

FATAL FIGHT ON WESSEL OF NAVY

Blow on Jaw Sends Member of Cumberland's Crew In to His Last Sleep.

WINNER IS HELD PRISONER

Master-at-Arms of Training Ship Is Killed in First Fight by Apprentice—Clot on Brain Causes His Death.

NEWPORT, R. I., Jan. 18.—Following a first fight last Thursday on board the United States training ship Cumberland, at this port, H. A. Hartnett, aged 23 years, of Philadelphia, a naval apprentice, died today, D. M. Manning, 29 years old, of Middletown, N. Y., also an apprentice, is under a sentry's charge pending an investigation into Hartnett's death.

Hartnett, who had been appointed an acting master-at-arms, had trouble with Manning. When the duty was over, the boys put on gloves and began a battle which, by agreement, was to go ten rounds.

With a crowd of 200 apprentices and seamen as witnesses, the fight was a hard one from the outset. Manning caught Hartnett on the jaw, sending the older boy to the deck. Hartnett took the count of ten, and when his seconds went to his side, they found him unconscious.

The usual first aid employed in such emergencies failed to bring him to his senses, and he was removed to the sick ward. There every effort was made to revive him, but without success. Today Hartnett died without having recovered consciousness. Death was due to a blood-clot on the brain.

WEEPS, BUT CONVICTS

(Continued from First Page.) by surrounded by a score of personal friends, who pressed forward to offer words of sympathy and encouragement. To these he made brief replies, smiling faintly as he shook the proffered hands. Appeared to an expression of opinion as to the finding, he said:

"The fight has just begun. I have nothing further to say."

Almost immediately he left the courtroom.

The verdict was the result of nearly 36 hours' deliberation. The jurors having retired at 3 o'clock on Thursday, there was no indication that a verdict was near until about 3 o'clock this morning, when a request for pen and paper was followed by the announcement that a verdict had been reached. This, however, was all that was positively known until the announcement was made in court.

The reading was followed by a motion by Mr. Miller for a new trial. Judge Peterson granted permission for the filing of the motion, and said that the attorney would be permitted to make the formal application later, and that he would listen to arguments on the same on January 28.

Lesson of the Verdict.

Soon after the verdict had been announced District Attorney Sims telegraphed the result of the trial to the United States Comptroller of the Treasury and received the following reply from T. P. Kane, acting Comptroller: "Verdict a just one. Should serve as salutary warning that banking laws cannot be violated with impunity, no matter what may be the size of the bank or the standing of a banker in the community."

The District Attorney estimated that the trial had cost the United States Government \$100,000. The District Attorney's office was engaged nearly a year in preparing the case.

The original indictment contained 152 counts. Demurrers were sustained as to 32 counts, which left 119 upon which the jurors were required to pass.

Many Ballots Taken.

From four to ten ballots, it developed, were taken by the jury on each of the indictments. The result of the first ballot was 10 for conviction, two jurors holding out, influenced chiefly by sentiment.

In the end, it was finally agreed that Walsh should be held guilty and the question upon what count he should be convicted was taken up. The one on which the conviction was based involved nine distinct series of transactions.

The misapplication of approximately \$1,000,000 was the act of which the jury found the defendant guilty.

Fraudulent Loan of \$1,000,000.

The charge against Walsh grew out of the closing in 1905 of the Chicago National Bank, of which Walsh was president, and its allied institutions, the Home Savings Bank and the Equitable Trust Company. Walsh was accused of having loaned funds of these institutions, aggregating \$1,000,000, on fictitious and insufficiently secured struggling enterprises which he himself had founded and practically owned.

Many of the notes, it developed at the trial, were signed without authority by the names of various employees of Walsh.

The directors of the bank testified they were not consulted by Walsh as to the making of the loans; that they knew nothing of them. Twenty-six of the notes were described as "memorandum" notes and they formed one of the chief features of the trial. They represented more than \$2,000,000.

Methods of concealment employed in carrying the transactions on the books of the bank and alleged misrepresentations made in reports to the National Bank Examiners kept the latter in ignorance of the true condition of the bank's finances and the nature of the securities for several years prior to the closing of that institution.

The defense took the ground that all of the Walsh enterprises were built up in order to save and protect original loans by Walsh in good faith. The allegation was also made that Walsh did not hold the controlling interest in the corporations which profited by the loans, but that the Chicago National Bank held it. Walsh being only a trustee and a conservator of the bank's interests.

