THURSDAY, APRIL 2, 1903, SALT LAKE CITY, UTAH.

TRUTH AND LIBERTY

12' MESSAGE TO MEXICAN CONCRESS

kes Reference to Award in Pius Fund Case.

INTRY MAKES PROGRESS.

Industry Doing Splendidly-Miles of Railways Builtidjusting the Silver Question.

ico City, April 2.-President Diaz message at the opening of conspeaking of the decision against by The Hague tribunal in the of the Pius fund said that althe decision was adverse to it served to demonstrate before orid that there are peaceful of settling international ques-

mining industry continues makand progress. New mining titles en granted to the number of the first half of the current year and four metallurgical esaments have been contracted for. s is noted in irrigation and ulic works.

ng the past six months the railines in the country have increas-406 kilometers and the total the railways of the country

al number of federal postof ow 2,254. There is steady the amount of postal matter sted. The internal postal order shows a notable increase, as se of telegraphic communica-

dition of the federal treas een satisfactory during the fis-The country has been in resperous although there are t douds which cast a shadow ire. The rapid and continurecation in the value of the entually, even in the opinion most optimistic, disturbances thing all advantages derived erise of foreign exchange. This ras a monetary base necessianges in their currency sys-sted the executive to seek the ration of the United States be-eady assured of the aid of China purpose of joint study of this countries employing these

as have received a welcome hibd States," says President it the same time a large com-has been appointed here to question purely from a local in order to define the policy st suits Mexico as regards syment of silver in her curdependently of what may the course of international

sliding scale of duties on perts has given excellent that whatever be the rate of ere will be an equilibrium of outgo and income and the government is certain of its ability to make payment of its gold interest abroad." KWANGSI REBELS. Besiege Lin Chow After Defeating

Imperial Troops.

Victoria, B, C., April 1 .- News was received this afternoon by the Empress of Japan that after defeating the imperial troops with heavy loss the Kwangsi rebels have laid slege to Liu Chow, where Gov. Wang Tech Chen, who has been deposed and ordered to Pekin, is surrounded. Kwellin, the provincial capital, is also in a state of singe and three rebel armies were appreaching that city to aid the besieger n making a joint attack an the place Viceroy Tsen of Sceichuan has wired to Pekin asking if the government is aware of the serious affairs at Kwellin.
Gov. Wang Chi Chen had intended
to proceed there from Nanking and
march his utmy from Liu Chow, not many miles distant from Kwellin. The imperial forces soon found themselves greatly harassed on all sides by the rebels, who almost surrounded the former and effectually prevented them from leaving the vicinity of Liu Chow Wang Chih Chun had then to retrea with ignominy and with the loss o many hundreds of men and a couple of thousand Mausers. The roads are new all held by rebels and the com-missariat routes are locked.

The rebellion in Kwangsi has become very formidable and news has come from Yunnan and Kueichow that several cities within the borders of these

Snowslides in Colorado.

Telluride, Colo., April 1.—Five more snowslides ran today, four at Pandora and one on Ballard mountain. One slide came down so close to the new Smuggler mill that the concussion broke many of the windows. Another swept away three towers of the tramway con secting the Contention group with the Smuggler mill, allowing the buckets to drop to the earth.

Martial Law in Nicaragua.

Washington, April 1.-Minister Merry reports to the state department in a ca-blegram today that martial law has en proclaimed in Nicaragua. Consul General Maxwell, at Santo

Domingo, cables that the government warships are engaging land batteries which are in possession of the revolu-tionists. He says the situation is criti-cal and he has taken a number of refugees into the consulate for protec-

Monetary Commissioners Chosen.

Washington, April I.—The selection of commissioners to the international monetary conference which is to fix the ratio between gold and silver for commercial purposes will be announced as soon as Secy, Shaw returns to Wash-ington. It is understood that Charles Copant of Massachusetts, a well known writer on economic questions, and Prof. J. D. Jenks of Cornell university will be two of the commissioners.

Rhodesia Will be at St. Louis.

St. Louis, Mo., April 2.—Rhodesia has accepted an invitation to participate in the world's fair. A cablegram says: "Rhodesia accepts. The outlook for South Africa's participation is good."
The acceptance of Rhodesia is thought to be an opening wedge in the

cause of participation of all South Africa, as well as the other governments on the African continent.

