

JASPER COUNTY DEMOCRAT.

E. E. BABCOCK, EDITOR AND PUBLISHER.

SATURDAY, JAN. 11, 1908.

HIT BY AN INDICTMENT

Latest Victim of a Grand Jury Inquisition Is F. Augustus Heinze.

ACCUSED OF A PENAL OFFENSE

Over-Certification of Checks That Aggregated \$400,000.

Echo of the Beginning of the Panic—Under Bond in \$50,000—Counsel Says the Grand Jury Is "Off."

New York, Jan. 8.—Indicted by the federal grand jury for the over-certification of fifteen checks representing in the aggregate over \$400,000 and drawn by the firm of Otto Heinze & Co. on the Mercantile National bank, F. Augustus Heinze, the copper magnate and ex-president of the Mercantile National bank, surrendered himself to United States Commissioner Shields and later was released on \$50,000 bail. Edward Lauterbach, counsel for Heinze, stated that his client did not wilfully over-certify the checks, as he had drawn a check to the credit of Otto Heinze & Co. to the amount of \$500,000 which the bookkeeper of the bank possibly failed to enter on the books until a day after the certification of the checks in question.

Heinze Was Given the Tip.
Heinze had been informed quietly that indictments charging him with the over-certification of fifteen checks, all drawn on Oct. 14, just before the smash in United Copper, had been found by the federal grand jury on Dec. 2, and that his appearance would be required. Without awaiting the service of a bench warrant he, in company with his counsel, appeared before Commissioner Shields. The proceedings were short. Heinze pleaded not guilty and bail was supplied immediately by a surety company. When these proceedings were concluded Heinze told the newspapermen that he did not care to make any statement and hurried away with his counsel.

After an examination of the indictment, which contains thirty counts, Counsel Edward Lauterbach made the following statement: "The indictment is based upon certification of fifteen checks amounting to something over \$400,000 drawn by Otto Heinze & Co. on the 14th day of October last. Before the certification was made F. Augustus Heinze obtained the account of a note of \$500,000, secured by abundant stock exchange collateral, worth at the market rates of that day more than \$800,000, and drew his check for \$500,000 to the credit of Otto Heinze & Co., the amount of which should have been passed to their credit, as I think it was."

GRAND JURY WAS MISTAKEN

So Lauterbach Says—What the Indictment Charger.
Lauterbach then said there was no willful intent to over-certify, and "I believe that if the grand jury could have understood the situation correctly no indictment would have been found." The indictment specifically charges that Heinze, while president of the Mercantile National bank, over-certified fifteen checks. That is, that he guaranteed by the bank signature that the sums indicated in the checks were held by the institution to the credit of the drawer. To over-certify bank paper is under the federal statute an offense punishable by imprisonment of not less than five years and not more than ten years.

The troubles of F. Augustus Heinze began with the bull campaign started by Otto Heinze & Co. and associates in the stock of the United Copper company, which Heinze had organized and developed after his long fight with the Amalgamated Copper interests in Montana. The stock was selling about 60 when a mysterious selling was detected. Believing it to be an effort to raid the stock by short selling Otto Heinze & Co. gave unlimited buying orders to various brokers, believing that when the time came the bear operators would be unable to cover their contracts except at such prices as the Heinzes dictated.

Heavy selling of United Copper continued, and to purchase the stock offered Otto Heinze & Co. was forced to draw checks for large amounts to various brokers. When the source of the selling was ascertained the Heinzes declared that they had been betrayed by friends who sold their holdings of United Copper on the high market. The United Copper stock slumped, and Gross & Kleeburg, stock brokers, suspended, alleging that Otto Heinze & Co. had failed to take up the stock of the United Copper company which had been bought for them.

A crisis was provoked in the affairs of the Mercantile National bank and the clearing house committee made an examination, following which Heinze withdrew from the institution as an official, but with his friends, still maintained a stock control, which he had purchased several months before from Edwin Gould.

