# LORIDA MAKES CONFLICT SHARP

Taft Majority on National Committee.

WILL DECIDE ALL CONTESTS

Scheme to Prevent Seating of Taft Delegates.

HITCHCOCK PUT IN CHARGE

First Task Is to Line Up Southern Delegations-Conferences of the Taft and Anti-Taft Forces on the Florida Contest.

WASHINGTON, Feb. 7 .- (Special.)-Important developments attracted attention in the Republican political field today. The actually hostile stage in the contest for delegates to the Chicago convention suddenly has materialized. The handshaking preliminaries and the days of exchange of ecomiums between rival managers of the Presidential candidates have given away to the serious business of scoring real points. Here are the most important of the developments:

Formal announcement was made of the resignation, to take effect February 15, of First Assistant Postmaster-General Frank H. Hitchcock, who will henceforth take hold of the Taft campaign, with headquarters in Washing-

Majority Favors Taft.

2. Attention was turned to the alignment of the Republican National Committee, the importance of which was sprung into prominence by the prospect of many contesting delegations of the National convention. Expert opinton shows that a majority of the committee is favorable to Taft.

The Taft and anti-Taft forces heid conferences over the Southern situation, brought into strong relief by yesterday's double set of state and district conventions in Florida. The fact that the race is not only Taft against the field, but that a portion of the field is united in a scheme to prevent the has been strikingly apparent,

Mr. Hitchcock's previous affiliation Arthur I. Vorys. with an element of the National committeemen has a bearing on the committee's alignment in the future and the Southern situation, which attracts attention today, will be one of the first things to receive Mr. Hitchcock's attention when he assumes his new

duties. Taft and Anti-Taft Men.

Politicians in close touch with the whole National situation went through the National committee list and marked off the Taft and anti-Taft members. They agreed upon the following as being for Mr. Taft on any test vote involving the plain Taft and anti-Taft questions,

Alabama, Scott; Arkansas, Clayton; Knight; .Connecticut, California, Brooker: Florida, Coombs; Iowa, Hart; Kansas, Mulvane; Louisiana, Wight; Maryland, Williams; Minnesota, Kellogg; Mississippi, Moseley; Missouri, Alkens; Montana, Waite; New Hampshire, Streeter; New York, Ward; North Carolina, Duncan; Ohlo, Herrick; South Carolina, Capera; Texas, Lyon; Virginia, Martin; Wyoming, Pexton New Mexico, Luna; Hawaii, Robertson; Porto Rico, Todd; Philippine Islands, McCoy. Total, 25.

One of the estimates also gives the following to Taft, bringing the total

to 31. Georgia, Lyons; Maine, Hill; Michigan, Blodgett; Nebraska, Merrill; Fouth Dakota, Greene; Alaska, Held.

The other estimate gives the follow ing to Mr. Taft, making a total of 28,

a bare majority: Utah, Loose; Arizona, Sturges; Oklahoma, Cade.

There are 54 members of the National committee, 28 being a majority.

TAKES CHARGE OF CAMPAIGN

Hitchcock Soon to Become Manager

for Secretary Taft. WASHINGTON, Feb. 7 .- Aunouncement was made today of the approaching re-

tirement of Frank H. Hitchcock, First Assistant Postmaster-General, Mr. Hitchcock will assume the management of the active campaign of Secretary Taft for the Republican nomination for the Presidency. The exact date of the retirement It possibly will be about February 15. Mr. Hitchcock will be succeeded as

First Assistant Postmaster-General by Dr. Charles P. Grandfield, who for a little more than two years has been chief of more than two years has been chief of He says he will rejoin Abd El Aziz at the bureau over which Mr. Hitchcock Rahat. presided. Dr. Grandfield has been actively identified with the postal service for about

Has Valuable Experience.

because he felt the necessity of having noticed.

a man in charge of the infinite variety of details of the campaign to whom he oild refer questions arising constantly and to which he was unable to devote the time they seemed to demand.

It is no secret that Secretary Taft, in order to dispose of the great amount of work incident to the direction of his department, has been obliged for several weeks practically to exclude himself from visitors a part of the time. The work has been exceedingly trying as he is inder a severe mental and physical strain for from 16 to 20 hours every day,

Took Time to Consider.

