



SCHUEBEL PUT IN BRISTOL'S PLACE

Bourne Wins Victory at White House.

FIGHT MAY COME IN SENATE

If Fulton Should Decide to Oppose Confirmation.

HAS NOT CHOSEN COURSE

Junior Senator Will Be at Disadvantage If Fulton Fights, for Fulton Is on Committee and Has Many Friends.

OREGONIAN NEWS BUREAU, Washington, Jan. 7.—The President today sent in the nomination of Christian Schuebel of Oregon to be District Attorney for Oregon, vice W. C. Bristol, whose nomination has been withdrawn. Mr. Schuebel's sole endorser was Senator Bourne, his colleagues having united in recommending George G. Bingham, of Salem. Why the President chose Mr. Schuebel with one endorser as against Mr. Bingham with three is not stated, but it is evident that Mr. Bourne's frequent visits to the White House have been to good purpose.

Whether or not Mr. Schuebel will be confirmed is another matter, depending upon the attitude taken by Senator Fulton when he arrives. Mr. Fulton and the House members looked upon Mr. Bingham as better qualified than Mr. Schuebel because of his longer experience in law and general endorsement by the Oregon bar.

May Be Fought in Senate. If Mr. Fulton should oppose the confirmation of Mr. Schuebel, there will be a most interesting "struggle" in the Senate, for Mr. Schuebel's nomination has been referred to the judiciary committee, of which Mr. Fulton is now a member and which has always been most friendly to him, as evidenced by its course regarding Mr. Bristol. It would require very shrewd maneuvering on the part of Mr. Bourne to have Mr. Schuebel confirmed over Mr. Fulton's protest. But it is not known that Mr. Fulton will enter any objection.

Representative Hawley, who joined in endorsing Mr. Bingham, has no knowledge of what course Mr. Fulton will pursue, but as far as he himself is concerned, is greatly disappointed at the rejection of Mr. Bingham. However, the case has passed now beyond his jurisdiction, and remains to be settled by Mr. Fulton and Mr. Bourne. Should a fight be made on Mr. Schuebel, probably Mr. Fulton could secure an adverse report from the judiciary committee and, once the matter was taken to the floor of the Senate, Mr. Bourne would be at a marked disadvantage, for Mr. Fulton is very popular in the Senate, and by his longer service could muster a strong array of friends on his side.

Points Against Bourne. Furthermore, Mr. Bourne's close alliance with the President and his agitation for a third term for Mr. Roosevelt have not strengthened him in the Senate. These things would all operate against Mr. Schuebel, should Mr. Fulton make a fight; but, as stated above, no intimation has been received here that Mr. Fulton will pursue that course.

Mr. Bourne today denied that he had ever entered into an agreement with his colleagues to support for office such candidates as were endorsed by the majority of the delegation. He said he would support no man whom he considered unfit, no matter what the majority of the delegation might do. As asked if he regarded Mr. Bingham as unfit or incompetent, he said he did not even know Mr. Bingham.

Bourne Gives His Reasons. Mr. Bourne tonight gave out the following statement: "Doubtless the President as well as I will be adversely criticized by certain people on account of the appointment of Mr. Schuebel, but the action was not taken unadvisedly by the President or myself. While there is no foundation for statements heretofore made that Mr. Schuebel's appointment was being urged by me in liquidation of an election obligation, either to him or to his partner, Mr. U'Ren, it is true that I have urged the appointment in a measure in recognition of his services to the Republican party, but chiefly and primarily on account of his personal honesty and integrity and my firmly grounded faith in his legal attainments, based on endorsements of judges in whose courts he has practiced.

Yet over and above all this, the consideration with me has been, as I believe it has been the determining consideration with the President, to give recognition to the principles for which Mr. Schuebel stands, and for which his partner, Mr. U'Ren, has made a most heroic and unselfish battle for a better system of laws in our state, for a clearer administration and for a square deal. I am aware that after Mr. Schuebel becomes United States Attorney the base passions of some men may be incited to cast stumbling blocks in his way, but he will be fully sustained by

the Administration and the Department of Justice in the vigorous and disinterested execution of the law.

