

WALSH WAS ONLY DUEL BAR RULER OF WORDS

Directors Did Not Know He Was Lending Millions of Dollars to His Various Railroads and Many Other Schemes.

Darrow Fails to Disconcert Orchard, Who Stands the Cross-Examination Without Wincing—Crafty Questions Evaded.

(Herald News by Longest Leased Wire.)

Chicago, Dec. 14.—John R. Walsh was the Chicago National bank. Walsh was absolute ruler of the millions deposited in that bank, the Home Savings bank and the Equitable Trust company, as well as the czar of the Southern Indiana railroad, the Bedford Quarries company, the Michigan & Wisconsin railroad, and the countless other companies for which the government is now trying him for using the money of the Chicago National bank.

Director after director of the Chicago National bank today appeared on the witness stand in Judge A. B. Anderson's court and told the amazing story of Walsh's operations.

Not one of them knew that Walsh was lending millions of dollars of the depositors' money to his own railroads and corporations; not one of them knew that Walsh was carrying his own notes as cash in the bank. Not one of them, in fact, knew anything at any time about the depositors' money, and the holdings of the bank, and the first that they ever heard of the famous "memorandum" notes, by which the government charges Walsh with looting the bank, was in the newspapers.

The dummy directors, admitting that they paid no attention whatever to the bank or its affairs, but permitted Walsh to do as he pleased with the millions placed in his care by the people of Chicago, testified that they did not even suspect the existence of the condition of the bank until they were summoned to a meeting between the presidents of the clearing house banks of Chicago with Mr. Walsh, and Comptroller of the Currency Ridgeley on December 15, and there heard the comptroller pronounce final sentence upon the bank.

Astonishing Admission.
The most astonishing admission by the directors was that, when Comptroller Ridgeley called upon them to prepare a statement of the condition of the Chicago National bank and submit it, they signed their names to a document prepared by John R. Walsh, the controller of the bank, which they had no knowledge of, and permitted it to go to Washington as their statement of the condition of the bank.

So great was their faith in John R. Walsh, they testified, that even now they believe absolutely in his integrity.

Another astonishing feature of the testimony was that after the comptroller ordered the directors to form a discount committee among the directors nothing had been done.

None of the directors who testified knew anything about the formation of committees. They simply permitted Walsh to do as he pleased without question.

The fact that Walsh defied the United States government, refusing the orders of the comptroller, was brought out in the morning session by the reading of the letter sent by Comptroller Ridgeley to Mr. Walsh.

The comptroller again and again, almost once a month, warned Walsh that his bank was overvalued with rotten securities and that, unless he disposed of those securities and replaced them with good, the treasury department would be forced to act. Again and again Walsh promised to do this, and yet each succeeding examination of the bank showed the bonds of the Walsh railroads and corporations increasing instead of diminishing. In each letter the comptroller severely criticized Walsh's methods.

Loans in Scores.
Loans in excess of 10 per cent of the bank's capital stock were reported in scores of instances, amounting to millions of dollars. On one occasion the legal reserve was not in the bank. In fact, according to Ridgeley's letters, Walsh practically violated all the laws of national banking.

John M. Smythe and William Best, directors, swore that they knew nothing as to the condition of the bank, never made any investigations and signed the reports without question. This testimony apparently nettled Judge Anderson, who seemed amazed at the statements of the witnesses, and frequently put sharp questions to them which accentuated their negligence of the affairs of the bank.

The result of the day in court was a big gain for the government, which covered some of the ground in the previous day in the testimony of Charles H. Bosworth. The government contends that, in spite of Mr. Bosworth's testimony that Walsh stated that his acts spoke for themselves, the government case is still strong.

COPPER QUEEN LOSES SUIT ON \$10,000 LOAN

(United Press Leased Wire.)
Erie, Pa., Dec. 14.—The jury this evening brought in a verdict in favor of the defendants in the sensational suit brought by Mrs. Florence M. Shatto, the "copper queen" of Cleveland, to recover a loan of \$10,000 with interest since 1900 that she claims she made to Mrs. General Reed, deceased, late of this city. The defendants claimed the loan was made to Charles H. Reed, a son of Mrs. Reed. Other members of the Reed family testified for the defense. On account of the alleged recipient's loan being decreased, Mrs. Shatto was not called as a witness in her behalf.

THIRTY YEARS A Slave to Coffee.

Many persons do not realize that coffee drinking may become a powerful, enslaving habit.

They are not all aware that coffee contains a drug—caffeine—which ought never to be taken into the system except for certain diseases, and then only when prescribed by the doctor.

The coffee habit grows on most users and is more harmful to some than others. But a drug that acts upon the heart and nerves in the way caffeine does is not without greater or less harm to all who drink coffee.

"For 30 years," writes a Washington housewife, "I have been a steady coffee drinker. I wanted it at every meal."

"But I would have sick headache most of the day, and throw up my food. I thought I really suffered awfully from coffee, yet I thought I never could stop it."

