

ZANE'S ARGUMENT IN CHURCH CASE.

Attorney for Plaintiffs Makes Reply in Defendants Demurser.

IS TAKEN UNDER ADVISEMENT

Attorney Richards Closes for Defendants, Judge Young Not Participating.

Judge Morse now has the demurser to the complaint in the case of Charles A. Smurthwaite et al against Joseph F. Smith, trustee of the Church of Jesus Christ of Latter-day Saints, et al, under advisement. The closing arguments on the demurser were made yesterday afternoon. Judge C. S. Zane made the argument for plaintiff and was followed by Atty. F. S. Richards, who closed for the defendants. Judge Young did not make the closing argument for defendants as was at first intended and did not argue the matter at all. Judge Zane's argument follows in part:

JUDGE ZANE'S ARGUMENT.

The demurser of the defendants raises two questions, speaking of them generally. One is that the facts alleged in the complaint do not establish a cause of action and the second one is that the eighth paragraph is ambiguous, unintelligible and uncertain, and that it does not name the various persons or any of them who, it is alleged, have devised, bequeathed or donated said or personal property to the Church and does not state the time of the transfer when such devise, bequests, donations were given or made.

Considering the objections in the order stated, it is necessary first to examine the complaint and ascertain what it does allege. It alleges that the church of Jesus Christ of Latter-day Saints, et al, a religious association, for church purposes that the plaintiffs are members of that church, and that defendant Joseph F. Smith is the president of the church and that he is also trustee-in-trust of the church; that John E. Winder is his first counselor; Anton H. Lund his second counselor; and that Wilford Woodruff is the presiding Bishop of the church.

It alleges further that the membership of this church consists of many thousands, and without going over the different allegations it alleges that the church association exists of its members tithing; that the church is a religious organization, holding all the members of its sect, that it receives annually from its members one-tenth of their gains or incomes as tithe; that said contributions are paid to said church and said trustee for appropriation and expenditure by it exclusively for church purposes, purely and exclusively, in various classes of enterprises, ventures, speculations and various classes of business, purely of a secular and temporal nature, for profits and subject to lapses.

Insomuch, therefore, as the plaintiffs are without any adequate remedy at law, they ask first that a temporary injunction be issued restraining the trustees from misappropriating the funds from diverting it from the purpose for which it was given, to secular business, wit, mercantile, commercial, industrial or business enterprises.

That said church and its said trustees, as plaintiffs, are informed and believe and allege, receive and have received for many years past tithe from the members of the church for church purposes aggregating large sums of money, and also tithe in kind belonging to various classes of property of great value, that said tithe received each year for several years past has amounted in value to more than \$1,000,000 annually. If he is a trustee, and counsel does not deny that he is the trustee-in-trust of the church, no, they deny that he has received these gifts and donations as trustee; that being so, he has no right to devote these funds to church purposes. But I will speak of that further on.

DISPOSITION OF FUNDS.

The complaint alleges that plaintiffs are informed and believe, and upon such information and belief allege, that Plaintiff, Charles A. Smurthwaite, et al, aforesaid, has from time to time on a yearly average, invested in November, 1901, as president and trustee-in-trust, as aforesaid, invested, with the advice and sanction of the other defendants, except as aforesaid, a large portion of said funds arising from tithe so in the hands of said church and its said trustee-in-trust, to wit, as much as

\$500,000 per annum.

With respect to this fund the law characterizes their position and their responsibilities as those of trustees. They are trustees. This fund is not received by them for their own purposes. In fact these funds go to this association consisting of this religious membership scattered throughout this country and in foreign lands.

It is alleged that Joseph F. Smith as president and trustee, with the advice and sanction of other defendants except as aforesaid, has invested a large portion of said fund arising from tithe in the hands of said church and its said trustee-in-trust, to wit, as

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Those facts are agreed. The court will not presume that these investments were made in writing. It is sufficient to allege that they were made particularly in a complaint in equity. Your honor is aware that more latitude is allowed in allegations of bills in chancery and in equitable complaints than in any other.

Said investments were made in various kinds of securities, enterprises, speculations and ventures for profit and subject to losses and hazards; that he has invested a large part of the same in the stocks and business of the following corporations or companies, to wit:

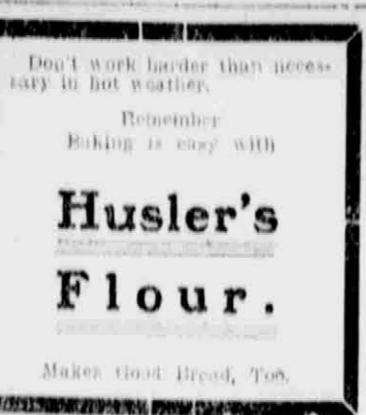
The Idaho Sugar company, Salt Lake Knitting Company, National Knitting Company, Lewiston Sugar company, the Union Light & Railway company, the First National Bank of Logan, the Home Fire Insurance company of Utah, the Consolidated Wagon & Machine Co., the Ogden Woolen Mills, the Provost Woolen Mills, the Desert News building and the annex thereto, the Cache Knitting Works, the Logan Knitting factory, the Pease Knitting factory, the Rocky Mountain Bell Telephone company, the ownership and renting of improved real estate and the purchase of large tracts of land in Canada and Mexico for speculation and to provide extensive residences for the church members and others in the church.