What He Said in Defense.

Walsh was on the witness stand for two days. He admitted near-

ly all of the transactions charged against him, but clung to the defense that all he did was for the good of the bank he headed, and that all of the loans proved good, and that no one lost anything in consequence of them. In substantiation of the latter statement the evidence presented evidence to show that since the closing of the banks Walsh had bought back the collateral taken from him by the clearing-house banks, amounting to \$7,000,000, giving in payment a note for the same, payable in five years. The collateral released, Walsh was able to go ahead with the building of a railroad.

Another fact brought out was that the associated banks of Chicago took a pro rata share of the \$7,000,000 loan negotiated by Walsh for the redemption of his securities and that these banks today hold the stocks and bonds which Walsh was prosecuted for making loans upon. This circumstance was made the basis of Walsh's claim brought out at the trial that the value of the securities had been established.

Jury of Farmers, Says Miller.

A statement was issued by counsel for Walsh, in which he said: "In our opinion no case was made on the evidence presented against Mr. Walsh and he was entitled to a verdict of not guilty. The jury was made up of intelligent men, but they were farmers and altogether unfamiliar with the public and private business of the character brought out in this trial. There was in the evidence no clear-cut issue presented as to the distinct transactions. The jury was overwhelmed with a mass of unconnected transactions extending over a dozen years before, as well as during the period of the transactions complained of in the indictment under challenge of evidence, the issues of the case were buried. We ask a suspension of public judgment on this case. We feel sure that the public generally will find Mr. Walsh as innocent of these charges as Mr. Walsh, as heretofore, will continue to attend to his business affairs and that he will be fully vindicated as he has no doubt."

Aimed at the Acts, Not the Man.

Assistant District Attorney Fletcher Dobbin said: "The prosecution was directed against Mr. Walsh's illegal acts and not toward the man. The Government had no animus in the matter, but was simply performing its duty by enforcing the law. I do not believe there is an error in the case and I am confident that the verdict will stand. In my opinion the verdict will have a far-reaching and wholesome effect. It will be a lesson to men in high positions who use sacred trust funds for their own personal benefit. In these days of high finance some such substantial warning is needed."

William B. Ridgeley, Controller of the Currency, who reached Chicago today, said of the case: "At least one of this kind of bankers has been found guilty. The result will have a very beneficial effect on the entire country and the banking practice of the entire country."

"Of course, we are very sorry for Mr. Walsh; sorry that he should be the victim of conditions, but we cannot be moved by such considerations as that. He was guilty and the jury so found. I congratulate the Government on the work of the District Attorney's office."

John R. Walsh was born in Ireland August 22, 1837, and in 1847, at the age of 10 years, his family moved to the United States and settled in Chicago. In 1855 he entered the employ of J. McNally, a newspaper editor. Gaining an insight into the business, in 1861 he established a news business of his own, and soon consolidated it with the American News Company, of which he became a director. He prospered in all his undertakings, and in 1882 he founded the Chicago National Bank, being the first president of that institution, which office he held until the bank closed its doors in 1906. He also was a director of the World's Columbian Exposition. Besides being active in various business enterprises during the last decade, Walsh had been interested in the newspaper field in Chicago, his last venture being the Chicago Chronicle, which suspended publication in the summer of last year.

SAY INDICTMENTS INVALID

Fight Trust Grifters Move That They Be Set Aside.

SAN FRANCISCO, Jan. 18.—When the cases of the plaintiff promoters, accused of bribing Supervisors to secure permits for public contests, came up in Judge Dunn's court today a motion was filed to set aside the indictments against James Coffroth, Eddie Graney, Willis Brit and E. E. Schmitz, on the ground that they were in violation of the law continued until next Saturday. The case of Abe Ruff, on a similar charge, also went over for one week.

THIRD ROBBER IS CAUGHT

Sensational Arrest in Marysville Stage Mail Robbery.

MARYSVILLE, Cal., Jan. 18.—Joe Reilly, the third man who was implicated in the mail wagon robbery here in which Driver Harwood was a party himself, was arrested at midnight in Sacramento and is now in jail. The police are confident today that a motion picture is supposed to have gone to Sacramento.