When Secretary Taft made the proffer of the management of his campaign to Secretary Hitchcock, he desired him to undertake the work at once. As that the view of Mr. Hitchcock, would re necessitated retirement at once from the office of First Assistant Postmaster-General, because he could not with propriety conduct a political campaign from the Postoffice Department, he told Secretary Taft that he could not assume the



signed as First Assistant Post-master-General to Become Manager of Taft's Campaign.

lutles of campaign manager on the sput of the moment. He asked for time to consider the subject and to confer with friends. The secretary entered no objection, but desired a decision as soon as practicable.

Mr. Hitchcock finally informed Secretary Taft that if he could be given time to meet his obligations and duties to the postal service he would accept his offer. Practically, Mr. Hitchcock now has concluded the work on which he was engaged, and in a few days he will tender his resignation to leave the Postoffice Department. Mr. Roosevelt joined with Secretary Taft in requesting Mr. Hitchcock

to undertake the campaign work. It is not known what plans Mr. Hitchock may have prepared for his new duties. It is not known even whether he will establish headquarters in this city, but it is assumed he will devote his attention to the campaign of Secretary Taft scating of Taft delegations at Chicago | in all parts of the country except possibly Ohlo, which is being looked after by

> COLUMBUS, O., Feb. 7 .- The following statement was given out here to-night by Arthur I, Vorys, manager of the canvass for the nomination of Wil-

> liam Taft for President: have invited Frank H. Hitchcock to assist in the management of the campaign. He will tender his resig-nation as First Assistant Postmaster General, to take effect February 15, He will come here to confer with me about the division of the work."

> TAFT TO TAKE WEEK'S TRIP

Will Speak at Kansas City and at Grand Rapids.

WASHINGTON, Feb. 7 .- Secretary Taftexpects to leave Washington tomorrow and be absent from the city at least a week, during which time he is to speak at Kansas City, Mo., and Grand Raplis, Mich., and to deliver the diplomas to the graduating class at West Point.

The Secretary on Monday will address the Young Men's Republican Club of Missouri, at Kansas City. Thence he goes by way of Chicago to Grand Rapids, where on the 12th, he is to deliver a speech at the banquet in celebration of Lincoln's birthday. From Grand Rapids the Secretary goes to West Point to at-tend the graduation exercises at the Military Academy on the 14th.

Still Deadlock in Kentucky.

FRANKFORT, Ky., Feb. 7.—The Senatorial ballot today was again without result.

RAISULI FREES MAGLEAN

BANDIT TURNS CAPTIVE OVER TO ENGLISH.

Receives \$100,000 and Protection Under Agreement With British Government.

TANGIER, Feb. 7 .- Cald Sir Harry Mac-Lean, who has been held in bondage for the past seven months by the bandit Raisuli, has been officially turned over to the British charged d'affaires here. has not been determined definitely, but tween Raisull and the British governent under which Raisull is to receive \$100,000 as a ransom and a guarantee of protection for himself and family. Mac-Lean is in good health but he seems weaker and older than before his capture.

Rahat.

When Raisuli arrived outside the walls of Tangier with MacLean, he sent in a demand for permission to enter the city accompanied by 700 of his soldiers. Sid Mohammed Gabbas, the Moroccan foreign minister, flasly refused to allow him to do so and Raisul. Several weeks ago Mr. Hitchcock was requested by Secretary Taft to undertake of the management of his campaign. The Secretary desired to enlist his services, not only because he is widely known throughout the country and has had experience valuable in campaign work, but the heavest of hard and they departed undisturbed, almost unpublished.

Examiners Report on Title Bank.

CAUSES OF WRECK NUMEROUS

Gross Mismanagement and Dishonesty Included.

CONCERN NEVER SOLVENT

Findings Filed in Federal Court Bristle With Astounding Revelations Regarding Methods of Ross and Associates.

After stirring the bones of the Title Guarantee & Trust Company two months and a half the examiners reported their findings yesterday to Judge Wolverton of the Federal court, John Manning, State prosecuting attorney, and A. M. Crawford, State Attorney-General. The relics show an amazing orgy of frenzied finance and prove J. Thorburn Ross, T. T. Burkhart and John E. Altchison the wildest guardians of depositors' money Portland ever knew. The more the examiners shook up the relics the more they saw remaining to inspect.

