

BANK LOOTED BY WALSH'S SCHEMES

Government Says He Got \$14,000,000 for Worthless Bonds.

SOLD THROUGH DUMMIES

Ex-President of Chicago National on Trial for Financing Private Enterprises With Bank's Funds. All Warnings Ignored.

CHICAGO, Nov. 13.—The trial of John R. Walsh, ex-president of the Chicago National Bank, on a charge of misuse of the funds of that institution, formally opened today. The jury was completed shortly after noon, and Assistant District Attorney Fletcher Doherty at the opening of the afternoon session commenced the preliminary statement in behalf of the government.

The government will attempt to show that Walsh took from the Chicago National Bank, the Equitable Trust Company and the Home Savings Bank \$14,000,000. In his statement to the jury, Doherty declared that Walsh obtained the ownership of various large properties without cost to himself, by using the funds of the banks. He said:

Sold Bank Worthless Bonds.

Watered stock to the probable amount of \$25,000,000 or \$30,000,000 was issued. Mr. Walsh, through his employees, voted the stock to himself and sold this stock to the banks, taking the money to build up his private enterprises. All of the stock sold by Mr. Walsh was practically worthless. It was the practice of Mr. Walsh to make loans to one of his companies and then sell the bonds of that company to the banks. These bonds were practically worthless.

The assistant district attorney then stated to the jury how Mr. Walsh had induced various people to sign accommodation notes for the bank, and he continued:

Then he signed the names of people to notes. Checks were made out payable to bearer and credited to the account of Mr. Walsh. Bonds were made out to the same "dummies" who were on the notes, and the credits were made to Mr. Walsh's account.

Ignored Repeated Warnings.

In 1903 Mr. Walsh was told by the bank examiner that the Chicago National Bank was being loaded down with the securities of Mr. Walsh's personal enterprises. The examiner ordered him to take the securities out and Mr. Walsh promised to do so. In 1904 the bank was found in the same condition, the warning was repeated and Mr. Walsh again promised to remove the securities. Another examination showed that the bank was in a worse condition than ever, and it was again ordered to be closed.

While the selection of the jury was in progress 500 books of the Chicago National Bank were carried into the courtroom, in accordance with an order issued by Judge Anderson.

Least Objectionable Deal.

As an illustration of Mr. Walsh's procedure in matters of finance, the examiner cited the Peoria Gas & Electric Company, which he referred to as "perhaps the least objectionable of any of Mr. Walsh's enterprises." He said:

This company was organized in 1899 and the capital stock was fixed at \$500,000. Two hundred thousand shares of this stock were all paid by others in the company than Mr. Walsh. Mr. Walsh was to hold \$300,000 of the stock, and he was to issue bonds to that extent. These were worthless, but he put them in his bank and took out money for them with which to build up the company.

An objection by the defendant's counsel at this point was sustained by the court and Mr. Doherty passed to the next exhibit of the Southern Indiana Railroad Company, reviewing its history up to the time Mr. Walsh purchased it for \$125,000. Mr. Doherty said:

Bonds of Railroads Deposited.

He had issued to himself \$300,000 in bonds at a very low price. These bonds had no value. He put them into the Equitable Trust Company, selling them at \$100,000. He then issued \$200,000 of bonds and sold them at par. He took money from time to time from the Chicago National Bank and from the Equitable Trust Company to develop this property, depositing worthless bonds until he had deposited with the former \$300,000 and with the latter \$600,000. He tried to get the bonds listed on the New York Stock Exchange, but was told they were worthless and the matter was laid over. Later he stated that he had been distributed, but he had contributed in his own bank at his own price.

In 1901 and 1902 the prosecutor told the jury, various amounts of money were taken from the banks and placed in marketable bonds as collateral until more than \$3,000,000 had been removed for the personal use of Mr. Walsh.

Got \$1,400,000 Stock as Gift.

Mr. Doherty then took up transactions relating to the Illinois Southern Railway, another of Mr. Walsh's enterprises. He declared that money to finance this road was advanced by the Equitable Trust Company on receivers' certificates and that \$250,000 of these certificates were afterwards declared invalid. He continued:

Mr. Walsh arranged with the bondholders for the purchase of the road and \$800,000 of the company's bonds were voted and he put the bonds in the Chicago National Bank and his other banks. About \$225,000 of them were put in at 80 and later taken out at par, so Mr. Walsh had \$1,400,000 of the company's stock without its having cost him anything. He intended to connect the road with the Southern Indiana, but found he needed more bonds, so the capital stock was increased to \$2,000,000 and a bond issue for the amount was also made. An attempt was made to market these in New York, but the attempt failed and they were put in the Walsh banks.