Everett, after the robbery, took the money from Reilly for safekeeping and Reilly was compelled to follow him until he was arrested. Harwood's conviction has created a great sensation here. He is 29 years old and is the son of the contractor for the mail route.

SIXTY FUNERALS HELD

Boyetown Continues Work of Burying the Dead.

BOYETOWN, Pa., Jan. 18.—This was another day of funerals resultant from last Monday night's theater fire, in which 73 persons lost their lives. Sixty funerals took place, and so great was the demand for undertakers and hearses that additional assistance and vehicles had to be impressed into service from neighboring places.

There will be no regular church services tomorrow. The entire day will be given over to the funerals and the work of getting together the broken congregations.

CHLOROFORM, THEN ROB

Two Yeggmans Make Successful Haul at Silver Beach.

BELLINGHAM, Jan. 18.—First chloroforming L. A. Finley, who was asleep in a room upstairs, two yeggmans last night dynamited the safe in the J. C. Calder general merchandise store at Silver Beach, a suburb, and escaped with \$253 in cash and checks.

Makes Swimming Record.

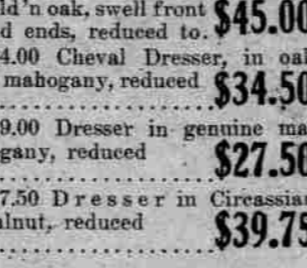
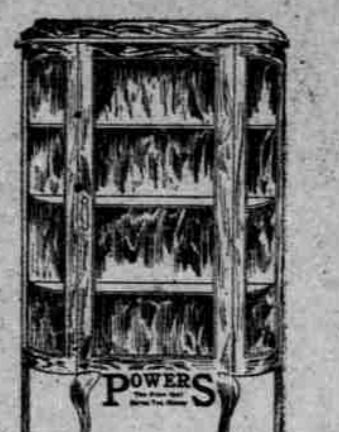
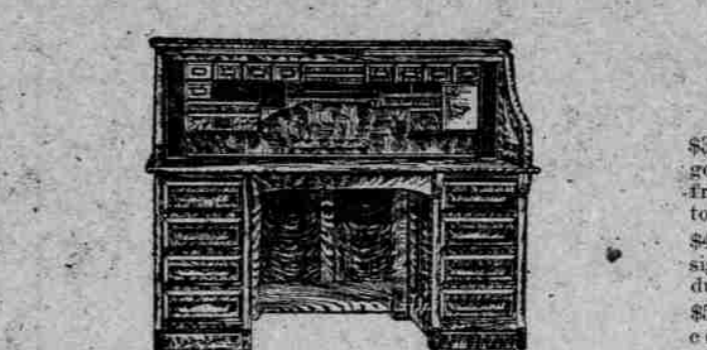
NEW YORK, Jan. 18.—O. M. Daniels, of the New York Athletic Club, added another to his long list of swimming victories tonight by winning the 100-yard Metropolitan Amateur Athletic Union championship. He covered the distance in 52.25 seconds.



LOWERS' JANUARY RED TAG SALE



The success of this sale has been spontaneous, almost phenomenal. For bargains, Portland has never seen anything to compare with it. We now start on the third week, and it is to be the greatest of the sale from a bargain standpoint. We have again gone through the lots, replenishing them from higher-priced lines, determined that the many people who come tomorrow will find just as tempting values as were offered during the first days of the sale.



Office Desks: \$120.00 Roll Top Desk in first quality quarter-sawed oak, reduced to \$73.40; \$77.50 Flat Top Desk to match above, reduced to \$46.50; \$110.00 Roll Top Desk, in genuine mahogany, reduced to \$68.00; \$86.50 5-foot Roll Top Desk in quarter-sawed golden oak, reduced to \$52.70; \$59.00 54-inch Roll Top Desk in golden or weathered oak, reduced to \$35.75; \$49.00 50-inch quarter-sawed golden oak, Roll Top Desk, reduced to \$30.25; \$39.50 50-inch Roll Top Desk in golden or weathered oak, reduced to \$24.50; \$30.00 54-inch Roll Top Desk in golden oak, reduced to \$21.25.

China Cabinets: \$36.00 China Cabinet in quartered golden oak, bent-glass ends and front, reduced to \$18.00; \$40.00 China Cabinet, mission design, weathered oak, reduced to \$20.00; \$59.00 China Cabinet and Buffet combined, weathered oak, reduced to \$29.75; \$57 China Cabinet in golden oak, 2-mirror back and one glass shelf, reduced to \$29.50.

