

REAL GRIND BEGINS IN CASHIER TRIAL; SKIRMISHING ENDED

Position of Defense, Partially Outlined, to Be Developed This Week.

SHEEPMEN LOSE \$950

First of Fifty "Investors" Named as Victims of Alleged Mail Fraud Tells His Story.

Preliminary skirmishing in the million dollar fraud trial of the seven indicted officials and salesmen of the U. S. Cashier company has ended. From now on until the conclusion of the contest, probably several weeks hence, time will be devoted to introducing evidence in the federal courts to support and oppose the government's charges that the accused men conspired to defraud those who invested in the company's stock many at three times its par value of \$10 per share.

The case settled down to routine development of testimony yesterday forenoon when Burt Sallabury, a sheep raiser of Kildale, Mont., went on the stand to tell how he and his brother and partner had spent in all \$250 purchasing U. S. Cashier stock at \$30 and \$30 per share under a promise of "big returns" in dividends beginning not later than six months from the time they invested. That was in October and November of 1912. No dividends have been forthcoming. He was still on the stand at noon when adjournment was taken until Monday morning.

Sallabury was first of the 55 "investors" named as victims in the indictment to tell a story of money gone for promises. The defense took advantage of the opportunity to interpose all possible objections with a view of securing as many early rulings as possible on the points where more important evidence is brought to the front by United States Attorney Reames. Already the defense has learned that oral promises by agents to prospective stock buyers will be accepted as evidence to bear out charges of conspiracy to use the mails to defraud, when connected with communications sent through the mails. This was made plain when Attorney Pines asked the witness to testify to Sallabury's testimony that huge dividends were assured orally by salesmen Bonnewell and Todd when they sold him stock.

Objection that no proof existed that copies of letters found in company files had been sent through the mails likewise has been overruled. In this Judge Bean held that the inference is with the government and that admitted documents in this case must be allowed as evidence for the prosecution. When court recessed Monday Sallabury will be recalled to the stand to complete his story. It is expected then that the defense will disclose its plan of campaign more clearly when he is on the stand.

Thus far the actions indicate that it will work to show first, that company officials had the greatest faith in the enterprise; second, that at all times they worked to make it a going concern, even to investing in stock themselves; and third, that the company is not defunct but controls three-fourths of the stock of the Indiana concern now manufacturing one of the best of the world's machines, and fourth, that while individuals may have performed "inadvertent errors" in the case, there is no conspiracy to defraud all the stockholders of all their money" never existed, and therefore no crime as charged could possibly have been committed.