Two strikes, involving nearly 300 men were inaugurated at the world's fair grounds today, when the building roofers and the laborers on the grounds quit work. They demand higher wages and an early settlement of the difficul-

## ORGANIZATION OF NATIONAL BANKS

Comptroller of Currency Issues a Statement.

THEY NUMBER NOW 4,869.

Authorized Stock \$739,780,659 - Bank Note Circulation - Public Debt-Coinage for March.

Washington, April 1.-The following statement in regard to the organization of national banks since the passage of the act of March 15, 1900, has been issued from the office of the comptroller of the currency:

At the close of March, 1903, the law in relation to the organization of banks with minimum capital of \$25,000 has been in operation three years and 17 days. During that period there have been added to the national banking system 1,442 associations, with ag. gregate capital stock of \$86,135,500. The additions to the system by conversion of state banks and reorganizations of state banks were 179 and 443 respectively, the capital of the converted banks amounting to \$12,226,000 and of

the reorganized associations \$29,740,000 The banks organized during the pe riod in question deposited as security for circulation bonds to the amount of only \$20,475,500, or a fraction less than 24 per cent of the capital.

During the month (March) 56 national banks were organized, with capital stocks of \$2,170,000 and bond de-

On March 31, 1903, the number of national banks was 4.869 and their au thorized stock was \$739,780,659. The amount of bonds on deposit as security for circulation has increased since March 14, 1900, from \$244,611,570 to \$342, 160,770, or an increase of \$97,549,200, and national bank circulation shows a net increase during this period of \$128,116,-

BANK NOTE CIRCULATION.

Washington, April 1.-The monthly circulation statement issued by the comptroller of the currency shows that at the close of business March 31, 1903, the total circulation of national bank notes was \$382,519,258, an increase for the year of \$25,042,851, and a decrease for the month of \$315,507. The circulation based on United States bonds was \$338,348,814, an in-

crease for the year of \$20,889,432 and a decrease for the month of \$315,507. The circulation secured by lawful money aggregated \$44,169,444, an increase for the year of \$4,153,419, and an increase for the month of \$30,960. The amount of United States registered bonds on deposit to secure circulating notes was \$342,160,770, and to secure public deposits \$134,834,070. The

of state and city bonds on deposit to secure public deposits was \$18,-

PUBLIC DEBT STATEMENT.

Washington, April 1 .- The month'y statement of public debt shows that at the close of business March 31, 1903.

the total debt, less cash in the treasury amounted to \$939,603,021, an increase for the month of \$1,631,021. This increase is accounted for by a corresponding decrease in amount of cash on hand. The debt is recapitulated as follows:

Interest bearing debt .......3914,541,370 Debt on which interest has ceased since maturity. ... 1,230,100 Debt bearing no interest ... 396,754,437

Totals ......\$1,312,525,90 This amount, however, does not include \$890,007,069 in certificates and treasury notes outstanding, which are offset by an equal amount of coin on hand held for their redemption. The cash in the treasury is classified as

Total .....\$1,315,375,321 Against which there are demand lia bilities outstanding amounting to \$982 453,336, leaving a cash balance on hand of \$372,921,988.

COINAGE FOR MARCH. Washington, April 1.—The monthly colnage statement issued by the director of the mint shows that during March the total coinage was \$8,777,127, as follows: Gold, \$6,879,920; silver, \$1,-595,987; minor coins, \$301,720.

RECEIPTS AND EXPENSES. Washington, April 1.-The compara-

tive statement of the government re-ceipts and expenditures show that for the month of March, 1903, the total recelpts were \$45,435,434, and the disburse ments \$44,987,587, leaving a surplus for the month of \$447,857. For the last nine months the receipts exceeded the ex-penditures by \$33,329,223,

Somerville, Mass., Boy Kidnapped Somerville, Mass., April 2,-Charlie Fleming, nine years old, was kidnapped just as he left school and has disappeared completely as though the earth had swallowed him up. The boy attended St. John's parochial school in the central part of the city. When the children were released at the noon recess a tall, black bearded man, shabbily dressed, approached Charlie, picked him up and ran with him at full speed down the avenue and vanished.