Now, if we show that this fund should be confined to church purposes, as we expect to later on in the argument, it cannot be said that making salt is a religious purpose; it cannot be said that

TEA

Good tea: a few top leaves of the bush.

What becomes of the rest?



TWENTY YEARS AGO TODAY.

(DO YOU REMEMBER?)

The Duke of Cumberland was denied the right of succession to the throne of Brunswick.

In a runaway at Sugar House, a son of John Wistburg was killed and the father was badly injured.

TEN YEARS AGO TODAY.

Dr. Buchanan, the New York wife murderer, was electrocuted at Sing Sing.

John Trick, a Salt Lake painter, died from an overdose of opium taken to relieve painter's colic.

FIVE YEARS AGO TODAY.

It was found that more than 200 lives were lost in the fire at the German Lloyd company's pier, New York.

There was almost a riot at Cadet's park. Guests were freely used, and manyights occurred.

adopt and report such a scheme?"

"Then, as I understand them, of the commandments of that church at that time, saving how this should be appropriated. Now, as I understand it, they take a different view of it; think that it may go out into these various secular businesses, be employed in innumerable kinds of business."

In the light of the evidence reported in this case, we can understand the goal from the fund, the worthy uses of the money, and understand to which and in what proportion the church authorities had applied the fund before it was taken out of their hands. It appears from the evidence reported by the master that George Q. Cannon, the president of the church, told him he was a son of the church, that he was familiar with the purposes for which contributions creating the fund were made for many years, that they were voluntarily made for religious and charitable purposes, that appropriation and distribution of it was left to the first presidency, and that it was never used except on charitable and places of worship, and for the poor, and such charitable objects as arose that the first presidency, in their appropriation of the fund, were limited to church purposes."

Afer the schemes were reported the court considered them. Page 340. "We will now consider the scheme for the application of this fund presented by the defendant, and the scheme proposed by the trustees of their plural wives with this property in the first presidency, now consisting of Wilford Woodruff, President, and George Q. Cannon and Joseph F. Smith, his counselors, and their successors in office, in trust, to apply the proceeds thereof and to limit its use to the relief and assistance of the poor of the church, and to the building and repair of convenient and necessary places of worship for its members."

A majority of the court held that the church property should be vested in a trustee selected by the court, and in his successor or successors, to be appointed by the court, to be devoted exclusively to the support and aid of the poor of the church and to the building and repairing of its houses of worship.

It is a similar fund. It arises from tithing and from the same sources. And it was lawful to control the other fund, if you consider it another fund, why it is lawful to control this, fund, why it is lawful to control this, fund.

Then comes the allegation that plaintiffs are informed and believe and

allege, defendants, unless restrained by the injunction of this court, will continue to risk and invest the said tithing and other contributions and donations in the hands of said church and said trusts for church purposes, purely and exclusively, in various classes of enterprises, ventures, speculations and various classes of business, purely of a secular and temporal nature, for profits and subject to lapses.

This is an unincorporated association.

It is a religious association unincorporated, but it is an association of persons holding stockholders, or many stockholders, or members of many stockholders.

They have certain beliefs as to the Infinite God. They have certain beliefs as to the modes for the purpose of worshipping God according to the tenets of their religion.

In doing so it is necessary for them to have temples, tabernacles and meetinghouses, as they are commonly called.

DEFINES RELIGION.

All of these expenditures are necessary in order to propagate the religion, to spread the true religion throughout the world. Hence they have their missionaries in many quarters of the globe, but it is all for church purposes. That is not an institution for business.

It cannot be degraded, according to their views, down to making salt and making sugar and running inns. There is no religion in that kind of business.

It is not an institution, this association, it is an association for certain purposes. This church was once a corporation; it was an association once; they associated together as a religious organization. Then they incorporated, undertaken to incorporate under the state of Deseret. I suppose they never had any regular charter, and that passed some laws and arranged under what was called the laws of the state of Deseret. Afterward they re-enacted their charter and in 1853 the Congress of the United States rejected it.

It is alleged that this church has any stockholders except as aforesaid, and that there are no stockholders in the church; they hold it for the members, but in this case there being no corporation, it is held by a trustee.

Now here we have in this case an association organized for certain purposes.

Church do not deny, counsel

has not denied that it is a religious association; though I believe he has not said that it is. Another difference between a corporation and an association is that a corporation is authorized to take property and to hold the title to it, but that corporation holds it in trust for the stockholders, and the trustee as the one who would have

the title to it, in a charter, in a court of equity. The purposes are expressed in the professions of the members co-operating, and they are religious, they are not temporal, and subject to lapses.

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