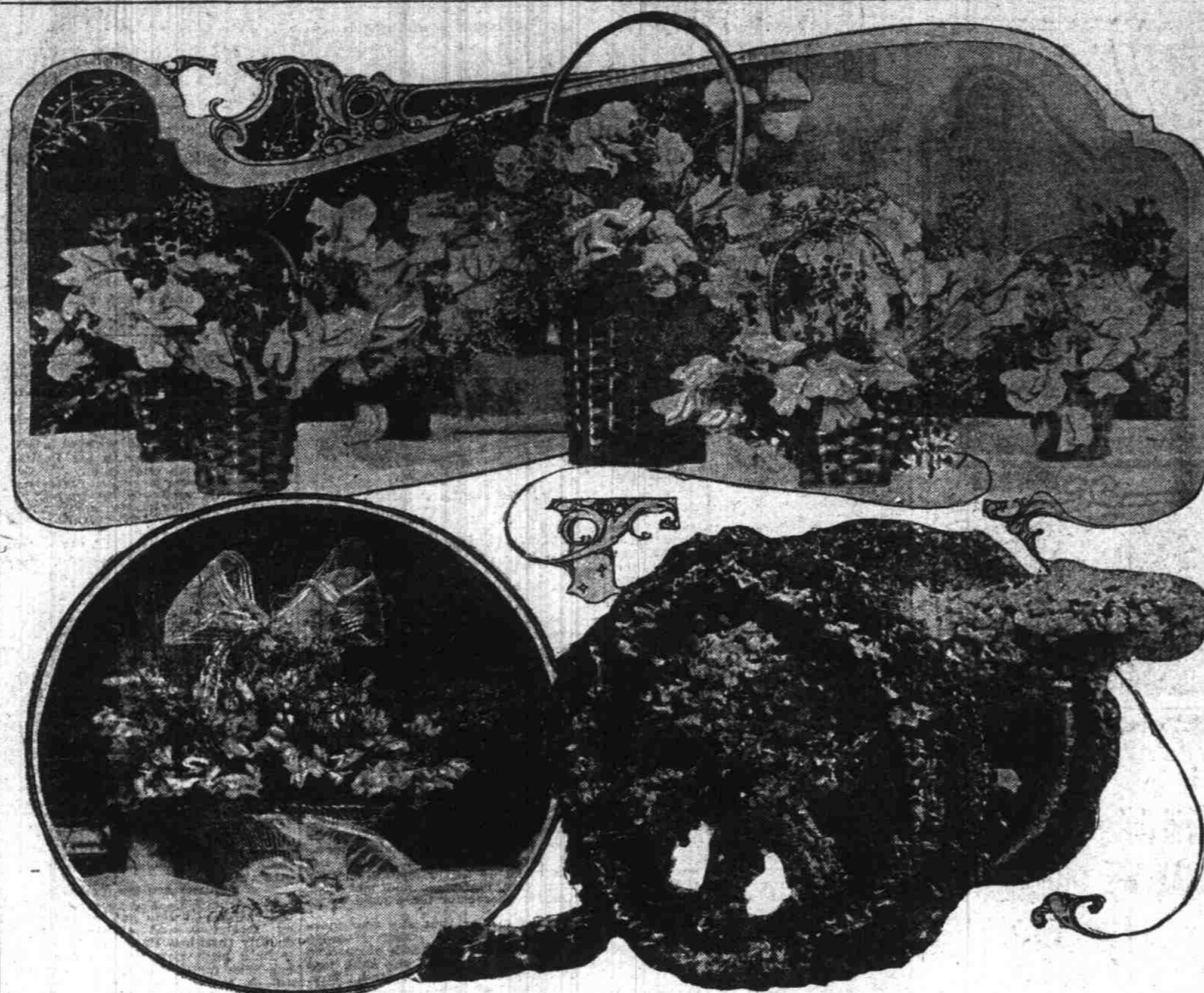
Up to adjournment yesterday only seven witnesses had been examined. They were Frank Gloyd, former secretary-treasurer of the company, who identified letters and records of the concern; Hiram House, expert accountant for the government, who did the same thing; Will Heister, David Goodell and Thomas Millburn, advertising men of local dailies, who secured the company's advertising copy, and Miss Hulda Erickson, one of the company's former stenographers, who unwillingly identified letters dictated by LeMunn to salesmen and Sallabury.

On Tuesday, the opening day of the trial, and up to 2:45 Wednesday, the selection of a jury took up the time. Wednesday and a large part of Thursday were spent in opening arguments for the government and defense. On Friday the company's published advertisements were identified along with records, and Saturday found the first really important witness on the stand and the case in full swing.

COURT GIVES NEW TRIAL
Fred Skogseth Granted Another Chance.
Fred Skogseth, convicted of involuntary manslaughter, was granted a new trial yesterday by Circuit Judge Gatens. The death of A. M. Butler, court reporter for Judge Gatens, and the consequent inability of the defense to secure a transcript of the case which Judge Gatens would certify to the supreme court is the reason given for the action though other reasons exist according to Judge Gatens.

Skogseth was convicted of responsibility for the death of 13-year-old Russell Ward, son of Mrs. Gustie Ward, a widow, who was run down by

SWEET PEA SHOW PROVES A REAL REVELATION



Top—Tea table decorated in pale pink sweet peas and maiden hair ferns arranged in Japanese baskets. Bottom, left to right—Prize winning basket of pink peas, entered by Miss Alice Gadsby; Miniature nosegay wrought in red, white and blue flowers, exhibited by Swiss Floral company.