Time All Too Short.

"To examine the whole of the company's affairs," they say, "would require a period of time far beyond that we have been allowed." The examiners are E. H. Collis, assisted by Seneca Smith, acting for Judge Wolverton and Attorney-General Crawford, and J. W. Ferguson, acting for District Attorney Manning. The main points of the report are as follows:

and extravagant management, excessive

sions, attorney fees and various services, evidently to tangle up the building with claims and make away with its revenues should Judge Marquam win back the structure in court.

Burkhart, who has variously acted as secretary and treasurer and who was a small should Judge Marquam win back the structure in court.

charges they absorbed practically all the

company or its officials were interested, and in the exploitation of which large sums less than \$200,000.

Marquam Theater Deal.

One of the big absorptions was \$140,000 pany and used by it or its officers and employes in these outside companies for speculation; the firm of Ladd & Tilton acting as received from sale of Marquam theater. This was paid out by the Oregon Company, possessor of the building, as dividend to the Title bank, its stockholder, and by the Dank was turned over to Ladd & Tilton to apply on big debt.

The sale price of the theater was \$200.

Tilton to apply on big debt.

The sale price of the theater was \$200,000, of which \$5050 was commission, \$54,550 and interest additions to a considerable to Title Bank and \$140,000 note given (1907). by Emanuel May to the bank. At the same time the Ross bank took \$30,050 of iepositors' money and added it to the \$54,950 cash, to pay \$85,000 on mortgage

held by the United States Mortgage & Trust Co., of New York, in order to re-

PORTLAND, OREGON, SATURDAY, FEBRUARY 8, 1908.

lease the theater. When the bank collapsed, November 6, 1907, the cash on hand and due from other banks was less than I per cent of the deposits. Nine days before, when the bank closed, there was 3.8 per cent on

In those nine days \$75,000 in cash and credits was transferred to preferred creuitors, among them Ladd & Tilton, George A. Steel, Wallace McCamant and Ross and an additional \$75,000 to restore depleted trust funds.

Concern Never Solvent.

The bank never was solvent. When it started, June 30, 1904, it owed Ladd & ilton \$660,000 and paid interest at 8 per ent, compounded monthly, making a nonthly drain of \$4500. W. M. Ladd was then president of the Title Company and remained such until July, 1995. He was

a director until July, 1907. During this period Mr. Ladd owned 60 per cent of the Title Company's stock The minutes of the company show not a single protest against the policy of spec-

ulation.

The report makes pointed references to Mr. Ladd's failure to sustain the bank, strongly indicating his responsibility for the wreck, but remarking that he has 'partially' relieved the distress,

Various accounts, such as suspense suspense earnings, surplus, profit and loss, and general earnings, were all inflated so as to show credit balances, for ise of the bank's manipulations. With inflations eliminated, the credit balances all dissolve into thin mist

Other Inflated Accounts.

Other inflated accounts are those of abstract plant, assessed for taxes at \$20,000, but valued as bank asset at \$125,000; and safe deposit vaults, costing \$8290, but valned at \$60,000 on the books.

Ross and Burkhart used the bank's noney for private schemes and charged off the losses to the bank. The Lafe Pence companies owe the

bank \$399,000. The account of the state funds shows that the bank used those funds in Itamanipulations.

et note given by Rankin, because the examiners found no record of it. After narrating the career of the defunct bank and making numerous exhibits of its doings, the report asks the

Report makes no mention of \$25,000 vel-

Experts Give Opinions.

"What caused the failure of the Title Guarantee & Trust Company Bank?" and answers: "Incompetent and extravagant management, excessive loans and dishonest officials." In conclusion, the report Bays.

Hank wreck was caused by incompetent and extravagant management, excessive loans and dishonest officials.

The borrowers were largely the bank's officers and stockholders and the subsidiary companies.

