to refuse the certification of an applicant who has been guilty of a crime or of infamous or notoriously disgraceful conduct. Prior to this amendment the commission only had the power with reference to certification in such cases.

Age limitations have been prescribed for the new classes brought within the classified service by the recent extension. These limits are for messengers or assistant messengers not under 18; for page or messenger-boy not under 14 nor over 18 years of age. A further amendment provides for transfers from the internal revenue service to a bureau in the Treasury Department in which business relating to the internal revenue is transacted and from such a bureau to the internal revenue service, this amendment being in all respects similar to the provision now existing with reference to transfers from the customs service to the Treasury Department, and from the department to the customs service. A proviso has been added which authorizes transfers from one department in Washington to another without examination. This amendment has been made in view of the fact that the service law has now been in operation in departmental service more than eleven years, and that a large proportion of the employees now in these departments have entered the service through the civil service examinations, and the further fact that those who have not been so appointed have had long experience and have acquired valuable knowledge not only of the business of the department in which they are employed, but of the public service generally. In view of these considerations, it was believed the time had come when transfers from one department to another, where the transfer is to be to a place and a class of duties similar to those performed in the department from which the transfer is made, might be without examination and without detriment to the public interest. A further amendment to the rules provides that persons appointed as messengers, assistant messengers, watchmen or in any other subordinate capacity below the position of clerk or copyist, may be transferred after completing the probation of six months, if not debarred by age limitations, to any other like subordinate positions. But they may not be promoted to the position of clerk or copyist, or to any place the duties of which are clerical. An exception is made with regard to printers' assistants in the Bureau of Printing and Engraving, who are only eligible to transfer to the grade of operatives in that bureau.

REV. MR. BACHE DISAPPEARS.

There Is Much Mystery Connected With the Missing Clergyman.

New York, March 7.—The disappearance of the Rev. John Owen Bache, New York financial agent of the Union Central Insurance Company of Cincinnati, is still unexplained. President Pattison of the company, who is in charge of Bache's office here, said to-day: "The more thought I give to this unfortunate affair the more perplexed I become. Our company has all confidence in the integrity of Mr. Bache, and we believe that all things will right themselves before long." President Pattison attributed Mr. Bache's disappearance to illness. Mr. Bache's private box in the office safe has not yet been opened. Mr. Bache was born in this city. His father was a wealthy coal merchant. The son inherited considerable property from his mother. He was assistant rector of Holy Trinity Church under the Rev. Staple King's pastorate. He left the ministry to engage in the life insurance business. Bache was related to Bishop Burran of Trinity Church, who, it was said, is a descendant of Benjamin Franklin.

To Close a Texas Bank.

WASHINGTON, March 7.—The Comptroller of the Currency has ordered Bank Examiner Johnson to close up the First National Bank of Texarkana, Tex. The capital stock of the bank is \$50,000 and the liabilities are \$40,000. The stock, however, had become impaired and on the failure of the stockholders to make good the order to suspend was given.

MR. DANA IS INDICTED.

With Publisher Laffin of the "Sun" He Will Be Arrested

FOR A CRIMINAL LIBEL.

Vindication for F. B. Noyes of the Associated Press.

THREE COUNTS IN THE BILL.

There Was Evidently No Ground for the Bitter Attack on the Washington Editor.

WASHINGTON, March 7.—The Grand Jury of the Supreme Court for the District of Columbia has returned an indictment for criminal libel against Charles A. Dana, editor, and William Laffin, publisher, of the New York Sun. The presentment was formally made to Judge Cole, presiding, by the foreman of the jury to-day. It is a formidable document of many pages, setting forth the malicious motives of Messrs. Dana and Laffin in criminally libeling Frank B. Noyes, proprietor of the Washington Evening Star, and one of the board of directors and of the executive committee of the Associated Press. The District Supreme Court is a United States court, and according to the procedure of such courts District Attorney Birney will transmit a certified copy of the indictment to the District Attorney for the Southern District of New York, located in New York City. It will be submitted to a United States Commissioner, who on satisfying himself of the formal regularity of the indictment will issue a criminal warrant for the arrest of Messrs. Dana and Laffin. The Commission also fixes the amount of bail. The accused have the right of applying for a writ of habeas corpus to contest the prima facie sufficiency of the procedure before being arraigned on the merits of the indictment. It is expected the transmission of the indictment to New York and the arrest of the two accused will be accomplished within a day or two.