The other children told the story to a

policeman and he gave a general Charlie Fleming was adopted by Mr. and Mrs. Michael Shea, who took him

from a Boston institution. They knew nothing of his relatives or parents.

The police think the kidnapper may be the lad's father. The foster parents Riot Among Bridge Workers.

Trenton, N. J., April 2.-There was a riot yesterday at the new bridge op erations of the Pennsylvania Railroad company. Twenty-five union bridge workers from Newark and other cities where bridge strikes are in progress, as-sembled near the bridge, and attacked non-union men employed there. Stones bricks, tools and other missiles were hurled by the assailants, and some of the 30 non-union workers were injured. They fled, some of them seeking refuge in private houses in the vi-

The foreman of the gang was standsledge hammer, throwy with great force, barely missed his head. He was so badly frightened that he fell from the abutment to the street, 15 feet be low. The attacking party then divided into two gangs, and while one side fol-

cut the ropes of a derrick and did oth at their approach the attacking party fled across the river, into Pennsylvania. The non-union men made no attempt resume work, but will start at it again today.

## UNION PACIFIC'S REPLY TO KEENE

E. H. Harriman Files Very Interesting Affidvaits.

SOME THREATS OF THE POOL

Keene Crowd Threatened to Make Trouble Uniess Dividends or Purchase Were Forthcoming.

New York, April 1 .- The affidavits in the answer of the Southern Pacific company to the suit of Talbot, Taylor & Co. against the Southern Pacific and Union Pacific, deny that the Southern Pacific is operated in the interest of the Union Pacific. The most important of the affidavits is made by E. H.

WHAT HARRIMAN SAYS.

E. H. Harriman's affidavit denies that any of the expenditures for improvements of the Southern Pacific complain ed of were prompted by consideration of the Union Pacific, but asserts that the were demanded by the interests of the Southern Pacific alone and wholly irrespective of any relation between those two systems: that they were planned before the Union Pacific became interested, and that they were designed and recommended by Southern Pacific officials and were authorized by Mr. Harri man only after a thorough personal examination of the lines, whereby he became convinced of the absolute necessity of the improvements. He de-nies the allegations that the Union Pacific interests were planning to take over the Central Pacific lines from the Southern Pacific, and asserts that no such step has been contemplated or

LAMAR'S LITTLE SCHEME. Mr. Harriman then relates that in the autumn of 1901 Edward Lauterbach in troduced David Lamar to him (Harriman) and that Lamar said he had friendly relations with James R. Keene a large stockholder in the Southern Pacific, and that Mr. Keene was contemplating some action against the management of the Southern Pacific, "He (Lamar) stated that he would make an allowance which would be of some ad-vantage to him, he had such influence over Mr. Keene that he could induce him not to instigate any adverse action against myself and allied interests."

Mr. Harriman did not accept. Several interviews with James R. Keene followed. At this point the affidavit says:

KEENE WAS KEEN.

"Mr. Keene stated to me that he had a large holding in Southern Pacific stock; that he would like to join with me in purchasing shares in the mar-ket; that he believed there could be a great deal of money made thereby and that he would act for me eitner in purmyself if I wished it; that it would be advantageous for the Union Pacific to take over the Southern Pacific and Issue its 4 per cent bonds therefor, and he stated that he was an adept in car-rying out successfully large stock market operations; that he had shown this capacity especially in the manipulation

of United States Steel stocks,"
To this Mr. Harriman replied that he believed "It would be a mistake to cre-ate a speculation in the shares of stock and advance their price to a basis that would justify the buyers in expecting a dividend in the near future; that it was also necessary to make such repairs and improvements from surplus earnings so far as they would go, in order to establish for the company a basis of credit upon which it could refund the bonded indebtedness of its subsidiary companies, a large portion of which would mature in a few years."

THE BLUFF.