Heinze Pleads Not Guilty.
Heinze, who was arrested charged with the over-certification of checks while president of the Mercantile National bank, entered a plea of not guilty when arraigned before Judge Chat-

field in the United States court. Through his counsel Heinze reserved the right to withdraw the plea of not guilty and demur to the indictment any time before Jan. 20. The bail bond of \$50,000, which Mr. Heinze furnished after his arrest, was allowed to stand.

ONE VENIRE IS EXHAUSTED

And Only Six Jurors Accepted in the Thaw Trial—Defense Springs a Big Surprise.

New York, Jan. 9.—The work of securing a jury to try Harry K. Thaw a second time for killing Stanford White was half complete when court adjourned shortly before 6 p. m. The original venire of three hundred special service jurors had been exhausted at that hour and the customary night sitting was not held. The oath of service was administered to three men, making six in all who have been finally accepted.

The tactics of the defense are visible in the way Littleton questions the veniremen, which shows that he intends to force the state to prove Thaw sane when he killed White, and also in a surprise in the matter of witnesses, the defense admitting that it had subpoenaed several of the expert witnesses used by the state at the first trial, intending to prove by them that Thaw was insane when he fired the shot, and then force the state to prove that he is insane now.

ALL FOR THE BANKS

John R. Walsh Says His Deals Were Entirely for the Benefit of His Institutions.

Chicago, Jan. 9.—John R. Walsh took the witness stand in the United States district court to defend himself against charges of misappropriating funds of the Chicago National bank. He took the entire responsibility for everything that was done, including the famous "memorandum notes," but denied that he undertook these transactions with any thought of personal gain, alleging that the interests of the bank and its allied institutions—the Equitable Trust company and the Home Savings bank—were his chief concern.

The "memorandum note" system was adopted because it was convenient, and the reason for putting the names of others than himself as signers was "to keep the transactions separate. A memorandum note made for the benefit of the Illinois Southern had an Illinois Southern man's name to it and so with the Wisconsin and Michigan."

NIGHT RIDERS OUT AGAIN.

Louisville, Ky., Jan. 8.—A special from Paris, Ky., says: Night riders made their appearance in force in the Burley district late at night, visiting two towns, one in Flemingsburg and the other in Bath county, and destroying two warehouses and a big general store.

The raiders did not fire any shots in either place, but went about their work quietly, leaving as soon as the work had been accomplished. The men were all masked and heavily armed and created a reign of terror among the citizens of the little villages.

REPRESENTATIVE SULZER'S ROMANCE.

Philadelphia, Jan. 9.—Representative Sulzer, of New York, and Miss Clara Roedelheim, of Philadelphia, were married at Atlantic City by Rev. H. N. Gesner. The wedding was the culmination of a hospital meeting. Miss Roedelheim was Representative Sulzer's nurse during a serious illness. Sulzer went to Atlantic City with Miss Roedelheim to regain his health and the attachment formed by the couple during Sulzer's illness ripened into love.

STEAMER MOUNT ROYAL IN PORT.

Queenstown, Jan. 8.—The long-ovaried steamer Mount Royal steamed slowly into Queenstown, and the news of her safety was received with gladness in shipping circles. She had not been heard from in many days, having been last reported off the Lizard Dec. 10, and watch was being kept for her on both sides of the Atlantic and as far south as Bermuda. Trouble with her boilers forced the steamer to return here.

FATAL FIRE IN ROUNDHOUSE.

Eckhart, Ind., Jan. 9.—Eighteen of the fifty stalls of the roundhouse of the Lake Shore and Michigan Southern railroad, together with the machine shops and oilhouse, were destroyed by fire. The woodwork of eighteen engines was more or less burned. William Shamburgh, in charge of the tool room, was burned to death. The loss is \$125,000 with no insurance.

SCHOONER LOST; FIVE PERISH.

Norfolk, Va., Jan. 9.—A broken message here over the United States Sea Coast telegraph wires from Cape Hatteras on the North Carolina coast reports the stranding and loss on the treacherous Diamond Shoals of an unknown schooner out of whose crew of seven men five perished and two were saved. The captain of the vessel was among those who were lost.

TAGGART'S MAN IS SUCCESSFUL.

