JURY DELVES INTO RECORD OF PHENIX

District Attorney Calls In Broker With Whom Sheldon Dealt.

ACCUSED MAN IS VERY SICK

Other Officials May Be Deposed as Result of Investigation—Indictments, If Any, Will Be on Charge of Larceny.

NEW YORK, Dec. 7.—Acting upon the recommendations of H. O. Hotchkiss, State Superintendent of Insurance, whose preliminary report yesterday disclosed alleged extraordinary irregularities in the management of the Phenix Fire Insurance Company, of Brooklyn, the District Attorney's office began investigation before the grand jury today.

Four witnesses were examined by Assistant District Attorney Nott, all former business associates of George P. Sheldon, deposed president of the company. Lawyers following the case point out that the first matter to be investigated will be in connection with alleged specific irregularities in the use of the company's funds by its former president. And, if any indictment is found, it is said it will be upon a charge of larceny.

Broker Gives Testimony.

Edwin A. Carter, connected with a brokerage firm with which Sheldon is said to have dealt, was a witness before the grand jury today. R. T. Doremus, receiving and note teller of a bank; Charles F. Coster, secretary of the Phenix Insurance Company of Brooklyn, and Frederick Cutter, a bookkeeper in the brokerage firm referred to, also testified.

Henry Evans, president of the Continental Insurance Company, who was elected chairman of the executive committee of the Phenix Insurance Company of Brooklyn, today intimated that other officials besides President Sheldon may be deposed as a result of the disclosures. Mr. Evans added, however, that the Phenix Insurance Company was sound.

Sheldon Not Expected to Recover.

The fact that George P. Sheldon is so ill at his home in Connecticut that he is expected to die will not cause an abandonment of the criminal investigation.

Henry Evans, who in this crisis has been called by prominent stockholders to assume the chairmanship of the executive committee of the Phenix Insurance Company, issued an official statement this afternoon, declaring his belief that the company's capital of $1,900,000 was intact and that there would be a net surplus of about $500,000.

SLED WRECKED, BOY HURT

Another Coasting Accident Reported of Sunday Party.

Dashing down Vernon street towards the Fulton carline Sunday, Charles Douglas, living at 462 Foundry avenue, was hurled from an overloaded bobsled into the bank at the side of the road and seriously hurt.

As in the Hall-street accident, the rear runners spread and, combined with the erratic steering of the bowman, due to the approach of a Fulton car, the sled was dashed against the bank and the party of six capsized.

Owing to the soft snow Douglas was the only member of the party hurt. While not dangerous, his injuries are of a serious nature. The other members of the party were slightly bruised and scratched.

Douglas was sent to the Good Samaritan Hospital.

Frank Smith, injured Sunday in the Hall-street wreck, was slightly improved yesterday. While still unconscious he obtained some sleep and apparently rested easier. His physicians hold out scant hope of recovery.

WASHINGTON'S HOME TO GO

First Presidential Mansion, Near Brooklyn Bridge, to Be Razed.

NEW YORK, Dec. 7.—What is believed to have been the first Presidential mansion in the United States is being torn down to make way for a structure paying larger revenue. It was known as the old Van Altren house, and stood under one of the immense arches of the Brooklyn bridge, on Cherry Hill.

It was to this house that President Washington returned after taking the oath of office, and there he resided from April 23, 1789, to February 23, 1790.

ALLEGED DEFRAUDER HELD

J. H. Wilson, Commission Operator, Under $5000 Bail.

SAN FRANCISCO, Dec. 7.—J. H. Wilson, accused of fraudulently using the United States mails by representing himself as a commission merchant, buying and selling fruit in car lots, and by his operations defrauding persons in various parts of the country, was held today for action by the Federal grand jury.

His bail was fixed at $5000 by Commissioner Heacock.

"DOWN BRAKES," IS PLEA

(Continued From First Page.)

dent's customary terse, vigorous style," commented Representative Payne, majority leader in the House, while Representative Clarke, minority leader, thought about all that could be said about the message, was that it was comparatively brief, "as discussion of almost all important matters is relegated to special messages."

In both Houses the message was subject to careful scrutiny. Following custom, the message was referred to the committees of the whole to be prepared for "vivisection" by the various committees whose business is to deal with subjects discussed by the President in his message.

DICKINSON'S PLAN OPPOSED

Secretary of War May Lose in Fight for More Army Officers.

WASHINGTON, Dec. 7.—Secretary of War Dickinson today received little encouragement in regard to his recommendation for an increase in the number of officers for the Army. With the view of impressing upon Congress his ideas on this subject, as embodied in his annual report, he had a conference with Chairman Hull, of the House committee on military affairs, today. Mr. Hull was not sanguine over the outcome of the attempt.