"It has been charged, and probably will again be charged, that Mr. Schuebel has been engaged in efforts to undermine W. C. Bristol. In that relation I quote Mr. Schuebel's letter of November 29, 1907, in which he says:

"It has been said by some that my application is an injustice to Mr. Bristol and that my friends and I were endeavoring to secure Mr. Bristol's rejection, so that a vacancy might occur for my benefit. I was informed last Spring, on what I had reason to believe was good authority, that Mr. Bristol would retire from office about the end of this year in pursuance of some understanding or agreement. I made application to you, believing this was true. I have the highest regard for Mr. Bristol as a man and a lawyer and would not, nor would I ask any friend to, do anything to remove a public officer or create a vacancy in the public service in order to make a place for me. My relations with Senator Fulton are friendly and cordial. Neither do I wish to be understood as trying to involve yourself or any friend of mine in their misunderstandings for my advancement."



Chris Schuebel, of Oregon City, appointed United States District Attorney for Oregon.

I only ask that, if a vacancy occurs, my name be considered and that I be given a more important position than that of Oregon, as I believe that the President means what he says, that every man is entitled to a square deal.

Prefers Harmony in Office. To show that Schuebel was not asking for the appointment in the expense of harmony in the delegation, Mr. Bourne quotes a letter of Mr. Schuebel, written December 3, while on his way home, in which Mr. Schuebel says: "I knew that I could not avoid filling the office with credit, should I be selected, but it is more important to the state of Oregon that the delegation should be united and working in harmony than that I should succeed in my ambition for the appointment of District Attorney. I would suggest that, should you deem it necessary for harmony in the delegation and for the best interests of the state, you withdraw my name as a candidate, and I hope the delegation may unite on a good, clean, competent man to fill the position."

Indorsed by Four Judges. Mr. Bourne says it is nothing to Mr. Schuebel's discredit to be young in years and in his profession. He quotes a letter from Judge Thomas McBride strongly recommending Mr. Schuebel's appointment, and speaking highly of his qualifications and character. Judge McBride says Mr. Schuebel's appointment would be good politics. The Senator also quotes a letter of indorsement from Judge Frank A. Moore, Judge G. E. Hayes and Judge G. B. Dimick, also a long letter of recommendation from W. S. U'Ren, which concludes as follows:

"I shall esteem your recommendation as a personal favor, which I shall be very glad to remember when opportunity serves."

In connection, Mr. Bourne says: "Mr. Schuebel's appointment has been insisted upon by me in recognition of the fact that he stands for those higher ideals in civics for which the President himself also stands, and I unhesitatingly predict that he will make an able, high type of public servant."

WILL NOT AFFECT LAND TRIALS PROSECUTION. TUCSON, Ariz., Jan. 7.—Francis J. Heney, the special government prosecutor, when asked about the appointment of Christian Schuebel as United States Attorney for Oregon and about the resignation of James Cole, Assistant United States Attorney, said:

"This appointment and resignation will not change the plans of the prosecution. Mr. Schuebel is friendly toward the prosecution and is a friend of Senator Bourne, of Oregon. The land-fraud cases will be taken up Monday."

SCHUEBEL'S OREGON CAREER Began as Workman and Became Lawyer by Evening Study. If the appointment of Schuebel is confirmed by the Senate in the next few days, Bristol's successor will be able to furnish the required bond, take the oath and assume the office in a week or 10 days after. Should the confirmation of the appointment be defeated by Fulton, Schuebel will find himself in the same predicament that Bristol has been in since he was first appointed by the President to the office two years ago last December.

"This afternoon I received a telegram from Senator Bourne advising me of my appointment," said Mr. Schuebel, who was in Portland last night. "No, I do not expect any opposition from the other members of the Oregon delegation. Both Senator Fulton and Representative Hawley have assured me that they had no opposition to me personally, and I was further assured that should I be appointed to the office I would receive no further opposition from them. My appointment carries with it not a single pledge as to how I shall conduct the affairs of the office. I am unpledged, and there are no strings attached to me. There were no

HEINZE INDICTED FOR BANK FRAUD

Checks for \$400,000 Over-certified.

TO HELP HIS BROTHER OTTO

Famous Copper Mineowner Liable to Go to Prison.

FIFTEEN CHARGES MADE

Used Funds of Mercantile National Bank in Vain Effort to Stop Slump in United Copper, Started by "Friends."

NEW YORK, Jan. 7.—Indicted by the Federal grand jury for over-certification of checks representing in the aggregate over \$400,000, drawn by the firm of Otto Heinze & Co., on the Mercantile National Bank, F. Augustus Heinze, the copper magnate and ex-president of the Mercantile National Bank, surrendered himself to United States Commissioner Shields today and later was released on \$50,000 bond. Heinze will be formally arraigned to plead to the indictment by Judge Chaffield in the United States Circuit Court tomorrow.