After many other similar details had been told the jury Judge Anderson interrupted the speaker and adjourned court until tomorrow morning.

GREAT RAID ON LOTTERY

Secret Service Agents Arrest Men and Plant in Several Cities.

CHICAGO, Nov. 13.—The biggest lottery in operation in the United States, which has been running for more than 20 years, with headquarters in Chicago, was exposed last night by arrests in this and other cities. The United States Secret Service men say that the promoters of the scheme have made millions of dollars and that there are big men behind it who will be reached through the prosecution of the men now under arrest.

Under the name of the Old Reliable Guaranty Loan & Trust Company, it is alleged the lottery maintained luxurious furnished offices in Chicago. All four of these establishments were raided last night and thousands of tickets, lottery paraphernalia, checks and returns from

agents, and the plates from which the tickets were printed were seized.

D. H. Jones, alias D. H. Kinsam, who has lived in very expensive style, was arrested as the head of the concern. John E. Miner, a partner; Miss Clara Green, the confidential secretary of Jones, and Walter Schimmbak, the bookkeeper, at the local headquarters were also arrested.

George B. Gabeler, the St. Louis agent of the concern, was arrested in that city and a large number of lottery tickets and records confiscated. Frank Palmer, agent at Fort Wayne; Charles and Roy Hammer, at Indianapolis, and John T. Markland, at McKeesport, Pa., were all arrested and held under heavy bonds.

The Secret Service men, from the records they have obtained, expect to make more than 200 arrests in various cities of the country. An attempt will also be made to involve the express companies all over the country as agents or accomplices under the Federal act of 1885, forbidding the operation of lotteries, as it is believed that they handled the business of the company with the knowledge that it was a lottery scheme in violation of the law.

Commissioner Poole early today held Jones without bail. Jones is more than 70 years old and very feeble. He is a sufferer from heart trouble and was allowed to go to his apartments under surveillance, as confinement in jail might prove fatal. Miner was held in \$2000 bail and Miss Green in \$500. Under its various names the lottery has been conducted on the regular lottery scheme, except that the prizes have been out of all proportion to the receipts and the commissions very heavy.

MAPS SHOW EASY PLACES

JAPANESE CROSS BOUNDARY FROM CANADA.

Employment Agent Makes Startling Statement to Immigration Commissioner—Thousand Come.

VANCOUVER, B. C., Nov. 13.—(Special)—Fred Yoshy, a Japanese employment agent, who imports large numbers of the countrymen, started Immigration Commissioner King this afternoon with the statement that thousands of Japanese come here in order to reach the United States.

"I have seen maps sold to my countrymen on which were marked points at the boundary line around Blaine and Sumas and other places where Japanese could easily cross into the United States without any fence at the boundary you know," said Yoshy. Yoshy was formerly secretary of the Japanese consulate in Vancouver.

MILL BURNED FOR REVENGE

Japanese Crew Employed and the Whites Are Angered.

BELLINGHAM, Wash., Nov. 13.—(Special)—Set on fire for revenge because the entire white crew had been replaced by Japanese last week, the King Sawmill, near Wickwasha, was burned to the ground last night. The fire started in the boiler-room of the mill, but at the end of the structure. The building and machinery are a total loss, estimated at \$25,000. Little insurance was carried.

The mill has been working steadily. Last week orders were given to lay off the white men, and the mill closed. The neighborhood was surprised to see it in operation again and to find that a Japanese crew was in charge. Ugly threats were made against the whites, and it is believed that last night's fire was the outgrowth of the feeling engendered by the employment of the Japanese.

JAPANESE CLAIMS ADJUSTED

Oriental Paid \$10,775 for Vancouver Riot Damages.

OTTAWA, Ont., Nov. 13.—A report from W. L. Mackenzie-King to the Secretary of the Interior, dated this afternoon, has been made of the final adjustment claimed by Vancouver Japanese in connection with the riots of September last. Mr. King awarded damages totaling \$10,775 on 56 claims presented. The total amount asked for was \$13,500.

Canadian Minister in Japan.