"Why, as late as 1901 we gave them as many officers as they said they would ever need for an army of 100,000 men," said Mr. Hull as he left the Secretary's office. "Now they want about 700 more. How long will those be sufficient?"

He admitted some branches of the service should be increased, among them the Signal Corps. The chairman continues to urge the abolishment of the Marine Corps as an independent organization.

"Why could we not have sent the infantry to Nicaragua as well as the marines?" he inquired. "The advent of the big battleship, to my mind, signifies the passing of the marines."

TAFT RENAMES F. K. LANE

President Sends 1200 Federal Nominations to Senate.

WASHINGTON, Dec. 7.—President Taft today sent to the Senate a list of about 1200 nominations to Federal offices. Practically all are recess appointments announced from time to time as made, and the greater part of the list is made up of Postmasters in the smaller cities and census supervisors.

One of the important new announcements is that of the reappointment of Franklin K. Lane as a member of the Interstate Commerce Commission. Sanford B. Dole, ex-Governor of the Hawaiian Islands, is named as United States Judge for the Territory of Hawaii.

WHAT IS "FREE WHITE"?

NATIONAL LEGAL POINT ARISES OVER WOULD-BE CITIZEN.

Man Born in Palestine, Now Subject of Sultan of Turkey, Raises Problem in Portland Court.

For the first time since the enactment of the immigration laws, a United States Judge has been asked to interpret the meaning of the phrase, "a free white person."

The case came up to Judge Wolverton yesterday when District Attorney McCourt submitted a brief concerning the application of Tom Ellis, of Rainier, for naturalization. Attorneys for Ellis have been granted one week in which to advise the court as to the meaning of the phrase.

Ellis was born in Palestine, and is a subject of the Sultan of Turkey. It is contended that the social, religious and political institutions of Asia are so foreign to those of this country that it will be difficult, if not impossible, for the first generations of people migrating therefrom to this country to become qualified to exercise the privileges and immunities of citizens of the United States. It is contended that Ellis and his people for 3000 years have been ruled by other people, and at no time were they more than the most abject subjects. Neither he nor his ancestors have ever been permitted to participate in governmental affairs, and so Mr. McCourt contends that "if there is anything in the proposition that the people must exercise the privileges and rights of government for a number of generations before being qualified to exercise them intelligently, the Assyrians have not had that privilege."

Tom Ellis is admitted to be a good citizen of Oregon, a business man of some consequence in Rainier, and of superior intelligence. It is probable that the action of Judge Wolverton will become a precedent for the direction of future applications for citizenship.

HAY WORRIED ON STAND

(Continued From First Page.)

department. The state kept this out of the record by objection.

The Governor had testified that he had never appointed Hamilton to office; that Hamilton was a holdover from a former administration, and the defense brought out on cross-examination identification of a general order, approved by Hay, which appointed Hamilton as Adjutant-General.

The state admits that the Governor, on direct examination yesterday, made a serious error in identifying a certain voucher as a bad one, as before the Governor went on the stand evidence given by other state witnesses went to prove this was a legitimate voucher. Hay corrected this statement today.

Taken as a whole, the defense is not too well pleased as to the showing of the day, other than what they accomplished in making a mixed record for appeal. The state insists that it is satisfied the jury will be properly impressed with the guilt of the defendant.

The references by the defense to ex-Governors Mead and McBride and to President Chilberg of the Alaska-Yukon-Pacific Exposition were in questions as to whether the Governor questioned Hamilton if the men were concerned in any way in his shortage, or if Hamilton had bought wine for them. To these questions the Governor replied that he was new in the office when the shortage was learned; that the shortage of Hamilton made him wonder if one man alone could pull off such a crime and that he did not know who his friends were, so he made general inquiries, but he could not say whether or not he had mentioned these particular names or not.

By adroit questions, by innuendo and suggestion, Attorneys Vance and Robinson, for the defense, attempted to lead the witness into traps and to force him to conflicting statements.

The courtroom was crowded to witness the "baiting" of the chief executive of the state by two of the most famous criminal lawyers and opinions are divided as to the result.

That the Governor retained his composure and coolness most of the time is admitted. That he volunteered statements most damaging to Hamilton, some of which the court promptly ruled out, and directed the jury not to consider, is conceded and that his testimony of Hamilton's confession and as a whole will probably go far toward pursuading the jury to render a verdict of guilty, is admitted, but the defense claims that the record which will go to the Supreme Court shows admission of so much extraneous matter as to be a strong factor toward upsetting any conviction.