The annual exhibit of the Oregon Sweet Pea society closed last evening. The show was on for two days at Meigs & Frank's new store and called out thousands of admirers of sweet peas. Notwithstanding the recent rains, there was a large and varied display of fine blossoms in all classes. Grouped near the window were the decorated tea tables, and they attracted much attention, especially

from the women. Many new ideas and exquisite taste was displayed in their arrangement. The group of baskets shown by the Floral society was also much admired. The Union Stock yards made a highly creditable showing of many varieties, although this exhibit was not entered in competition. A novelty was a miniature formed entirely of peas of the national colors. The educational exhibit made by

Captain George Pope, in which he introduced many new varieties recently perfected by him, was the center of much admiration. The out of town exhibitors were highly creditable. Mrs. Etta M. Marshall of Kent, Wash., carried off fine prizes, a silver cup given by the Portland Seed company for the best eight varieties of Spencer. This cup must be won three years before it becomes the permanent property of the winner. Mrs. Marshall has now

won it twice. She also carried off the prize, a silver cup, offered by President Dundore for the best exhibit from outside Multnomah county. The first prize in section E, for the best individual display of not less than six varieties of 10 or more stems each either Spencer or Grandiflora type, was taken by Violet Hooker, a colored girl, who is a sweet pea enthusiast, and enters the shows with beautiful flowers each year.

him away as he was holding up father and son at Jennie station, was indicted on charges of assault with intent to rob and assault with a dangerous weapon.

Harry Zarco, alias Zachar Chatzouk, was indicted on a charge of larceny from a dwelling.

FILES SUIT FOR \$50,000
Mathew McE. Thomson Claims He Has Been Labeled.
As the result of the newspaper campaign waged by James B. Robinson, secretary of the Oregon grand lodge of A. F. and A. Masons, against the organization known as the American Masonic Federation, A. and A. Scottish Rite, Mathew McE. Thomson, organizer of the latter organization, yesterday filed suit against Robinson for \$50,000 damages. Thomson alleges that articles published by Robinson attacking him and his organization were libelous and malicious. The articles were published last month during a visit of Thomson to Portland.

Mr. Robinson said last night that he had not been served with any papers yet in the suit. "Until I have been served of course I can say nothing," said Mr. Robinson. "If I have damaged Mr. Thomson to the extent of \$50,000 he must be doing quite a business."

Mr. Robinson has been grand secretary of the Masons for over 20 years and is also grand recorder of the Royal Arch Masons and grand recorder of the Knights Templar.

THREE MEN ARE INDICTED
Grand Jury Returns Bills Against Alleged Assaulters.
The grand jury yesterday returned three indictments against Charles Hayes, charging him with assaulting and robbing Ernest Macias, assault with intent to kill. Hayes was arrested following the finding of Macias, bridge man at Cascade Locks, badly injured. Macias is recovering from the wounds he received.

John Montanya, who confessed to shooting Boyd Braswell, 16, when E. C. Braswell, the boy's father, drove

an auto truck driven by Skogseth at Williams avenue and Killingsworth street December 7. The boy was skating at the time.

Mrs. Ward is suing T. J. Clark and Edward Mueller, proprietors of the New Market garage and owners of the truck, and Skogseth for \$7500 damages as the result of the boy's death. The jury was given the case yesterday by Judge Morrow, but had not reached a verdict last night.

\$7000 FEE IS DEMANDED
C. H. Fry Sues Johnson Sheep & Land Company.
A fee of \$7000 was asked in a suit filed recently by C. H. Fry against the Johnson Sheep & Land company of Walla Walla for services alleged to have been rendered in a recent exchange of property between F. M. Welles of New York, president of the company, and E. E. Lytle, a local railroad man. The deal represented \$800,000, and Welles secured from Lytle three lots at Thirteenth and Morrison streets, the Lytle residence and Lake Lytle properties in exchange for a 12,000-acre wheat and stock ranch on the Snake river near Touchet, Wash. Fry asserts that the exchange was brought about through his efforts.

\$7500 Damages Asked.
As an aftermath of a fall by John Gustavson, 23 years old and a window washer from the third floor of the Healy building, Park and Morrison streets, July 9, 1913, which resulted in Gustavson's death the following day, suit for \$7500 damages was filed yesterday by Valdemar Lidell, administrator of the young man's estate, against the Realty Associates of Portland, owner of the building, and L. Javay, his employer. Gustavson plunged through the glass matulise to the sidewalk.