Mr. Keene then gave assurance that he did not want to act in any way an-tagonistic to Air. Harriman. In the autumn of 1902, Mr. Harriman says he was informed "that Edward Lauter tach and Talbot J. Taylor would make the bill for us unless we settled with them in some way." Mr. Harriman says he had an interview with a mutua friend of his and of Mr. Lauterbach and this friend, who is not named, "ex-plained to me that Mr. Lauterbach had said to him that Mr. Keene represented a pool holding about 170,000 or 175,000 shares, and that Mr. Keene himself held about 70,000 shares; that they con-templated action which would need to templated action which would make us a great deal of trouble that might be isastrous to our interests, especially aying stress upon the large expendiures we were making upon the Cen-ral Pacific portion of the Southern Pacific properties, unless we purchased said shares from them; that he would sata snares from them; that he would sell the pool shares at about 70 and his own shares at about 78. I explained to this friend that there was nothing in the situation that we had to fear from those people or in the management of the company which would justify any criticism or objection on the tify any criticism or objection on the part of any stockholders, and that I certainly would not be forced by fear anything they might do into recommending a course which would be adverse to the interests of the general cdy of stockholders of Southern Pa-

CENTRAL PACIFIC LINE.

J. Krutschnitt, the fourth vice president and general manager, who has been in charge of operations under C P. Huntington for many years, made an affidavit wherein, regarding the improvements being made on the Central Pacific line, Mr. Krutschnitt said that the necessity for them had been fully recognized by the Huntington management. Mr. Krutschnitt says in positive terms that all of the positive terms that all of the improve ments in question are absolutely neces sary, not only to reduce the expense of operation, but also to enable the company to hold its traffic and compete with rival transcontinental lines. He denies that the improvements were ever suggested by any officer of the Union Pacific, but were all planned and urged by officers exclusively of the Southern Pacific in its own interests alone.

STUBBS ON TRAFFIC.

J. C. Stubbs, third vice president of the Southern Pacific, in charge of traf-fic and traffic director of the Union Padenies in a sworn statement that traffic whatever has been at any me diverted from the Southern Pa-

Affidavits were also filed by William Sproude, freight traffic manager, and E. O. McCoimick, passenger traffic manager of the Southern Pacific, wherein those officials testify that neither has at any time received any directions

or Instructions to favor the Union Pa Southern Pacific, and that they have not done so, but that each, in the man-agement of the department under his supervision, has worked exclusively or the interest of the Southern Pacific

OTTO KUHN'S STATEMENT.

Otto H. Kuhn, a member of the firm of Kuhn, Loeb & Ce., and a director of the Sonthern Pacific, filed an affidavit in which the following appears: "During the last 12 or 18 months Edward Lauterbach of counsel for the complainants in this action repeatedly spoke to me on the subject of Keene pool holdings of Southern Pacific stock. The substance of his statements was to The substance of his statements was to the ceffet that he had been retained by the eeffet that he had been retained by James R. Keene in connection with a contemplated action to bring suit to oust the interests at present in control of the Southern Pacific company, but he thought it desirable, in friendliness to both interests, that no such conflict should take place, but that there were only two ways to avoid hostile proceedings, namely, either to buy the holdings of the Keene pool at the price of about of the Koene pool at the price of abou 70, or to start the payment of dividend on the start the payment of dividends on the stock at a rate of not less than 4 per cent per annum. I answered Lauterbach that we would not consider purchasing the pool's holdings and that in determining the policy of the company in regard to dividend payments the directors were acting and would continue to act in accordance with their less indement and would not with their best judgment and would not allow any other consideration to influ-ence them nor be turned by threats of troublesome litigation from pursuing what, after conscious deliberation, they felt the only right course for the interests of the property." INCREASE IN EARNINGS.

William Mahl, the comptroller, filed in affidavit, appended to which are tables showing earnings, expenses, etc., o the different lines since the Union Pa cific's interest was acquired, as compared with the previous years. It appears therefrom that as compared with the year ending June 30, 1800, the gross the year ending June 30, 1900, the gross earnings of the Central Pacific line in earnings of the other lines of the South ern Pacific increased 8.51 per cent and for the year 1902 the earnings of th Central Pacific increased 4,46 per cent. vhile the earnings of the other lines of the Southern Pacific increased 7.86 per

KEENE GETS A WIRE. James R. Keene, who is confined to

his room at the Waldorf-Astoria, made tonight the following telegram sent by him to Edward Lauterbach, his counsel, who is in Nashville: "Harriman and Kuhn affidavits published broadcast, I expect you to furnish the Associated Press with your answering affidavit immediately, setting forth the true fact that no offer to sel stock was ever made by me except in

reply to the request to purchase the holdings which I represented and that you were requested by them to ascer-tain the cost of the same, and that absolutely refused, when I made the answer, to sell my individual stock at any LAUTERBACH INTERVIEWED.