The indictment, as returned, contains three counts setting forth different circumstances of criminality on the publishing of the libel. The proceeding is according to the common law, which, as modified by certain acts of Congress, constitutes the jurisprudence of the District of Columbia. Before specifying the three criminal counts the indictment sets up the circumstances and motives leading to them. It states that the Associated Press is an incorporated news agency for the wide distribution of news, with branches in New York, Chicago, Washington, St. Louis, San Francisco and throughout the country. Its affairs are conducted by a board of directors, of which Mr. Noyes is a member.

The indictment states the international organization of the United Press, which has Charles A. Dana as president and William A. Laffin as vice-president. Mention is made of the two rival associations to show the animus of the subsequent acts charged against Dana and Laffin. It also gives the organization of the Sun Printing and Publishing Association, with Charles A. Dana as editor and William A. Laffin as publisher. The three counts of criminal libel are the first count, which states that on February 22 last the New York Sun published an editorial, from which following is an extract:

The corporation (meaning the Associated Press) is organized under the Illinois State law, and the provisions of the statute respecting the personal liability of directors are amusing. We commend a careful study of them to the unfortunate newspaper managers who have been roped in. They may see their way to making such a thoroughly dishonest director as F. B. Noyes of Washington, for instance, refund to them the amount of the extra assessments out of which they have been bunked.

The indictment, after stating that the foregoing libel was circulated in New York City, charges also that on the same day Messrs. Dana and Laffin sent 300 copies of the paper to Washington and thereby published the libel in Washington. The two accused are charged with full knowledge of what appears in the editorial columns of their paper and with responsibility for the same.

The second count refers particularly to the publication of the libel in Washington. The third count is general in terms—accusing Dana and Laffin of composing and publishing a criminal libel without specifying the sum or detailed circumstances of the charge. The first count is the most specific and gives the gravamen of the charges on which the Grand Jury acted.

Besides the foregoing there are features of libel set forth and there is the usual formal and severe language of the law in specifying an allegation of crime. The proceedings have been under the direction of District Attorney Birney also, he has assigned Attorney Taggart to conduct the case before the Grand Jury. Being a criminal and not a civil case, the prosecution is conducted by the public officers as an offense against the public rather than as against an individual, the theory of the law being a libel against Mr. Noyes or any other citizen is an offense against the peace and quiet of the community to be prosecuted in the same manner as any other disturbances of the public peace.

When the warrants are issued Messrs. Dana and Laffin will have three courses open to them. They may submit to arrest and decline to give bail, in which case they will be brought to Washington to stand trial. If they give bail it will insure their coming to Washington at the time the case is called in the United States District Court. In the meantime they may test the sufficiency of the face of the indictment, without going into its details by applying for a writ of habeas corpus. The action of the Grand Jury in indicting Messrs. Dana and Laffin will undoubtedly add another celebrated case to the annals of American criminal law. While the indictment is one in behalf of the public against the libelous course of Mr. Dana and his coadjutor, Mr. Laffin, yet it incidentally protects the reputation of Mr. Noyes and others who have been maligned by this source. It is assumed these persons are willing to attempt to justify in court this publication against Mr. Noyes, and such an effort at justification is welcomed. It is fitting that

Fire on the Transport Fern.

Boston, March 7.—Fire broke out on board the United States transport Fern during her trip from Philadelphia to the Boston navy-yard, where she arrived last night, and it was only by hours of hard fighting on the part of the officers and crew that the flames were kept from the magazine where 500 pounds of powder were stored.

Cause of the White Ash Mine Horror.

DENVER, March 7.—The coroner's jury has found that the gas explosion in the White Ash mine, February 27, which killed 10 men, was due to lack of air, zinc, which was obstructed by water. Heavy damage suits will be instituted against the company by relatives of the victims unless a compromise is effected.