The Governor gave details of his conference with Hamilton in the Governor's office, when Hamilton is alleged by the prosecution, to have made a confession. Governor Hay testified:

"I started in by asking, 'Have you got away with $25,000?' and Hamilton said, 'Oh, no.' I asked him '$15,000,' and he said, Oh, no.' Then I asked him '$10,000?' He said 'not as much as that,' then I had him.'"

Governor Hay testified that Hamilton begged that Hazel Moore, of Oakland, Cal., on whom he is alleged to have squandered most of the money taken from the state fund, be not brought into the case. The Governor said:

"Hamilton wanted to know whether we would protect the woman if he owned up. He said she was a respectable woman and that he had not spent any state money on her."

Governor Hay said he wished the confession in order that the state might be spared the expense of a trial.

The salmon output of Alaska equals the combined catch of British Columbia, the United States proper and Japan.

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But agree to keep them pressed, shapely and mended forever
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A FUR COAT or SET OF FURS will be the most acceptable gift for mother, sister, wife or sweetheart.

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Your choice of any Trimmed Hat in the house, values to $25.00—on Wednesday for only $7.95

WHITE ICELAND FUR SETS

Two Styles to Select From

A beautiful large shawl and an extra large muff of the finest quality of genuine Iceland Fox. Just the thing for a Christmas present. reg. $35 val. $21.50

LADIES' KID GLOVES

Excellent Values in Women's Gloves at $2.00

Women's Real Kid Gloves, glace finish, pique-sewn, with two patent fasteners at wrist and fancy embroidery on back. These are shown in black, brown, tan, gray and pearl.

TWO-CLASP REAL KID GLOVES

Glace finish, overseam-sewn; shown in black, white, tans, browns, navy, gray, green and oxblood. Extra special values, per pair.....$1.75 and $1.49

HOSIERY

Ladies' Lisle Hose in black and colors, both plain and embroidered, 75c values 43¢

WE CARRY A COMPLETE LINE OF BLACK CAT HOSE for ladies and children, heavy and light weight. Per pair.....25¢ and 35c

KNIT UNDERWEAR

Just received a new line of Ladies' Knit Union Garments in Orient silk and cotton, also in white silk and wool mixtures. Specially priced for Wednesday and Thursday at $2.50

UNIONISTS WILL PROPOSE TARIFF

Scheme of Protection Given by Organ as Programme if They Win.

GRADUATED DUTY RATES

Raw Materials Free, but Duty on Manufactured Goods, Grain and Flour—Leader of Spinners for Free Trade.

LONDON, Dec. 7.—The Birmingham Daily Post tomorrow will publish an article from inspired sources outlining the tariff reform proposals that are likely to be made by the Unionist government if the Unionists are successful at the elections, prefacing it with the remark that the country's financial necessities are much greater than they were in 1906, when Joseph Chamberlain started the movement. The article continues:

"It is proposed to establish a general tariff, placing duties on practically all goods that are not deemed raw material, with the object, first, of raising revenue; second, of assisting the home producer against foreign competition; third, of giving preference to the colonies; fourth, of securing better terms from foreign countries, and fifth, of mitigating unemployment by encouraging the home producer.

Proposed Scale of Duties.

"The tariff will be of the simplest possible form, not protective in the sense that is understood in Germany and the United States. There is no intention of having multifarious rates which would throw open the door to parliamentary intrigues. The plan favored is to allow raw materials duty free and to impose a 5 per cent duty on partly manufactured goods, 10 per cent on articles nearly completed and 15 per cent on completely manufactured goods.

"A slightly lower duty may be assessed to favor the colonies and a slightly higher tariff against countries seeking unduly to penalize British goods.

"Foreign wheat will be liable to duty of 2 shillings per quarter. Flour will pay a higher rate, to encourage home grinding, while bacon and maize will also be excluded from the free list. Cotton and wool will enter free.

"Such a tariff, it is estimated, would produce a revenue of from $16,000,000 to $20,000,000. If the Unionists are returned, every possible effort will be made to embody the new duties in the budget of 1910, withholding maximum duties for two years to permit of negotiating agreements with foreign countries."

The Right Hon. George Wyndham, member of the House of Commons for Dover, speaking in London tonight, also intimated the intention of the Unionists to propose a 10 per cent duty on manufactured articles and 2 shillings on wheat.

Charles Wright Macara, head of the Cotton Federation of Great Britain, revealed himself as a strong advocate of free trade.

Free Trader Fires Hot Shot.