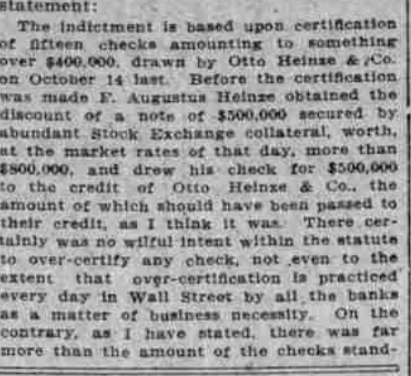
Edward Lauterbach, counsel for Heinze, stated tonight that his client did not willfully over-certify the checks, as he had drawn a check to the credit of Otto Heinze & Co. for the amount of \$500,000, which the bookkeeper of the bank possibly failed to enter on the books until a day after the certification of the checks in question.

Aftermath of Copper Smash. The indictment by the Federal grand jury, which has been investigating the Mercantile and other banks identified with the Heinze and Charles W. Morse interests, is the aftermath of the collapse of the Heinze pool in United Copper, which brought about the suspension of Gross & Kleeberg, stock brokers, and resulted in the resignation of F. A. Heinze from the presidency and the retirement of the directors of the Mercantile National Bank after an examination of the institution had been made by the clearing-house. He declared at the time that he had been betrayed by his friends in the United Copper pool.

Heinze had been informed quietly that indictments charging him with the over-certification of 15 checks, all drawn on October 14, just before the smash in United Copper had been found by the Federal grand jury on December 2, and that his appearance would be required today. Without awaiting the service of a bench warrant, Heinze, in company with his counsel, appeared before Commissioner Shields this afternoon. The proceedings were short. Heinze pleaded not guilty and bail was furnished immediately by a surety company. When

these proceedings were concluded, Heinze told the newspaper men that he did not care to make any statement, and hurried away with his counsel.

Denies Willful Wrongdoing. After the examination of the indictment, which contained 30 counts, Mr. Lauterbach tonight made the following statement: "The indictment is based upon certification of fifteen checks amounting to something over \$400,000, drawn by Otto Heinze & Co. on October 14 last. Before the certification was made F. Augustus Heinze obtained the discount of a note of \$500,000 secured by abundant stock exchange collateral, worth at the market rates of that day, more than \$500,000, and drew his check for \$500,000 to the credit of Otto Heinze & Co., the amount of which should have been passed to their credit as I think it was. There certainly was no willful intent within the statute to over-certify any check, not even to the extent that over-certification is practiced every day in Wall Street by all the banks as a matter of business necessity. On the contrary, as I have stated, there was far more than the amount of the checks stand-



F. Augustus Heinze, who has been arrested for fraud in connection with the Mercantile National Bank of New York.

ing to the credit of the account of the drawers of the checks when they were certified. I believe that, if the grand jury could have understood the situation correctly, no indictment would have been found.

Liable to Severe Penalty. The indictment specifically charges that Heinze, while president of the Mercantile National Bank, over-certified fifteen checks, that is, that he guaranteed by the bank signature that the sums indicated in the checks were held by the institution to the credit of the drawers. To over-certify bank paper is, under the Federal statute, an offense punishable by imprisonment of not less than five years and not more than ten years.

One count is devoted to each of the checks involved. It is alleged that Heinze knew that Otto Heinze & Co. did not have that sum to its credit. The sixteenth count charges that Heinze intentionally applied the funds of the bank, and without the knowledge of the directors, to the payment of the fifteen checks drawn by Otto Heinze & Co., and knowing that the company did not have on deposit a sum equal to the amount named in the certified checks. For such an offense the Federal statutes provide a penalty of not less than five years imprisonment or a fine of not more than \$5000, or both. The checks certified to by Heinze, according to the indictment, were as follows: Gross & Kleeberg, \$42,761; H. T.

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OFFERS BILL FOR MORE CURRENCY

Aldrich Submits Plans to the Senate.

PUTS LIMIT AT \$250,000,000

Secured by Government, State and City Bonds.

EARLY PASSAGE EXPECTED

Democratic Aid Welcome, if Forthcoming, Otherwise Republicans Will Force Bill Through—Tax on Emergency Notes.

WASHINGTON, Jan. 7.—When asked for a statement today as to his opinion regarding the efficacy of bonds other than those issued by the Government as security for National bank circulation as proposed by the Aldrich bill, Chairman Fowler, of the House banking and currency committee, replied by quoting a number of authorities in opposition to such a plan. He refused to add any expression of his own, but his manner was such as to leave no doubt as to his opposition to the measure.