Indianapolis, Ind., Jan. 9.—After all-day balloting and many acrimonious discussions and trials of strength of every anti-Taggart man in the race against Taggart's choice for state chairman the latter won by a bare majority of one vote, the final ballot standing seven for Stokes Jackson and six for three opposition candidates.

CONTROVERSY ENDED

So Far as the President Is Concerned, as to Command of Hospital Ships.

MEDICAL MEN ARE SUSTAINED

All Such Vessels To Be Controlled by Officers of the Staff.

SOME VERY SHARP COMMENT ON ADMIRAL BROWNSON'S RESIGNATION AND ON LINE OFFICERS AS COMMANDERS.

Washington, Jan. 9.—President Roosevelt's attitude on the question of the command of hospital ships in the navy, which resulted in the resignation of Rear Admiral Brownson, and incidentally some caustic observations on that incident and the controversies among the naval officers and their adherents as to details of naval construction and methods of training were made known when Secretary Metcalf gave to the press two letters from the president addressed to him on these subjects.

DOES NOT MINCE HIS WORDS.

In the first of these letters President Roosevelt, without mincing words, condemns in unmeasured terms the act of Admiral Brownson, declaring it to be unseemly and improper. The question as to which Admiral Brownson took issue with the navy department the president declares is one as to which there can be entirely legitimate differences of opinion, but he adds "there is no room for difference of opinion as to the gross impropriety of the admiral's conduct in resigning sooner than carry out the orders of his superior officers in such a matter. The officers of the navy must remember that it is not merely childish, but in the highest degree reprehensible, to permit either personal pique, wounded vanity, or factional feeling on behalf of some particular bureaus or organization, to render them disloyal to the interests of the navy and therefore of the country as a whole."

ANANIAS SOCIETY PROSPERS.

Regarding the controversies in the navy the president admits there always are and always will be defects to correct. It is well, he says, that these defects be pointed out, but it is also well that they should be pointed out without "hysterical exaggeration or maliceous untruthfulness." He scathingly rebukes those guilty of exploiting them in grossly exaggerated form in the fancied interest of an individual or clique of individuals or for the sake of supplying sensational material matter to newspapers. All this in the first letter.

HE SETTLES THE CONTROVERSY

So Far as His Administration Is Concerned—Characteristic Comment.

The president's second letter to Metcalf is an argument to sustain his decision to assign medical officers to the command of hospital ships. It also directs shall hereafter, unless otherwise directed by congress, hospital ships be placed under the control and command of medical officers, their navigation being exclusively controlled by a commanding master and civilian crew, the sailing master having the complete responsibility for everything connected with the navigation of the ship. In this letter the president says, among other characteristic comment:

"The hospital ship now in question, the Relief, has already been used by the United States army as such. It was then commanded by a medical officer, with a sailing master under him. This arrangement has worked well, and it is preposterous to suppose that it will not work as well under a medical officer of the navy as under a medical officer of the army." The president says that in other navies the hospital ship is thus commanded, and the practice was followed in our civil war, and he declares that "The command of a hospital ship should unquestionably be vested in a medical officer, and no line officer should be aboard it."

Then the president tells how United States ships when commanded by line officers, but flying the Red Cross flag and therefore neutral took belligerent part in the Spanish war, and adds: "In time of war the presence of combatants—that is, of line officers or crew—would certainly cast a suspicion upon the neutrality of the ship; and no line officer worth his salt would wish to be on such a ship, while it seems incredible that any line officer should desire to have another line officer on board such a ship."

Then the president tells how United States ships when commanded by line officers, but flying the Red Cross flag and therefore neutral took belligerent part in the Spanish war, and adds: "In time of war the presence of combatants—that is, of line officers or crew—would certainly cast a suspicion upon the neutrality of the ship; and no line officer worth his salt would wish to be on such a ship, while it seems incredible that any line officer should desire to have another line officer on board such a ship."

Admiral Brownson was shown the president's letter by a representative of the Associated Press and asked if in view of the fact that Roosevelt's side of the subject had been stated in these communications he would not feel at liberty to say something in his own behalf. "Not a word," was his prompt reply, and this attitude he maintained to all inquiries for his views. The admiral has consistently declined to say anything for publication.