TOKIO, Japan, Nov. 13.—Rodolphe Lemieux, Postmaster-General and Minister of Labor of Canada, arrived here on the steamship Empress of China tonight. He was received at Yokohama by Count Terashima, representing the Japanese Department of Foreign Affairs. He will be received in audience by the Emperor on the latter's return from the army maneuvers. The Japanese government understands that Mr. Lemieux comes as a representative of the Canadian government for the purpose of discussing and investigating immigration matters, and that he brings an adequate proposition for the settlement. The Japanese government considers that its present plans now in progress looking toward the control of immigration will be satisfactory to Canada, and it is not likely the visit of Mr. Lemieux will result in any material change.

Japanese Army Maneuvers Near.

TOKIO, Japan, Nov. 13.—The Japanese army maneuvers, beginning on November 15 and continuing for four days, will be attended by 40 foreign attaches including Brigadier-General Furling, from the Philippines, and Lieutenant-Colonel Irons, stationed in this city. The forces engaged will number 100,000. They will be divided into two armies, one attacking and the other defending Tokio.

The maneuvers, which will be the most extensive since the war with Russia, will close with a grand review by the Emperor on November 19. On the same day a luncheon will be given to the foreigners in attendance by Minister of War Tanaka.

WILDLY CHEER MEXICANS

Los Angeles Audience Denounces Arrest of Revolutionists.

LOS ANGELES, Nov. 13.—Nearly 500 sympathizers with the imprisoned alleged Mexican revolutionists, Ricardo Flores Magon, Antonio Villarreal, Liverado Rosarita and L. Gutierrez de Lara, held last night in the Auditorium to voice their sentiments in favor of the prisoners and arouse public feeling in their favor. At length, roundly denouncing what they termed an "international official conspiracy" against their clients, they declared their enthusiasm for the cause.

Their remarks were greeted by the wildest enthusiasm, the crowd cheering the fiery denunciation of the authorities. Band music and a collection in the benefit of the imprisoned revolutionists were features. The men are held in the Los Angeles County Jail on technical charges, awaiting possible arraignment or extradition to Mexico.

Aid for Entrymen.

PENDLETON, Or., Nov. 13.—(Special)—In answer to his appeal to the Secretary of the Interior on behalf of the Oregon land entrymen, Congressman Ellis today received a message from Secretary Garfield, saying that Oregon land offices had been instructed to collect and suspend proofs in cases where applicants cannot withdraw their funds from banks to make payments.

Sole Principal Portland Agent Nemo Corsets, Smart Set Corsets, Butterick Patterns, Columbia Yarns, C. B. Corsets

The Pure Food Law of the United States Govt. Guarantees the Purity of All Drugs Sold by the

"OWL" DRUGSTORE

Lowest Prices in Oregon on Drugs Toilet Articles, Standard Remedies

Established 1850—FIFTY-SEVEN YEARS IN BUSINESS—Established 1850

Cipman, Wolfe & Co.

Good Merchandise Only—Quality Considered—Our Prices Are Always the Lowest

THE VICTOR

Talking Machine, \$1 Down, \$1 a Week

Come in and Hear the New Records at Our Victor Hall

WOMEN'S AND MEN'S Umbrellas

\$2.50 Values at \$1.85

Men's and Women's Union Silk Umbrellas, tape edge, best paragon frames, bulb runners, cases and tassels; with princess, horn, ebony, pearl and gunmetal handles. Regular \$2.50 values. **\$1.85**

Men's and Women's Fine Mercerized Gloria Umbrellas with tape edge, steel rods, paragon frames, with princess, horn, gunmetal, silver-trimmed wood handles; cases and tassels. Wonderful special value. **\$1.15**

Trefousse Gloves

Lipman, Wolfe & Co. are the only Portland agents for Trefousse Gloves. It is rumored that other stores represent their gloves as "Trefousse." Do not be deceived. Look for the "Trefousse" stamp.

MANUFACTURED BY Trefousse & Co. PARIS

FOR FRIDAY SALE.

1200 Dressed and Undressed Dolls

Values to 75c, Friday Sale at 25c

1200 Dollies of every kind, dressed and undressed, bisque, china, papier mache and rag dolls. The great opportunity of the year to buy for Christmas. Regular prices up to 75c and a very few even higher

The sale takes place Friday on the 2d floor, near Rug department.

There are hundreds of dollies in this sale—and so many more on display that you couldn't count them if you tried all day

AMEND BANK LAWS

Hughes Appoints Committee to Propose Changes.