In view of the fact that the banking and currency committee will handle the bill for the House, if it passes the Senate, the attitude of its chairman is considered significant.

WASHINGTON, Jan. 7.—Aldrich today introduced in the Senate the currency bill, providing for the issue of not over \$250,000,000 of circulating notes, which for some time has been under consideration by Republican members of the Senate committee on finance. At his request the bill was read and careful attention was awarded the reading.

"I have asked that the bill be read," said Aldrich, after the reading had been completed. "In order that the Senate may at once be informed of its provisions, I have been authorized by the committee to say that the committee will receive and give careful consideration to bills sent to it having the same purposes in view that are sought in the bill that has been read, and I have to request Senators who have such bills to present them as early a time as possible."

Culbertson asked for information about his resolution, which had been sent to the committee on finance, directing that committee to inquire into the causes of the recent financial stringency. "The committee has been busy," Aldrich replied, "and has not had time to take up that matter." He added that the committee had not yet received the information called for from the Treasury Department by the resolution, which passed the Senate previously to the

Christmas recess. Aldrich said that he would see that Culbertson's resolution is included among those taken up by the committee at its next meeting, on Tuesday, January 14.

Try to Win Over Democrats. It is understood that all Republican members of the committee are in favor of the measure except Hansbrough, who believes that a central bank will best solve the difficulties of the country on the currency situation. He has himself introduced a bill providing for a central bank at Chicago, and intends, it is believed, to uphold that idea with vigor.

Republican leaders in the Senate, as a whole, are hopeful of the early passage of the Aldrich bill. They declare that while they are anxious that it should not be a partisan measure, yet, if Democratic opposition should be developed to the Republican plan for such legislation, they will proceed to pass the bill through the Senate as a party measure.

Aldrich has been in conference with so many of the Senate leaders that his



Ex-Governor John C. W. Beckham, of Kentucky, around whom the fight for Senatorship rages.

bill has not come to them as a surprise. It is expected that there will be Democratic criticism of the bill, and Republicans declare that they are ready to accept any reasonable amendment from that source that may result in making the bill as nearly nonpartisan as possible. The bill will not be considered by the committee on finance until next Tuesday. Aldrich purposely allowed a week to elapse between the introduction of the bill and its consideration, in order to give ample time for its consideration. He said it was his purpose, when the bill was reported, to make a statement in explanation of the matter and as to what it would accomplish.

Provisions of the Bill. Following are the first three sections of the bill: "That any National banking association which has circulating notes outstanding secured by the deposit of United States bonds to an amount of not less than 50 per cent of its capital stock, and which has a surplus of not less than 20 per cent may make application to the Controller of the Currency for authority to issue additional circulation to be secured by the deposit of bonds other than those of the United States. The Controller of the Currency, if in his judgment business conditions demand such additional circulation, and the condition of the association making the application warrants the issue, shall fix the amount, within the limitations hereinafter imposed, of such additional circulating notes to be issued. Whenever, after receiving notice of such

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CONTENTS TODAY'S PAPER The Weather. YESTERDAY'S—Maximum temperature, 47 degrees; minimum, 34 degrees. TODAY'S—Occasional rains; southerly winds. Foreign. Steamer Mount Royal arrives at Queenstown after battle with hurricane. Page 2. Bank of Yucatan robbed of \$740,000 by officers. Page 5. National. President appoints Schuebel United States Attorney for Oregon. Page 1. Emergency currency bill introduced by Senator Aldrich. Page 1. Congressman Willet accuses Roosevelt of causing panic. Page 2. Bill to reorganize Navy Department. Page 12. Ballinger gives notice of resignation. Page 8. Japan declines to withdraw as Ambassador to United States. Page 2. Domestic. New York rent strikers threaten to burn tenements. Page 2. Fiat says he has proxies for majority of Illinois Central stock. Page 1. Heinze arrested for falsifying his brother's checks. Page 1. Three jurors finally accepted in Thaw trial. Page 4. Three dead, two fatally injured in wreck on Southern railroad. Page 2. Philadelphia priest connects Hibernians with Molly Maguires and refuses to conduct funeral. Page 1. Pacific Coast. Walker to have immunity for testifying against fellow bank wreckers. Page 1. Two Seattle men fight duel to death at San Francisco. Page 4. Because leather strap in wig, Supreme Court, annuls sentence of man who beat a woman. Page 4. State warrants cashed at par all over United States. Page 8. Mayor Moore will close Spokane tighter than a drum. Page 7. Walls Walla rector grows sarcastic. Page 6. Commercial and Marine. Oregon prunes suffer in the East. Page 10. Revival of interest in Boston wool market. Page 12. Wheat values affected by foreign declines. Page 15. Profit-taking weakens stock market. Page 12. British ship Port Patrick strikes the beach near Grays Harbor and reaches Royal Roads badly crippled. Page 14. Portland and Vicinity. Women held up and beaten in daylight on East Side bridge. Page 14. Attention of manufacturers called to shipping needs of Tillamook Bay. Page 7. Many voters sign books on second day of registration. Page 11. City Auditor would have corporations report inside facts. Page 14. R. R. Thompson, pioneer steamboat man of Pacific Northwest, critically ill in San Francisco. Page 11. Typographical Union gives ball to celebrate 25th anniversary. Page 10.