MUSIC CABINET: \$11.00 Music Cabinet in golden oak or mahogany finish; reduced to \$6.25.

Extension Table: \$35 6-foot Extension Table in quarter-sawed golden oak, reduced to \$19.75.

DRESSERS: \$90.00 Dresser in quarter-sawed gold'n oak, swell front and ends, reduced to \$45.00; \$54.00 Cheval Dresser, in oak or mahogany, reduced to \$34.50; \$39.00 Dresser in genuine mahogany, reduced to \$27.50; \$57.50 Dresser in Cirassian walnut, reduced to \$39.75.



LIBRARY TABLES: \$47.50 Library Table, in mahogany, one drawer and shelf below; reduced to \$31.70; \$40.00 Library Table in golden quarter-sawed oak, reduced to \$29.75; \$75.00 quarter-sawed golden oak Library Table, two drawers, reduced to \$49.50; \$24.00 Library Table in quartered oak, early English finish, reduced to \$16.85; \$24.00 Library Table in mission design, weathered oak, reduced to \$15.75; \$13.50 quarter-sawed golden oak Library Table, reduced to \$8.25; \$10.00 golden oak Library Table, one drawer and one shelf, reduced to \$5.75.



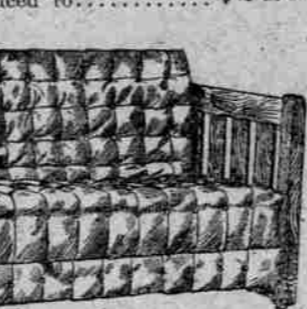
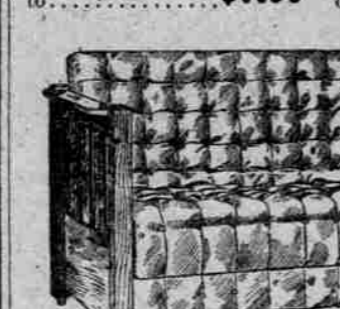
MISSION ROCKER: \$14.00 Rocker, mission design, weathered finish, loose chase leather seat, reduced to \$7.50.

BUFFETS: \$120.00 Buffet in quarter-sawed golden oak, glass knobs, reduced to \$60.00; \$87.50 quarter-sawed golden oak Buffet, full swell front, reduced to \$43.75; \$90.00 Buffet with canopy top, quarter-sawed golden oak, reduced to \$40.00; \$48.00 weathered oak Buffet, leaded-glass front, reduced to \$24.00.

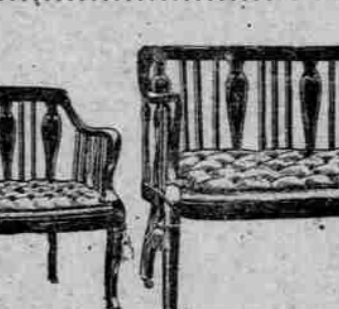
CHAIRS AND ROCKERS: \$9.50 Corner Chair in rattan, finished green, red. to \$4.75; \$14.00 mission Arm Chair, upholstered in chase leather; \$7.00 reduced to \$4.00; \$30.00 Hall Seat, upholstered seat and back in Spanish leather; reduced to \$15.00; \$15 Rocker or Arm Chair in quarter-sawed golden oak, reduced to \$7.50; \$5.00 Reception Chair in golden or weathered oak, reduced to \$2.50.

PARLOR SUITS: \$40 5-piece Parlor Suit, upholstered in green velour, mahogany finished frame; red. to \$19.75; \$85.00 3-piece Parlor Suit, upholstered in panne plush; reduced to \$42.50; \$25.00 3-piece Parlor Suit, mahogany finish, upholstered in velour; reduced to \$13.75; \$50 2-piece mahogany-finished Parlor Suit, reduced to \$25.00; \$85.00 genuine mahogany Davenport, upholstered in panne plush; reduced to \$61.00.

MISSION ARM CHAIR: \$14.00 mission Arm Chair with chase leather seat; reduced to \$7.00.