"Then I heard how good Postum was for such cases, and began to use it. At first I did not care for it. I soon found that this was because of the hold coffee had on me. For in about three days after I quit coffee and began to use Postum, the headache left me, had no more nervousness and palpitation. In about a week I felt like a new woman."

"I have used Postum three years, and when it is made according to directions (boiled 15 minutes) it is as pleasant as I know, for I was as bad off as anyone is likely to get from coffee drinking."

"There's a reason."

Name given by the Postum Co., Battle Creek, Mich. Here the little booklet, "The Road to Wellville," in package.

(United Press Leased Wire.)

Boise, Idaho, Dec. 14.—A duel of words—no other words so adequately described the cross examination today of Harry Orchard, confessed assassin, by Clarence Darrow, perhaps the most picturesque figure in the entire American bar. Time after time Darrow, following one crafty question with another, led the state's chief witness against George Pettibone to a trap. But each time the man upon the stand wriggled out.

Darrow was not trying so much to tangle the witness as he was to show him a liar. Repeatedly he tried to anger Orchard, with the idea of prejudicing the jury against the witness. Orchard has known this and has laughed at it. He has told his guards that he knew Darrow's purpose and that at the end of the duel Darrow should know that, the necessity existing, he could be as cool as ice under ordeals more trying than the cross examination.

Darrow the Bull Dog.
But Darrow was the bull dog. One failure seemed only to encourage him for further trials. At one point Senator Borah, leading attorney for the state, objected strenuously to the arguments of Darrow with the witness. Borah had a chip on his shoulder but Darrow refused to knock it off. He awaited the court's ruling and when the judge refused to bar the question, but cautioned him against its argumentative form, he accepted a decision with a smile and returned to his efforts. He handed a letter to Orchard and asked if it were Haywood's writing. Orchard studied the writing, then said it resembled it, but did not look like Haywood's natural hand. It looked more like Pettibone's handwriting, but was not exactly like either.

Orchard has escaped another pit but just what was concealed within its depths Darrow did not reveal. He returned the letter to a packet upon the table and took up a manuscript of the Haywood trial testimony. He showed Orchard portions of his testimony bearing on a conversation he testified he had with Pettibone and Haywood in regard to the Bradley affair, and endeavored to make Orchard admit that in this trial he attributed to Pettibone a statement he put in the mouth of Haywood in Haywood's trial.

Orchard Escapes.
"But they both took part in this conversation—there were many other conversations upon the same subject, and these things were both of them at various times," came the answer, and Orchard had escaped again.

So it went. During the afternoon Darrow went over with the witness each step of his journey to San Francisco. Just so far he would get the witness, then he would close his hands only to find that it clutched empty air.

Darrow did not bring out the story of Orchard's conversation of his religious profession, and of that feature of his life will not get before the jury. Darrow went over a long list of crimes to which Orchard had confessed up to the explosion in the Vindicator mine, and asked the witness if he knew Pettibone when the crime was committed. Orchard answered that he had not known the defendant until after the Vindicator explosion. Judge Wood to which Orchard issued an order that the state pay the mileage within the state of Idaho and the fees of witnesses for the defense.

ONE SAVED IN A CREW OF TWENTY

(Continued from Page One.)

at about the same time that he did.

Pilot Hicks had managed to scramble onto the Lawson from one of the life boats while the gale was at its height and gave his life in an effort to help her into port.

The Lawson was the first seven-master ever built. She was launched from the Fore River Ship & Iron company dock at Quincy, Massachusetts, June 10, 1902. She measured 480 feet over all and 368 feet at the water line. Her breadth was 50 feet.

WORK TO SAVE LIVES.

Life Savers Finally Rescue Crew of Stranded Bark.

(United Press Leased Wire.)
New York, Dec. 14.—The gale that early today began its work of tearing to fragments the bark Edmund Pinney has finished the job tonight. Here and there a section of broken spar floats in the angry sea, now and then some of the wreckage comes ashore. But aside from this there is nothing along the beach to indicate the battle that raged during the day between the life savers and the Atlantic, with the lives of 11 men for the prize. The life savers finally won and the seamen from the Pinney are warmly clothed or tightly tucked in hospital beds at the government station tonight, slowly recovering from their terrible ordeal. All were almost unconscious when they were rescued, and one sailor's leg was broken by a giant wave that followed him to the shore as he staggered into the arms of the doctors waiting there.

Captain Anderson, the last man to leave the bark, was several hours recovering the power of speech. The fight to save the 11 lives was waged from early this morning, when the vessel was discovered about 600 yards off the shore, helpless. The life savers at once began strenuous efforts to reach her line and take the men off, but no boat could live in that sea, and each time they put out they had to turn back. All the while the Pinney was growing weaker and weaker under the blows of the waves.

Much of the time the spray was

so thick that the vessel could not be seen from shore. When there was a rift in the sheet of icy water, those on shore could see that the seamen had been lashed into the rigging. It was a foregone conclusion that if the breeches buoy could not be rigged to them in a few hours the Pinney would go to pieces and they would be carried down.

Late in the afternoon the buoy was arranged and one after another of the men came across. Throughout the journey they were battered and buffeted by the seas.