CONNECTED WITH MOLLY MAGUIRES

Priest Accuses Order of Hibernians.

BARS THEM FROM FUNERAL

Will Not Conduct Services if They Attend.

SAYS HE CAN GIVE PROOF

Gets Information From 'Condemned Members and Embodies It in a Memorial, Which, He Alleges, Is Kept Secret by Influence.

PHILADELPHIA, Jan. 7.—Members of the Ancient Order of Hibernians were stirred today through the refusal of Rev. D. J. McDermott, rector of St. Mary's Roman Catholic Church, to permit funeral services to be held in his church over the remains of John Daly, a parishioner, because a Hibernian lodge had been invited to attend the obsequies. The funeral was held after the invitation to the Hibernians had been revoked. Father McDermott, in explanation of his opposition to the society, said:

Connected With Molly Maguires. "My absolute opposition to the Ancient Order of Hibernians is based on my knowledge and the facts in my possession about the Molly Maguires, which I got directly from the condemned Molly Maguires themselves. No power on earth will ever make me recede one inch from my stand against the Hibernians. I have given my testimony against them and what I said was true and is true, and I cannot compromise on it. "I have on my desk a memorandum which I was directed to prepare, presenting the facts in my possession, to be read before the third plenary council in Baltimore. After I had prepared the document under the direction of Dr. Corcoran, I was called before Archbishop Ryan here and asked to read it to him. He declared that it contained features that would cause one of the greatest scandals the Catholic church has ever known, and informed me he would use his influence against it. Having it submitted before the council.

Memorial Does Not Reach Council. "I sent the memorial to Dr. Corcoran, regardless of Archbishop Ryan's opposition to it. But through the influence of Cardinal Gibbons and Archbishop Ryan, during the sessions of the council in Baltimore, the memorial never reached the council. "Archbishop Ryan and a number of other prominent clergymen are aware that the facts I have in my possession against the Ancient Order of Hibernians are true; that if made known they will cause the greatest kind of a scandal, and I have a mind to give them to the public." Archbishop Ryan, when questioned concerning Father McDermott's statement, replied that he did not care to discuss the matter in any way.

WALKER MAY BE IMMUNE

TESTIMONY AIDS GREATLY IN BANK INVESTIGATION.

So Far Six Indictments Returned Against Three Officers and Directors of Wrecked Deposit Bank.

SAN FRANCISCO, Jan. 7.—David F. Walker, former president of the insolvent California Safe Deposit & Trust Company, was a witness before the grand jury when that body reconvened this afternoon to resume its investigation into the affairs of the wrecked bank. Six indictments have so far been returned against officials and directors of the trust company—one each against J. Dalsell Brown general manager and W. J. Bartlett, vice-president, charging embezzlement of \$200,000 worth of securities belonging to the Colton estate; two indictments against J. J. Treadwell, director, and one each against Brown and Bartlett, charging embezzlement in connection with the making of loans to themselves. All three are still in the County Jail, unable to get bail. It is understood, although Assistant District Attorney William Hoff Cook is silent on that point, that Walker will be given immunity by the prosecution and that no indictment will be returned against him, it being considered that whatever his culpability, it was negative and consisted principally of negligence in regard to the conduct of the bank, which the investigation has shown was in the hands of Brown and Bartlett, Walker having taken little active part. The former president's voluntary statement, has helped the prosecution considerably and the fact that he was called before the grand jury by Cook is regarded as indicative that he will not be prosecuted. Assistant District Attorney Cook stated that the grand jury would not finish its investigation until Friday and that no further indictments were expected until then.