WASHINGTON, Nov. 13.—Applications for additional treasury-note circulation continue to be received from National banks in all parts of the country. From the first of the month up to last Saturday shipments of additional bank notes had been made to the amount of \$11,123,125. On Monday this amount was increased by \$2,082,860 and on Tuesday by \$3,069,870, so that the total to date is \$16,844,570.

ALL NEW YORK BANKERS

Six Men to Recommend New System of Supervision for Banks and Trust Companies Given a Month to Report.

ALBANY, N. Y., Nov. 13.—Governor Hughes tonight gave out a letter in which he requests that A. B. Hopburn, Edwin S. Marston, Edward W. Sheldon, A. S. Frissell, Stephen Baker and Andrew Mills, all banking or trust company officials of New York City, shall act as a committee for the purpose of collecting facts, receiving suggestions and expressing their views with reference to changes deemed advisable in the laws of the state relating to the incorporation, conduct of business and supervision of banks and trust companies.

The Governor asks that this committee undertake this work solely as a matter of public service, without provision for compensation or indemnity for expense, and says he will be glad to receive its report on or before December 15, 1907.

It is believed that all the men named will serve.

FACTORIES CUT DOWN FORCES

Many Men Thrown Out of Work in Chicago.

CHICAGO, Nov. 13.—Large reductions in working forces in many industries in Chicago have been made within the last few days, owing directly to scarcity of orders and indirectly to depression. Several hundred men were laid off yesterday in various wood-working establishments. The following list shows the industries in which the greatest number of men have been laid off:

International Harvester Company, approximately 100; Republic Iron Steel Company, 80; Griffin Wheel Company, 40; Hines Lumber Company, 30; Allis-Chalmers Company, 25; Brunswick-Balke-Collender Company, 10; F. I. Abbott, woodworkers, 10; L. E. Becker, soda fountain fixtures, 10; Bush & Gerts Piano Company, 10.

In addition to these concerns there are several which are running short time in an effort to maintain their forces.

Nearly 1000 machinists in Chicago are idle and railroads west of Chicago have laid off an aggregate of 25,000 men employed in construction work, maintenance of way and in the mechanical departments.

CORTEYOU QUIETS IDLE TALK

Denies Rumor That He Will Draw on Banks.

NEW YORK, Nov. 13.—Secretary of the Treasury Cortelyou arrived in town and immediately set at rest the Wall-street rumor that he had decided presently to call upon the National banks of the country for 10 per cent of their government deposits.

"Of course," said the Secretary, "I have done nothing of the sort." Then he added:

"This is no time to deal in rumors, especially as to the actions of the Secretary of the Treasury."

Mr. Cortelyou is here to address the Merchants' Association tomorrow.

OVER \$60,000,000 IS COMING

More Gold Engaged Abroad and \$5,000,000 More Arrives.

NEW YORK, Nov. 13.—More than \$60,000,000 in gold has been engaged abroad for import to the United States since the present movement began. Announcements today of engagements of \$50,000,000 by the First National Bank of Chicago, \$50,000,000 by the Illinois Trust & Savings Bank, and

POWDER TO CONTROL UTES

GUNS ALSO SENT TO SCENE OF TROUBLE.

Three Squadrons Are Now on the Ground and New Route for Supplies Is Suggested.

OMAHA, Neb., Nov. 13.—Forty tons of powder and shells passed through Omaha yesterday over the Missouri Pacific and the Northwestern on the way to Gettysburg, S. D., the scene of the Ute Indian trouble. The shipment was from Fort Leavenworth, and included several Gatling guns.

Colonel West, Second Cavalry, from Fort Des Moines, wires the army officers here from Thunder Creek, S. D., that all three squadrons of the regiment are now there. He suggests a new route, involving less haul for supplies, and changing the point of supplies for the troops who are now in the field to guard the runaway Utes—the latter point being on the Milwaukee extension from the river west.

NO BATTLE WITH UTE BRAVES

Superintendent Denies Report That Troops Killed Indians.

UTE AGENCY, Ship Rock, N. M., Nov. 13.—Superintendent Shelton, of the Ute Indian Agency at this place, positively denies the report sent out from Durango, Colo., that another battle took place yesterday between the dissatisfied Utes and the United States troops now in the field here to subdue the redskins. The report had it that six Indians were killed by the soldiers.

Superintendent Shelton further states that all of the dissatisfied Utes are now under arrest at Ship Rock and that no further trouble from them is expected. Furthermore, all the troops that were

READY FOR POWERS' JURY

Will Be Drawn From Strong Democratic County.