LIABILITY LAW UNCONSTITUTIONAL.

Washington, Jan. 9.—In an opinion by Justice White the supreme court of the United States held to be unconstitutional the congressional enactment of June 11, 1906, known as the "employers' liability law," making railroads and other common carriers responsible to employees in accidents due to the negligence of fellow servants or to ineffective appliances. The decision of the lower courts was affirmed.

THE NEWS IN BRIEF

Fire at Benton Harbor, Mich., caused \$25,000 damage to the building of the Flying Roller colony.

Members of his family are the only beneficiaries under the will of the late Henry O. Havemeyer, head of the American Sugar Refining company.

Appeals in behalf of equal suffrage in the state have been made to the constitutional convention of Michigan.

As the result of a "windy" shot in the coal mine at Princeton, Ind., McLellan St. Clair and Simon Lawrence were killed.

Efforts to secure publicity in the affairs of the American Sugar Refining company met with only partial success.

It is reported in Lansing, Mich., that State Treasurer Glazier, whose financial troubles have caused much embarrassment to the state administration, is about to resign.

Judge John H. Ames resigned from the supreme circuit of Nebraska because of the health of his wife.

John R. Walsh, testifying in his own behalf, declared that in all his transactions his only motive was to protect the Chicago National bank.

The creditors' hearing in the case of John Mulholland, at Danville, Ill., has been postponed.

The Goulds have taken Heinze's bank away from him, the Montana man being unable to raise the \$1,200,000 necessary to keep it.

BOY ADMITS FIRING HOTEL.

Worcester, Mass., Jan. 9.—Charles Goodland, fifteen years old, who kept watch at night in the Beacon Light house, confessed that he set the fire which nearly destroyed the building and resulted in the death of Dennis Driscoll, about a hundred other lodgers having narrow escapes. He had made previous but unsuccessful attempts to burn the place, the police say. His sanity will be tested.

EX-MAYOR SCHMITZ WINS OUT.

San Francisco, Jan. 9.—The appellate court of California has just given a decision which releases Ex-Mayor Eugene E. Schmitz from custody and declares the indictment on the charge of extortion void. This decision probably also affects the case of Abe Ruef.

THE WEATHER

Following is the official weather forecast up to 8 o'clock tonight:

ILLINOIS—Possibly becoming unsettled, with showers in north portion; warmer in south portion.

INDIANA—Increasing cloudiness; rising temperature.

LOWER MICHIGAN—Showers or snow flurries; rising temperature.

WISCONSIN—Possibly showers or snow flurries.

LOWA—Partly cloudy; cooler in west and north portions.

THE MARKETS

CHICAGO GRAIN.

Chicago, Jan. 9.—Following were the quotations on the Chicago Board of Trade today:

WHEAT—Open, High, Low, Close: Jan. ... \$1.00 ... \$1.00 ... \$1.00 ... \$1.00 ...

May ... 1.06 ... 1.06 ... 1.05 ... 1.06 ...

July98999899 ...

Sept.95959595 ...

CORN—May60616061 ...

July59595959 ...

OATS—May (o)54545454 ...

May (n)52525252 ...

July48484848 ...

PORK—Jan. ... 13.05 ...

Lard—

Jan. ... 7.87 ... 7.92 ... 7.87 ... 7.92 ...

May ... 8.12 ... 8.17 ... 8.12 ... 8.17 ...

SHORT RIBS—

Jan. ... 7.02 ... 7.02 ... 7.02 ... 7.02 ...

May ... 7.35 ... 7.40 ... 7.30 ... 7.37 ...

CASH SALES—WINTER WHEAT—By sample: No. 2 red, \$1.01@1.03%; No. 3 red, \$1.00@1.01%; No. 2 hard, \$1.02@1.05%; No. 3 hard, \$1.00@1.04%; No. 4 white, \$1.03@1.04%; No. 5 white, \$1.04@1.04%; Oats—No. 3 yellow, 56@54%; No. 4 white, 54@53%; No. 4 white, 45@52%;