CANNON'S WISE WORDS

Vividly He Points Out the Blunders of the Democrats.

VERY BAD FINANCIERING

Telling Comparisons of the Work of the Past Congresses.

EXTRAVAGANCES OF THE LAST.

Work of the "Billion-Dollar Congress" Outdone by the Cleveland Followers.

WASHINGTON, March 7.—Representative Cannon of Illinois, on behalf of the Republican minority of the House Committee on Appropriations, has prepared a summary showing the total expenditures of the Fifty-third Congress and comparing them with the expenditures of the so-called "Billion-dollar Congress," in which Mr. Cannon was at the head of the Appropriations Committee. The statement will be published to-morrow as a part of the Congressional Record. It says:

I avail myself of the opportunity to present for the information of the public and of the country a statement of the aggregate of appropriations made by this Congress—the first half of Cleveland's administration—as compared with the aggregate of the appropriations for the Fifty-first and Fifty-second Congresses, respectively, under Harrison's administration. For this purpose I insert a comparative statement, which has been carefully compiled and is correct.

AN EXTRA SESSION LIKELY.

CLEVELAND MAY CALL CONGRESS TOGETHER AT VERY SHORT NOTICE.

IT WOULD ALL SEEM TO DEPEND ON THE CONDITION OF THE GOLD RESERVE.

WASHINGTON, March 7.—A Cabinet officer is authority for this notable statement, the accuracy of which would be questioned were it not for the source from which it comes: "There is a general assumption that it is definitely decided there will be no extra session. The decision is erroneous. Whether there will be an extra session or not depends upon circumstances. The public is not aware of the fact that the President almost decided last Sunday that there should be an extra session. The subject would be considered by the Cabinet. The immediate cause was the sundry civil and deficiency appropriation bills. The President was very much disposed to veto both of them. At one time he had nearly decided to do so, but he concluded that it would be better to allow the country to have a rest for a time, and to await the progress of events and not to call an extra session now."

"But if there shall be a run upon treasury gold and the treasury reserve shall be depleted in spite of the arrangement which has been made to protect gold, the President unquestionably will convene the next Congress as soon as that fact shall be made clear or probable." This statement is of much significance. The result will be that the people will watch the treasury gold reserve with increased interest.

IMPORTATION OF BOOKS.

An Interesting Question Involving a Copyright Law.

WASHINGTON, March 7.—An important question relating to copyrights has been raised by a well-known publishing house and is now under consideration at the Treasury Department. The old copyright law made it illegal to bring into the United States foreign copies of books copyrighted in this country. The law of 1891 amended the old in some unimportant particulars, but expressly stated it was not to go into effect until a subsequent date, July 1, 1891. The question involved is whether the new law, not being retroactive, did not release from the importation prohibited all books of American authors copyrighted prior to July 1, 1891. Should it be held that the new law took the place of the old, foreign editions of all American books written and copyrighted prior to 1891, might hereafter be imported free of duty and without regard to American copyright laws which would necessarily interfere with the publishing business in this country.

DENVER'S WOMEN BURGARS.

Charges Against Mrs. Shaw and Mrs. Pike Dismissed.

DENVER, March 7.—The case against Mrs. Bertha K. Shaw, charged with receiving stolen goods, was dismissed to-day and the defendant discharged. Mrs. Shaw, with Mrs. Henrietta E. Pike, was arrested December 26. Mrs. Pike, it was claimed, entered the residence of Mrs. Ives, in a fashionable quarter of the city, and during the family's absence carried away valuables and household articles, a portion of which she stored in her room at Mrs. Shaw's house, near by.

Mrs. Ives was the wife of a former general manager of the Denver and Rio Grande, and Mrs. Shaw's husband was a wealthy liquor-dealer in Denver, but now in Montana. Mrs. Pike is now in California, where she is living with her husband.

RE-ENTERS THE REBELLION.

Da Gama Back in Brazil With a Big Following.

MONTEVIDEO, March 7.—It is reported that Da Gama, leader of the recent rebellion in Brazil, has re-entered Brazil and taken up arms against the Government in the province of Rio Grande do Sul, with a force of 3200 men, comprising a naval battalion with twenty-two naval officers.