Nashville, Tenn., April 1.-Mr. Lau-erbach late tonight made the follow-

rerbach late tonight made the following statement:

The affidavits of James R. Keene, Talbot J. Taylor and myself were filed, showing that Mr. Keene owns at least, and has held for some time 190 600 shares of Southern Pacific individually, and that Talbot J. Taylor owns an equal amount, irrespective of any interest in the peol, which would increase terest in the pool, which would increase their holdings to more than 300,000 shares. This suit is brought on Tal-bot J. Taylor's stock, which is not included in the pool, and it is on behalf of Talbot J. Taylor as a firm and has no reference to the pool stock, Mr. Keene never authorized anyone to offer his individual stock or his pool stock for sale, nor does Mr. Taylor, and no one

was authorized to offer it.

The conferences that he authorized he himself said had for their object only the adoption by the Union Pacific directors of the same methods pursued by other great systems in moderniz-ing the road and making improvements. Mr. Keene's criticisms were directed against the unusual methods pursue by the Union Pacific majority in the Southern Pacific board, both in regard to the enormous and unnecessary ex-penditures on the Southern Pacific which is being rebuilt and improved and that in a most reckless and improvident manner, especially mile trestle over Salt Lake and in other

similar respects.

While he believed a dividend should be paid out of the enormous net earnings, more than \$19,000,000 per annum he was not so insistent upon that as that the extraordinary expense of modernizing and reconstructing should be paid, in part, at least, out of the securities to be issued by the company, as is the custom in all other properly-regulated systems. The operating expenses, in comparison, with other systems of the custom of the comparison of the custom of the tems similarly situated, seem to be en-tirely disproportionate and either show reckless mismanagement or are used to cover additional expenditures, especially on the Central Pacific branch which is intended to be utilized for the benefit of the Union Pacific and which at any time may be taken from the Southern Pacific control by Union Pacific majority.

A similar state of affairs developed during the argument. The \$75,000,000 of the stock of the Union Pacific road was supposed to be in the possession of the Mercantile Trust company as trustee for the bondholders. The special stock list shows no such ownership, either in the Mercantile Trust company or in the Union Pacific road itself, but over \$7,-000,000 of the stock is in the name of Mr. Harriman and nearly \$2,000,000 in the name of Kuhn, Loeb, & Co. Affida. vits of the defendants failed to disclos where the stock is, and this is true of the other \$15,000,000 acquired additionally to that covered by the mortgage. Mr. Keene's affidavit unconditionally resents any idea of any attempted sale of the property at any price. The affidavits in answer to the affidavit of Mr. Harriman and Mr. Kuhn sets forth that no offer to sell the stock was ever made. no offer to sell the stock was ever made by Mr. Keene or authorized by him to be made by anybody except in reply to a request to ascertain at what price the holdings he represents could be bought and that Mr. Keene also refused, when he made answer, to #11 ht individual stock at any price.

The statement issued by Mr. Lauter-bach is made up of extracts from affi-davits filed by him in the case.

Prize for Dr. Emil Roux.

Paris, April 2.-The Figure states that the institute of France at a secret meeting yesterday decided to award to Dr. Emil Roux, the substitute director of the Pasteur Institute, the prize of \$20,000 founded by Daniel Osiris for the person that the institute considered the most worthy to be thus awarded,

Big Price for a Calf.

Utica, N. Y., April 2.—Henry Stevens of Laconia, N. Y., has paid \$4,000 for a nine weeks old bull calf. The mother of the calf is Sadie Vale Concordia, nolder of the world's seven and 20-day records for milk and butter production. The sire is Beryl Wayne, a prize winning bull. The calf was bern on Jan. 22, and the price paid for him is believed to be the largest amount ever paid for a nine weeks' old animal. for a nine weeks' old animal.

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