POWERERS THE STORE THAT SAVES YOU MONEY DIGNIFIED CREDIT FOR ALL FIRST AND TAYLOR



DAVENPORTS AND COUCHES: \$29.50 Folding Davenport, in golden or weathered oak, upholst'd in velour, red. to \$19.65; \$44.00 Folding Davenport, golden oak frame, upholstered in velour, reduced to \$24.75; \$38 Folding Davenport in velour, gold-oak frame, reduced to \$21.85; \$12.00 oak frame Couch, upholstered in pretty velour, reduced to \$7.65; \$10.50 fringed Couch, upholstered in velour, reduced to \$5.95; \$60 Folding Davenport in Verona velour, golden oak frame, reduced to \$39.75; \$8.50 Couch, upholstered in Russia damask, reduced to \$4.85.

DAVENPORTS AND COUCHES (continued): \$29.50 Folding Davenport, in golden or weathered oak, upholst'd in velour, red. to \$19.65; \$44.00 Folding Davenport, golden oak frame, upholstered in velour, reduced to \$24.75; \$38 Folding Davenport in velour, gold-oak frame, reduced to \$21.85; \$12.00 oak frame Couch, upholstered in pretty velour, reduced to \$7.65; \$10.50 fringed Couch, upholstered in velour, reduced to \$5.95; \$60 Folding Davenport in Verona velour, golden oak frame, reduced to \$39.75; \$8.50 Couch, upholstered in Russia damask, reduced to \$4.85.

E. G. STEDMAN DEAD

Poet and Banker Passes Away at His Home.

CHIEFLY KNOWN AS CRITIC

Victorian and American Anthologies Regarded as Authoritative—Interesting Career as Journalist, Poet and Man of Affairs.

NEW YORK, Jan. 18.—Edmund Clarence Stedman, the banker and poet, died suddenly at his home in this city tonight. Mr. Stedman, who was 53 years old, was born at Hartford, Conn., October 8, 1854, and while a student at Yale earned distinction in English and Greek composition. After a brief editorial experience in Norwich and Winsted, Conn., Mr. Stedman took up his residence in New York City, where he was connected with several of the daily papers and with Putnam's and Harper's Magazines. It was while doing newspaper work that he first gained distinction as a poet.

TURN DOWN UNION BILL

Nevada Legislature Believes in More Power to Governor.

FARMERS NOW WELCOME HUNTERS.

NEW YORK, Jan. 18.—Instead of threatening to stoop or to prosecute members of the hunting clubs who, with horses and hounds, chase the fox from time to time on Long Island, the farmers there have turned to welcoming the sportsmen with open arms. Trespass on their property is in fact invited by the Long Island agriculturists, who for months past have suffered serious raids by foxes, which appear to have increased amazingly in number.

BUYS BACK HOTEL

Mrs. Oelrichs Makes Big Real Estate Deal in Bay City.

TO SECURE STEADY INCOME

Trades Back to Law Brothers Property Obtained in Exchange for Fairmount Hotel—Sacrifices Source of Wealth.

SAN FRANCISCO, Jan. 18.—(Special.)—An explanation was given today of Mrs. Theresa Oelrichs' visit to this city, when it became known that she had again acquired the Fairmount Hotel, by trading back the property she had received for it from the Law Bros., with other valuable considerations besides.

NEVADA LEGISLATURE BELIEVES IN MORE POWER TO GOVERNOR.

CARSON, Nev., Jan. 18.—Practically all the working force of the Nevada Legislature spent the day out of this city. The only working body that was left was the assembly committee having the Goldfield matter in hand. District Attorney Swallow, of Esmeralda County, was before the committee and presented a bill that has been approved by the Miners' Union of Goldfield.

LEARN THE FACTS FIRST

Hughes Tells Insurance Agents His Reform Methods.

NEW YORK, Jan. 18.—Governor Hughes today addressed a convention of more than 100 agents of the Metropolitan Life Insurance Company, who gathered here from all parts of the United States. He said: "We had an investigation, but it was in the interest of life insurance and not against it. In the first place we wanted to know the facts. I have no sympathy with any agitation which endeavors to go off with reckless attempts to change conditions without patiently trying to understand the facts and to deal according to the facts."

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ABSOLUTE SAFETY OFFERED DEPOSITORS

No interest paid on commercial accounts or daily balances.

4% INTEREST

Paid on Term Savings Accounts

By the old gold—tried and tested

German-American Bank

Corner Sixth and Amer Sts., Opposite Oregonian.