The bank was organized in 1904 without legitimate capital or a dollar of money. Hank officials made heavy charges against Marquam building for commissions, attorney fees and various services, evidently to taugie up the building with claims and make a large stockholder. The subscriptions of the money are subscriptions as a large stockholder, and T. T. Burkhart, who has variously acted as secre-They charged a total of \$26,652 and epicuous figure in the subsidiary exampantes.

The early history of the business indicates that the results were unsattefactory. Then enough the first the results were unsattefactory. Then the companies by means of extraordinary lative companies, in many of which the company or its officials were interested, and

Balt for the Public. When this everdraft had reached the large sum of \$855,000, apparently with a view to (Concluded on Page 10.)

I GUESS HE'S GOING TO GET ON THE BANDWAGON

Interviewed on Vessel at Queenstown.

WILL RETURN IN TEN DAYS

Travels on Business, Also to Regain Nerve.

WIFE SAYS HE WILL FIGHT

Faithful to Him, She Says His Affairs Are Not as Bad as Reported-Eleven Banks Declare "No Funds."

QUEENSTOWN. Feb. 7. A correspondent of the Associated Press tonight pearded the Cunard line steamer Campania and found, Charles W. Morse, of New York, in the smoking-room, enjoy ing a game of cards. Without a moment's hesitation Mr. Morse granted an interview to the correspondent. He was shown extracts from London papers referring to him as having fled from his creditors

Mr. Morse said there was absolutely nothing in these reports, saying they were "New York sensationals." He added that he sent cable dispatches to New York concerning his position and that he would rectify matters when he returned there. He was traveling partly on husiness and partly for pleasure for a week or ten days.

Asking where he purposed going after he landed at Liverpool, Mr. Morse courteously begged to be excused from replying.

"You can," he said, "say with certainty that my stay will not exceed ten days on this side, and that then I will return to New York." Mr. Morse proceeded from Queenstown

is traveling under an assumed name probably C. M. Moore. HIS FRIENDS NOT SURPRISED

Mrs. Morse Says Husband Will Return and Fight. NEW YORK, Feb. 7.-Those in close ouch with the situation expressed no surprise tonight when they received, the first direct word from Charles W. Morse since he sailed on the Campania last Saturday. His friends were glad to know that he was in evident good health and spirits and that he planned an early return to this counbe able to spend about a week, on the debtedness to the institution. other side and that his announced purpose of adhering to his original plan indicated that he was far less distressed

supposed. husband sailed for Europe on the Campania, and that she accompanied him to the steamer a few minutes before the departure.

over his financial affairs than has been

"Mr. Morse is coming back on the Campania on her next trip," added Mrs. Morse. "The voyage was under

## taken in order that he might have t rest and recover some of his nerve force, which had been badly shattered by his troubles. He is a fighting man and he will be back to face anything necessary. I sent Mr. Morse a wire less message today. We will soon hear rom him. Mr. Boardman tells me tha affairs are not so bad as commo report makes them. Many of Mr. Morse's friends, whom he made rich, have deserted him in his trouble. Oth ers have stood by him. I shall remain

turn. Ten banks and one trust company, or which attachments had been served by National Bank Examiner Hanna to cover any funds or securities which Morse might shave on deposit with them, made worn statements today that they had no property belonging to Morse. other banks and trust companies or which similar attachments have been rved have not yet reported. After Mrs. Morse told a representative

right here in this house until his re-

of the Sheriff today that all the furniture



in Whose Case Federal Jury's Verdict Was Reached Last Night.

in Morse's Fifth-avenue house belonged her, the keepers were withdrawn from

DO THE SAME IN GERMANY Banker Disappears, Leaving Debts

of About \$400,000. BERLIN, Feb. 7.—Siegfried Burg, a private banker and owner of the financial newspaper, the investors Adviser, has disappeared. It is said that he has lia-bilities amounting to \$60,000. to Liverpool on board the Campania. He

Three Bankers Accused of Fraud.

DURANGO, Colo., Feb. 7 .- Three directors of the defunct Colorado State Bank, B. H. Freeman, Frank Eldridge and W. C. Chapman, were arrested of day by the Sheriff of Archuleta County on the charge of receiving deposits at the branch bank at Pagosa Springs elaborate than in any of the preceding when they knew the parent bank was land-fraud or conspiracy cases. They insolvent.