Pardons Are Sought.
A chance for Karl Meister, now serving a sentence of one year in the county jail and a \$1000 fine on a charge of contributing to the delinquency of a girl, to secure his release, was given by District Attorney Evans Friday. Meister has served about seven months and wrote Governor Withycombe asking for a pardon on account of the need

of his family. Evans offered to recommend the pardon if Meister will marry the girl he wronged. The same offer was made at the time of the conviction. Mr. Evans recommended yesterday that Ike Crutch, now serving a sentence of from one to five years for passing a bad check, be granted a conditional pardon if he agrees to make good the money secured from a Portland store.

STABLEKEEPER WINS SUIT
Suit Brought by Mrs. Alice Porges Brings Verdict for Porges.
A second trial of the damage suit begun by Mrs. Alice Porges against Walter E. Jacobs because Jacobs maintained a stable near the Porges home at East Thirty-fifth and Alder streets, resulted yesterday in a verdict for Jacobs. The first trial brought a verdict for \$11 damages for Mrs. Porges. The case was appealed and reversed. Meantime Mrs. Porges died, and her husband, George Porges, continued the case. The suit was tried before Circuit Judge McGinnis. It was alleged that the noise and odor lowered the value of the Porges property and injured Mrs. Porges' health.

Alleged Cruelty Brings Divorces.
Charging that Edgar E. Nickells tried to induce her to return to her former husband, Mike Reiff, and secure from him his property before leaving him again for Nickells, Mrs. Berle E. Nickells was granted a divorce yesterday by Circuit Judge Davis from Nickells on grounds of cruelty. Judge Davis also granted a divorce to Laura J. Hunt from Clarence E. Hunt on similar grounds. Judge Gatens granted a divorce to William W. Hamilton from Kathryn Hamilton on grounds of cruelty. Beadie Sheppard yesterday sued Herbert Sheppard for divorce, alleging cruelty.

Misrepresentation Is Alleged.
Two suits have been filed in which sales of tracts in Meeker View Orchards by the Hood River Orchard Land company were involved. Emily Praetsch sued R. W. Schmeer as trustee and assignee of the company to recover \$945.76 paid in and to have her contract cancelled alleging that the character and value of the land were

misrepresented. F. A. Holland sued the company itself for \$1213.47 and cancellation of his contract on similar allegations. Each agreed to pay \$2250 for a tract. The land is in Wasco county and has been involved in previous litigation in similar suits.

Prosecutors Favor Plan.
Prosecuting attorneys of Oregon have taken kindly to the suggestion of District Attorney Evans that a first meeting be formed and that the second meeting be held during the joint convention of the Oregon and Washington State Bar associations, August 23 to 25, in Portland. The organization will probably take place on one of the three days of the bar meeting and a joint session with the association of prosecuting attorneys of Washington is planned. District Attorney Evans is now formulating plans for the organization of the association and expects to have prominent speakers address the meeting.

Pleads Guilty to Forgery.
Charles E. Rigdon yesterday pleaded guilty to a charge of forgery and will be sentenced Wednesday by Circuit Judge Gatens. Several other similar charges against Rigdon will be dismissed.

LEGAL INTELLIGENCE
Saturday in the Circuit Court
Judgments.
Laura J. Hunt vs. Clarence E. Hunt, decree of divorce.
Herbert A. Pratt vs. John S. Sines, damages judgment for plaintiff.
Henry Villard Bories et al. vs. C. W. Rogers, judgment for plaintiff.
Henry Villard Bories et al. vs. T. E. Clark et al., foreclosure of lien.
Charles Cleveland vs. John Steiger, new trial granted.

Henry Villard Bories et al. vs. G. J. Lestoe, recovery of property.
Henry Villard Bories et al. vs. James H. Bell, recovery of property.
Henry Villard Bories et al. vs. Fred Holden, recovery of property.
Henry Villard Bories et al. vs. B. J. Costas, recovery of property.
Henry Villard Bories et al. vs. Mary DeLaney, recovery of property.
Henry Villard Bories et al. vs. D. C. McLeenan, recovery of property.
Henry Villard Bories et al. vs. S. Gjelboek, recovery of property.
Henry Villard Bories et al. vs. L. N. Echelberry, recovery of property.
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Henry Villard Bories et al. vs. W. R. Baird et al., recovery of property.
George H. Reed vs. Lakport Harbor Land Co., to collect notes.