GEORGETOWN, Ky., Nov. 13.—The third day of Caleb Powers' trial opened with increased attendance. The first movement of the defense was the filing of three important depositions bearing on the validity of Taylor's claim to the governorship, making good his pardon issued to Powers.

One was from Attorney-General Griggs, under President McKinley, instructing the Postoffice Department to instruct the postmaster of Frankfort to deliver mail by a copy of his commission as Governor. The third was from United States District Attorney William Smith, bearing on the same point.

The defense announced readiness for the trial, an assurance from the court that attendance of any absent witnesses would be compelled. The list of the defense's witnesses revealed the fact that ex-Governor Taylor and ex-Secretary of State Finley, both now in Indiana, will be brought back to testify in favor of Powers. Arguments proceeded as to what county the court should go to select a special venire from which to draw the jury.

BURTON KELLY NOT DRAWN

McCann Received a Letter and Postal Card This Morning from His Nephew, Burton Kelly, who had been reported in the press dispatches Monday as having been ship-

wrecked and killed while on his way from San Francisco to Point Bennett on the schooner Glenn, some weeks ago. The letter was written November 9.

SHOULD REVISE TARIFF

Schurmann Wants Workmen's Necessaries Cheapened Now.

ITHACA, N. Y., Nov. 13.—(Special)—President Schurmann, of Cornell University, told the members of the Civic Club today that hard times are imminent and that it is desirable to know what part the tariff has played in regard to commodities that the workingman needs and uses most, and that there should be immediate revision of the tariff wherever it was necessary.

The president declared that too much money was spent on the Army and Navy, which was dedicated to peace, and added that it would be better for the United States "to get out of the Philippine Archipelago and to get out of the Orient problem, to keep out of the troublesome Pacific."

STOCKS DEPRESSED IN BERLIN.

Berlin, Nov. 13.—On the Bourse today the continued demand of America for gold had a depressing influence upon prices.

KISER HAS MOVED.

Scenic Photos. 24 Alder street.

Catarrh A Blood Disease

Whether it manifests itself in the nose, throat, stomach, bowels or other organs, catarrh is a blood disease because it depends on impure blood.

Therefore it must be treated with a blood medicine for a radical and permanent cure.

Hood's Sarsaparilla is the most successful. It purifies the blood, strengthens the stomach and other organs, and builds up the whole system. It radically and permanently cures.

Hood's Sarsaparilla is the most easily developed form of Catarrh is Nasal Catarrh, in the treatment of which Hood's Sarsaparilla is greatly aided by Antiseptics or Catarrals, which afford prompt relief.

Hood's Sarsaparilla

In usual liquid form or chocolate tablets known as Sarsatabs. 100 doses \$1. All druggists, Antiseptics, etc., druggists, or mail. C. I. HOOD CO., Lowell, Mass.

TEA

Why throw-away money and comfort in buying poor tea?

Your grocer returns your money if you don't like Schilling's Best; we pay him.

Monogram Stationery

A. & C. Feldenheimer.

Corner Third and Washington Streets

Manufacturing Jewelers Opticians Diamond Importers

CHOICE FURS

Black Lynx Stoles and Muffs

Mink Scarfs, Stoles and Muffs

Sable Neckwear and Muffs

Chinchilla Neckwear and Muffs

Alaska Sealskins, London Dye, Our Specialty

FUR COATS, FUR RUGS & ROBES

Send for Catalogue

G. P. RUMMELIN & SONS

126 Second St., Bet. Washington and Alder

Flatware for Thanksgiving

A multitude of handsome patterns to select from and in all wanted articles for serving purposes. A specialty of chests in one, two or three drawers, including everything for utility. Our prices will surely attract. The engraving is a feature.

Columbia Tailoring

is good tailoring. Take advantage of this week's special offer—you'll gain in satisfaction and save in cost.

Columbia TAILOR

Grant Phegley, Mgr. Elks Bldg. Seventh and Stark.

MADE TO YOUR MEASURE

Made for You in the style most becoming to you.

Made of Exclusive Fabrics different from the commonplace sorts universally carried in nine out of ten stores.

Made to retain a Dressy Appearance First to Last

—not to sag out of shape when the original creases have disappeared.

Columbia Tailoring

is good tailoring. Take advantage of this week's special offer—you'll gain in satisfaction and save in cost.

Columbia TAILOR

Grant Phegley, Mgr. Elks Bldg. Seventh and Stark.