"I have been struck," he said, "by the feebleness of the arguments of those who would seriously endanger the cotton trade by changing our fiscal policy. In 50 years Lancashire has doubled in population, doubled its cotton spinning and manufacturing machinery, and built up an export trade three times bigger than its home trade, through the cheapness of production. Tax food and mill requisites and our pre-eminence would be endangered. Protected America, where two-thirds of the world's cotton crop grows, only exports 10 per cent of her manufactured goods, against England's 75 per cent.

"Hitherto other nations have discounted to some extent the handicap which protection imposes upon them by working long hours, but next year the mills of Massachusetts and Germany will by statute have working hours reduced to nearly the same level as England. Let the cotton industry be imperiled and every other industry suffers. The teeming population of Lancashire is among the biggest consumers of agricultural produce."

HOME RULE BELIEVED NEAR

Manifesto Full of Hope Is Sent to T. P. O'Connor.

LONDON, Dec. 7.—John E. Redmond, leader of the Irish party, has forwarded a manifesto to T. P. O'Connor, president of the United Irish League of Great Britain, who is now in New York, addressed to the friends of Ireland in the United States.

Mr. Redmond congratulates Mr. O'Connor on the success of his mission in America, and expresses the gratitude of the Irish party at the warm response of the American people to Ireland's appeal. The manifesto says:

"Never has the situation confronting Ireland been at the same time more critical and more hopeful.

"Not for 120 years has such an opportunity been offered to Ireland. The Lords' veto has been described by Rosebery and Lansdowne as the only remaining safeguard against the granting of home rule in Ireland. All that is necessary to enable Ireland to profit by this opportunity is that the unity, discipline and efficiency of the party be maintained."

Two Rear-Admirals Made.

WASHINGTON, Dec. 7.—The rank of Rear-Admiral was today conferred on A. C. Dillingham and Hugo Osterhaus by the Navy Department. Rear-Admiral Osterhaus was assigned to the command of the fourth division of the Atlantic battleship fleet.

HENEY IN BIG SUIT

Prosecutor Charges Libel by Rich Banker.

ACTION IS FOR $250,000

William H. Crocker, Rich San Francisco Financier, Alleged to Have Declared Heney's Tactics as Revengeful and Criminal.

NEW YORK, Dec. 7.—(Special.)—Will H. Crocker, the San Francisco banker, was made defendant today in a suit for $250,000 damages filed by James M. Beck in behalf of Francis J. Heney. The action is based on alleged libelous statements made by Crocker in a signed article in the Evening Post, of this city.

Crocker, who is now here, has been served with the complaint and the case will be pressed to trial in the Federal Court of this district.

Crocker's present trouble is the outcome of a reply to an Evening Post editorial. The publication referred to Crocker as "One of the rich men of San Francisco who was willing to back Heney just as long as he confined his operations to the small fry, but withdrew the support when Heney undertook to try Patrick Calhoun and announced his intention of prosecuting respectable men higher up."

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DYSPEPSIA, GAS, HEARTBURN AND ALL STOMACH DISTRESS VANISHES

A Little Diapepsin Makes Your Out-of-Order Stomach Feel Fine in Five Minutes.

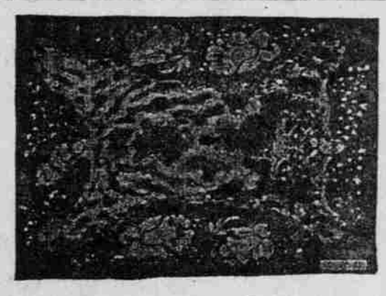
The question as to how long you are going to continue a sufferer from Indigestion, Dyspepsia or out-of-order stomach is merely a matter of how soon you begin taking some Diapepsin.

If your Stomach is lacking in digestive power, why not help the stomach to do its work, not with drastic drugs, but a re-enforcement of digestive agents, such as are naturally at work in the stomach.

People with weak Stomachs should take a little Diapepsin occasionally, and there will be no more Indigestion, no feeling like a lump of lead in the stomach, no heartburn, Sour risings, Gas on Stomach, or Belching of undigested food, Headaches, Dizziness or Sick Stomach, and besides, what you eat will not ferment and poison your breath with nauseous odors. All these symptoms resulting from a sour, out-of-order stomach and dyspepsia are generally relieved five minutes after taking a little Diapepsin.

Go to your druggist and get a 50-cent case of Pape's Diapepsin now, and you will always go to the table with a hearty appetite, and what you eat will taste good, because your stomach and intestines will be clean and fresh, and you will know there are not going to be any more bad nights and miserable days for you. They freshen you and make you feel like life is worth living.

SNAP IN ROBES



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