ALL DEBTS AGAINST DEFUNCT BANK MAY BE SETTLED IN FULL

Judgments Amounting to \$110,149 Rendered in the American Bank & Trust.

FORMER HEAD IS LIABLE

Court Ruling Follows State Bank Superintendent's Suit in Creditors' Behalf.

Indebtedness of the defunct American Bank & Trust company will be wiped out and a neat balance result for the bank if judgments rendered yesterday by Circuit Judge Morrow are upheld and enforced. The total amount was \$110,149.04. The judgments were rendered in suits prosecuted by S. G. Sargent, state superintendent of banks, in behalf of the creditors of the institution, who involved the question of the payment for stock subscription. Mr. Sargent estimates the liabilities of the bank at approximately \$90,000.

Judge Morrow held L. O. Ralston, former president of the bank, responsible for payment of \$5,800. Ralston, the judge decided, gave property worth but \$300 for \$48 shares of the company's stock at the par value of \$100 a share. The judge decided that Ralston should pay the remainder of the purchase price, or \$24,300.

Others Held Responsible.
In the other cases the court decided that G. W. Waterbury, C. W. Miller, S. Logan Hayes and John E. Davis are responsible for payment of \$43,214.04 on stock subscribed for by Waterbury for himself and the others. He held W. A. Currie responsible for payment of \$19,000 on stock subscribed for on which \$485 was allowed as paid for work done by Currie. The suit was dismissed as against the other defendants.

The shortage of ex-county Clerk F. S. Egan in unearned litigation fees was due to the closing of the American Bank & Trust company and should the money be secured to the bank it will be paid up.

Contract Is Binding.
A man who attaches his name to a stock subscription signs a written contract to pay the par value of the stock he subscribed for, and that contract is binding on him until the stock is paid for," said Judge Morrow in making his decision.

"If someone else pays for it, of course the stock subscriber is thereby relieved, but no number of transfers and no manipulation of the stock can excuse the man who signs his name to a stock subscription—he must pay, and the corporation cannot proceed against him directly without reference to any subsequent holders, even though he may have parted with his stock."

It would seem this proposition is clearly established by the decision of many courts, but if any doubt exists as to the matter the public policy of this state would require the courts to so hold. In modern days all the great business of the country, and much of the business of the past, is carried on by corporation, and they are so closely interwoven with the business life of the community that any tendency on the part of the courts to relieve subscribers of their liability would certainly be contrary to the public policy and the financial stability of our state.

Duty of Courts.
"This state is entering on an era of great development which must be largely carried out by corporations, and peculiarly is this true of banks, which are essential to the success of every modern community. The courts of this state should be slow to render any decision that will shake the confidence of the community in the stability of its financial institutions, and tend to make it difficult to collect stock subscriptions to such institutions. Perhaps in no form of corporation is the liability of the subscriber so important as in that of banks, where the depositors rely implicitly upon the officer, director or officer of the institution. In cases of this bank a very large number of depositors of small sums have been seriously inconvenienced by the failure of the bank. The judgment will be of material assistance to these people, many of whom lost substantially all they had. The payment of the subscription as compared with the amount of their subscriptions."

Sues for Damages.
Alleging that after C. E. Williams had been denied a license to transfer license from the Commonwealth building to 800 Thurman street, a transfer was secured through the efforts of E. A. Zetlin, secretary of the Commonwealth building, Williams for \$145 damages charging Williams with failure to keep his part of the bargain. Zetlin says that Williams refused to pay him \$25 per week as manager of the Thurman street place and furnish him apartments above the saloon as manager of the place if he would secure the transfer. The deal, he said, occurred last December.

Advice From a Visitor.
A STRANGER who signs himself "A Peevish Business Man" does not like Portland because the store owners of the business district have neglected to place numbers on their premises that they may be seen. In a letter to Chief of Police Clarke, yesterday the stranger compliments the police department but suggests that the patrolmen be given a paint brush and put on the street numbers on all stores and buildings in the business district.