Butte Bank to Resume. BUTTE, Mont., Feb. 7.-It was announced today on the authority of the management of the State Savings Bank that the bank would resume business or February 15. President M. S. Largey, of the bank, and F. Augustus Heinze try. They said Mr. Morse had hoped to have made good the amount of their in-

Receiver for Inland Bank.

SPOKANE, Feb. 7.-W. F. Meier has been appointed receiver for the Inland Bank on application of R. E. Cavette, one of the heaviest stockholders. The capital is \$15,000; deposits \$33,000. Refusal of the Clearing-House Association to grant the bank membership is given as one reason for its closing.

Factory to Close Saturdays. ELGIN, III., Feb. 7.—The Eigin Na-tional Watch Company today posted notices that the factory will be closed on Saturday until further notice. Dull-

FIGURES FAIL TO

EMIGRATION TREATY DELAYED BY MINOR DETAILS.

Japan Is Conducting a Thorough Search to Ascertain Wherein Statistics Differ From America's.

TOKIO, Feb. 8 .- The delay in reaching a final settlement of the emigration question between Japan and the United States is due to differences between the two governments concerning statistics and minor detalls.

The Japanese government, in its mem orandum of December 31, maintaining the incorrectness of the figures presented by Ambassador O'Brien, which showed an extraordinary number of Japanese entering America since March, replied to the American memorandum with the Japanese figures, showing a wide divergence. The American memorandum of January 25, couched in the friendliest of terms, said that it appeared impossible to recondie the discrepancy in figures and suggested the possibility of frauds. The Japanese government, determined to disexact cause of discrepancy engaged last week in a comprehensive investigation to unearth possible frauds, and it is conceded that some cases have been discovered, but these are insufficient to explain the disparity.

This investigation has caused 10 days' delay in the negotiations. The Foreign Office has pointed out to the Associated Press, however, that while it doubtless would be gratifying to be able to write finis to the vexatious problem, it believes it best to clear up the statistics.

In the meantime no passports will be issued to laborers. The fact that emigration is completely stopped removes an element of danger. The Foreign Office is confident of a satisfactory outcome of the

CASE IS REACHED

Jury Deliberates Over Three Hours.

RESULT IS NOT YET KNOWN

Sealed Envelope Will Be Opened This Morning.

**GUILTY, SAYS PROSECUTION** 

Interprets Speedy Agreement to Indicate Conviction, in View of Judge Hunt's Instructions as to the Law and Evidence.

At 1:30 o'clock this morning the jury in the Hall conspiracy trial ansounced that it had renched a verdict. The verdlet was sealed in an envelope. under / instructions given by Judge Hunt last night, and will be returned to the court and opened at 10 o'clock this morning. In view of the charge given by Judge Hunt and the fact that the jury deliberated only three hours, having retired at 10:20 o'clock last night, the prosecution is confident the verdict is guilty. Under the Federal statutes, conspiracy such as that charged in the indictment on which Hall was tried, is punishable by a fine not exceeding \$10,000, or by imprisonment not exceeding two years.

The fate of John H. Hall, ex-United States Attorney, is in the hands of the jury. At last night's session, which conrened at 7:45 o'clock, Judge Hunt delivered exhaustive instructions to athe jury, the charge requiring two hours for Its delivery. At 10:12 o'clock, after Judge Webster for the defendant had interposed exceptions to practically every instruction of the court, the jury retired to deliberate on a verdict. The jurors were instructed by Judge Hunt that 'if a verdict should be reached during the night, they were to seal it in an envelope and repair in the custody of the bailing to their rooms, the verdict to be returned at 10 o'clock this morning to which hour

court adjourned. Judge Hunt's instructions were far more consisted of a learned exposition of the law as applied to conspiracy charges and a lucid interpretation of the statutes pertaining to the fencing and homestead acts and the statute of limitations.

As to Weight of Evidence.

Judge Hunt also advised the jury as to the weight that should be given the testimony of the different witnesses for the Government as well as that of the defendant, who took the stand in his ewn defense. In order to refresh the minds of the jurous as to the important testimony in the case, Judge Hunt read parts of the testimony of Steiwer and Hendricks detailing their interviews with Hall early in the year

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