Attorney-General Edward T. Young of Minnesota, who was fined \$100 for contempt by Judge Lochran of the United States district court in the railroad cases which he is fighting for the state, may be a candidate for United States senator to succeed Moses E. Clapp, whose term will expire in 1909.

(Herald News by Longest Leased Wire.)
San Francisco, Dec. 14.—By far the most sensational development of the banking scandal today was the announcement made by Assistant District Attorney William Hoff Cook that criminal actions were to be instituted not only against J. Dalzell Brown and W. J. Barnett, but also against the majority of the executive officers of the California Safe Deposit & Trust company.

Alleged false statements issued by the officials of the defunct bank are to form the basis of the wholesale prosecutions. There is to be no immunity, avers Prosecutor Cook. President David F. Walker is to be proceeded against with the rest. The evidence is to be placed before the grand jury at its initial session.

On top of this announcement came the statement of the bank commission that W. J. Barnett had "looted" the funds of the California Safe Deposit & Trust company of \$25,000 in gold three days before the institution closed its doors. This money was taken from the bank by Barnett on an overdraft. The loan was sanctioned by Brown. In the eyes of the bank commissioners the action of Barnett was little short of theft.

Another feature of the banking situation was the discovery today that E. E. Ragland, president of the defunct Citizens State bank, had borrowed \$15,000 from his own bank on his personal note. Both Barnett and Brown were unable to secure the \$200,000 bail fixed by Judge Dunne and were compelled to spend another night in jail.

New York exchange drafts on the Bowling Green bank obtained through the California Safe Deposit & Trust company seven days before the local institution closed were dishonored in the east. This is pointed to as an evi-

dence that the unsafe condition of the local bank was known to Gould and the eastern bankers.

The California State Bankers' association, at a meeting today, decided to assist in the prosecution of the officers of the California Safe Deposit & Trust company.

Both Vice-President W. J. Barnett and Manager J. Dalzell Brown of the bank spent tonight in cells at the city prison.

Barnett today made a determined effort to secure the \$200,000 bonds that would have set him free. In the morning he secured permission from the court to go about in custody of an officer, seeking bail in an automobile. The search was kept up until late in the afternoon, when Barnett returned, disappointed, to his cell.

Barnett and Brown are in neighboring cells, but they have manifested no cordiality toward each other at the prison. There is a suspicion that they are not upon speaking terms.

The search for bail will be renewed Monday. Both men still hope to secure it.

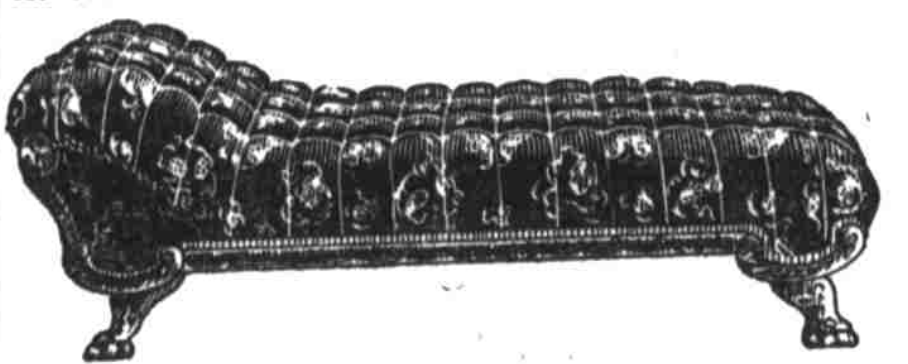
Genius Comes High.
From the Louisville Times.
Every time he made a speech within

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Regular \$1.75 Bed, brass finished, 18 inches long, 11 wide and 15 high; mattress, two pillows and canopy; a delightful gift for a little girl; a positive value; only a few left.

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Best imitation Leather Couch ever offered in Portland. Will not crack. It is 74 inches long, 29 inches wide, has ornamental oak frame, 30 steel springs, is biscuit-tufted with strong steel edge. Never before sold for less than \$33.50. Now offered for **\$21.85**



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BLANKETS

DINING TABLE

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A GOOD PLACE TO TRADE

GOULD AWARE BANK WAS BAD

California Safe Deposit & Trust Company Discredited in East.

Genius Comes High.
From the Louisville Times.
Every time he made a speech within

the last two years he invited the American investors and the foreign investors to regard the securities of American corporations with suspicion. He pounded and pounded on the subject. He gave impetus to hysteria and steam to destructive socialism. Dripping water will wear a rock. Retaliation of sensational speeches by a president of the United States will have its effect upon public feeling. There were guilty men who should have been punished, but they are still at large. Not a solitary one of them has felt the force of the Roosevelt imprudent iteration and retaliation. More than \$3,000,000 have evaporated in thin air of the assets, collateral, borrowing power and buying power of the people. Securities of corporations of the highest integrity have shrunk because of the general distrust generated by a garrulous unthinking president. The president has pulled down the pillars of the temple on the whole congregation to "get" half a dozen "malefactors" whom he hasn't "got" and who come up smiling.

Santa Claus doesn't recognize the panic.