PERSONAL MENTION
J. L. Louissou, Portland manager for M. A. Gunst & Co., will leave Tuesday for a visit to San Francisco.
Rev. A. E. Tullis of Layton, Ill., is visiting his sister, Mrs. Belle T. Hoje, 64 East Salmon street. He will leave tonight for Los Angeles.
M. G. Rieck, assistant manager of the Nortonia, was elected secretary of the Oregon State Hotel Clerks' association at its regular meeting at the Multnomah Thursday night.

WHAT LABOR IS DOING

Steam Engineers Announce Annual River Excursion.

Steamer Kellogg chartered. The Steam Engineers Union has secured the steamer Kellogg for its excursion to Benson Park on Sunday, July 18. It is expected that there will be some very original sports pulled off. The grounds are new, and the scenery, while somewhat old, is nevertheless new to many Portland people. William MacKenzie, secretary of the Steam Engineers, declares that the log race alone will be worth the trouble of attending the affair. There will be dancing on the boat as well as on the grounds.

A. C. Turner Will Make Trip. A. C. Turner, a well known printer, recently with the State Industrial Association commission has resigned and will tour southern Oregon and parts of California this summer in a two-horse Pullman of original design.

Would Clean Up Kitchens. The Waiters and Waitresses Union reports that several establishments, with which there have been differences, are now in good standing. Efforts are being made to secure an inspector of restaurants and fast-food places, who will thoroughly straighten up some of the restaurants in the north part of Portland, which the waiters allege, are in continual violation of the sanitary regulations.

Fishermen Hold Meetings. The Alaska Fishermen's Union meets every Friday in Astoria, Oregon, except six months in the year, when the members are in Alaska.

Fire Laddie Weds; Chief Is Best Man

William J. Costello, driver of the big "devil" wagon, fire engine No. 1, stationed at Fourth and Morrison streets, and Miss Zaidie A. Metcalf, were married at the residence of Rev. W. O. Shank, 708 Ankeny street, last night. Fire Chief E. F. ("Biddy") Dowell "stood up" for Costello. The couple will not leave on their honeymoon until next Thursday as national fireman's convention does not begin until then. It is probable that they will go to San Francisco for a short visit.

Disciples of Christ Hold Conference

The Christian church, also known as the Disciples of Christ, opened their fourth annual association at the Portland Young Men's Christian association yesterday and will continue it today. These sessions are under the presidency of Bishop St. Martin of the Columbia diocese, and constitute what is known as the Oregon conference, which, though local in name, is really national in character and scope, as there is as yet, only one other diocese

organized, that of New England, and one missionary district in California with a provisional bishop. However, all general business is reported to this, the western office.

Rev. Nisewonder Y. M. C. A. Speaker

"Struggles and Victories" will be the topic of Rev. John D. Nisewonder, pastor of the First United Brethren church, at the Y. M. C. A., at 4:30 o'clock today. An interesting program of music has been arranged and a buffet lunch will be served after the meeting.

There is a corporation named "The Hewlett Family of America." All of the members are descendants of George Hewlett, who came to this country from England in 1640.



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JURY WHICH IS TRYING U. S. CASHIER IN FEDERAL COURT



Seated from left to right, top row—George McGraw, Banks; David Lash, Portland; H. C. Bressler, Salem; Hugh Carol, Portland; Harry Francis, Hood River; G. L. Kelly, Newberg. Bottom row—George Frather, Hood River; J. V. Zan, Portland; W. D. Allard, Portland; William Fleming, Salem; Frank Dayton, Portland, and J. D. Kelly, The Dalles.

New Suits

Mortgage Company of America vs. E. G. Lake et al., mortgage foreclosure.
Charles W. Hofer et al., mortgage foreclosure.
Mathew McE. Thomson vs. James F. Robinson, libel.
Henry Villard Bories et al. vs. D. Lefevie et al., recovery of property.
Henry Villard Bories et al. vs. Mrs. Susan Raymond et al., recovery of property.
Henry Villard Bories et al. vs. E. E. Eilers, recovery of property.
Henry Villard Bories et al. vs. T. E. Clark et al., foreclosure of lien.
Sheppard vs. Herbert Sheppard, divorce.
Henry Villard Bories et al. vs. G. J. Lestoe, recovery of property.
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