Lisbon, March 7.—Advices received here from Rio de Janeiro say that diplomatic relations between the Governments of Portugal and Brazil, which were interrupted at the close of the recent rebellion in Brazil, as a result of the escape of Admiral da Gama and some of his adherents from a Portuguese vessel on which they had taken refuge, will shortly be resumed.

STRIKE OF COAL-MINERS.

IT EXTENDS THROUGHOUT THE BIG PITTSBURGH DISTRICT.

SO FAR ONLY ONE FIRM CONCEDES THE DEMANDS MADE BY THE MEN.

PITTSBURGH, March 7.—The strike of the miners of the Pittsburgh district is on in full force, and it is expected that to-day will see a general suspension of work, except by less than 1000 men. It was estimated that before night 15,000 miners would quit work.

Reports received at the miners' headquarters up to noon showed a general suspension of work throughout the district. From the report of the Commissioner of Labor, it is estimated that the number on strike is over 21,000, and the number employed at the mines, where there is to be no strike, is about 1300.

Considerable uneasiness was caused the operators to-day by the Hackett Coal Company at Findleyville, controlled by Boyle Bros., posting a notice that their mines will resume to-morrow at 90 cents, the rate demanded by the men. William Florenheim's men in the same section asked a similar concession, but were refused.

The Boyle Bros. were asked by the operators to rescind their notice under promise of having their orders filled from the mines at work for 55 cents, but they replied that it was their intention to conduct their own business.

The men at Catsburg, on the Monongahela River, have returned to work, the company having conceded the scale.

Reports from all parts of the district tonight confirm the earlier reports that the

strike is complete with the few exceptions mentioned.

TRENTON, N. J., March 7.—Six hundred of 7500 employes of S. K. Felton's wool mill have struck for a restoration of a second 10 per cent reduction made in wages last summer. They claim the promise to restore wages on January 1 has been violated.

DES MOINES, Iowa, March 7.—The session of coal miners and operators here broke up in a disagreement. The vote taken by the operators taken on the 80 per cent scale carried by 43 to 23. The miners refused to abide, claiming they represent three-fourths of the coal output of the State. They then entered into a conference with the operators, but nothing was done to-day.

PAPA STONE CHEATS CUPID.

ONE CASE IN WHICH LOVE DID NOT LAUGH AT LOCKS AND BARS.

PRETTY DAISY GARDNER'S INTENDED KEPT IN A VAULT TO PREVENT MARRIAGE.

CHICAGO, March 7.—The breach of promise suit of Daisy Gardner, a telegraph operator, against George W. Stone, son of a wealthy Board of Trade operator, has developed a romantic story, in which stern parents, big iron vaults, an imprisoned bridegroom and disappointed wedding guests are mingled in charming confusion. Daisy Gardner is a very pretty girl, who takes stock quotations and the like in an office very near the Board of Trade, where young Stone is employed in his father's office.

The young people met often, and Cupid

Japanese Treaty Ratified.

WASHINGTON, March 7.—The Emperor of Japan has formally executed the ratification of the new treaty with the United States, and the document is expected to arrive here March 20. President Cleveland's ratification is expected to reach Japan about the same time.

Suicide in Central Park.

NEW YORK, March 7.—A man who from papers found on his body is supposed to have been William Simon, a guest of the Vanderbilt Hotel, committed suicide in front of the Museum of Arts building in Central Park to-night by shooting himself in the head.

A Fullerton Man Dies of Lockjaw.

FULLERTON, Cal., March 7.—George Mehler, a well-known German of Fullerton, died suddenly this afternoon with lockjaw, caused by running a nail through his boot. He was 30 years of age and married.

NEW TO-DAY.

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Beautiful ODD CHAIRS and DAINTY DIVANS Suitable for Parlor Furnishings. Artistic Styles in BEDROOM SETS, CHIFFONNIERS and DRESSING TABLES. Magnificent Display of DINING-ROOM, LIBRARY and HALL FURNITURE.

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