BUSINESS AFFAIRS OF MR. M'CUNE

Are Inquired Into at Length Before the Legislative Committee.

RELATIONS WITH HERALD

Lapish, Lannan, Rideout and Hard Before the Committee—Little Added to the Testimony.

Mr. McCune was recalled a second time yesterday afternoon before the investigating committee, and was examined by Mr. Dickson in relation to his supervision of the statement prepared for the press by Mr. McCune and Mr. Thomas.

THE "NEWS" INTERVIEW.

Questions by Mr. Stewart:

You remember, Mr. McCune, that Mr. Carpenter, who was on the witness stand, stated that when he interviewed you just after—the evening after the statements were made by Mr. Lee, you replied to him that: "You may say that I never was alone with the man to my knowledge?" Yes.

Now, what explanation have you to make of that statement, if any? Virtually what I said was true. What I meant, I might say, I was alone with him in the drug store there and I was alone with him a minute or two when I went into the room. I do not mean that the room had plenty of people in and I had no particular chance for private conversation, except the talk in the setee in the drug store, and my point was in the drug store, that I meant was—by not being alone—was going into a private room and shutting ourselves in where nobody else was in the room. That is what I had reference to, directly.

Mr. Evans then submitted the contract between Mr. McCune and Mr. Chambers, and asked that the letter be put on the stand. The contract is as follows:

McCUNE-CHAMBERS CONTRACT.

"Memorandum of agreement between A. W. McCune and H. C. Chambers, both of Salt Lake City, Utah, this 5th day of October, 1898. McCune agrees to pay to Chambers the net profit, after the current expenses, less the current receipts, of The Herald company, incurred in publishing, in Salt Lake City, Utah, The Daily and Semi-Weekly Herald, for the months of October, November, and December, 1898, and January and February, 1899, and also the sum of $76, overdraft existing at bank on Oct. 1, 1898.

"In consideration of such sums of money as shall be paid under the provisions of the foregoing agreement, Chambers shall have an option on March 1, 1899, of two modes of settlement or payment, as follows:

"First—Chambers may, if he so elect, refund to McCune one-half of the moneys advanced by McCune aforesaid, and McCune hereby agrees to relinquish for good and valuable consideration hereby acknowledged any claim for reimbursements on the other half. If Chambers selects this mode of settlement,

"Or, Second—Chambers shall give to McCune one-half of the capital stock of The Herald company aforesaid, one half being 500 shares, which shall include five shares now in the name of McCune, in full payment of consideration for all advances by McCune as hereinbefore provided. Chambers hereby agrees to immediately endorse over to McCune 495 shares of the capital stock of The Herald company aforesaid, to be held under the other terms of this agreement. In case Chambers shall, on March 1, 1899, select the method of settlement as hereinbefore provided, then all of the said one-half of the capital stock of The Herald company, namely, 500 shares, shall be returned to Chambers, upon the payment by McCune of the one-half of the moneys advanced by McCune, in accordance with this agreement hereinbefore mentioned, both provided.

"Witness our hands the day and year first above mentioned.

"Executed in duplicate.

"H. C. CHAMBERS,
"A. W. McCUNE."

At the time you entered into this contract you expected to become a candidate for senatorial situation—position, did you? Yes, sir; I had it in my mind.

Was that the reason why you entered into this contract? No, sir.

CONTROL OF HERALD.

What was your purpose of entering into this contract? My purpose was that Chambers had carried it, he said, so long as he could carry it—when I came in and gave him some assistance. I had been his partner in the paper before, and he had practiced over the management of the paper—having Mr. Dickson—and I stated that I wouldn't put up anything, if I remember, as long as McCune was in as manager, and he said if I would put up half of pay of the paper I could change the management, and this agreement was made, so he said he couldn't carry it. I suppose I had put up a hundred and thirty or forty thousand dollars of loss.

This gave you absolute control of this paper, for the months of November and December, 1898, and January and February, 1899, didn't it? No, sir; it did not.

Didn't you so understand it? No, sir. Didn't you understand that this gave you the control, the absolute control to the first day of March? No, sir.

And didn't you understand that this is an option by which Chambers can come back on the first day of March? Yes, sir; I understand it thoroughly.

Don't you understand now Mr. McCune, that you had the absolute control during that time? I do not think so. In addition to that, I know I haven't had control of it. Chambers has had just as much business in the paper as a great deal more than I have.

What else—I had you to pay the expense, the losses of the paper? As you stated, I intended to be a senatorial candidate, and I didn't want the party again to fall down. I wanted the Democratic party to have an organ, and try and carry the election in the State of Utah.

When you had concluded to become a candidate for the senate, which you agreed to put all the issues of the paper for five months and have virtual control of it during that time? Not exactly. There is no signature about it at all, according to your idea? No, but unless you put a signature to a contract, or it and then you can make significance out of anything, I become.

Without being signed by Mr. Chambers, ten years ago, desired him to enter the senatorial race in your mother Territory? Not in this contract, I don't think.

MR. CHAMBERS' TESTIMONY.

H. C. Chambers was sworn and examined by Mr. Dickson:

Have you ever received from Mr. McCune, or anybody else, directly or indirectly, any consideration or promise of consideration for your support of him as a candidate for the United States Senate? I have not.

Cross-examination by Mr. Evans:

On the 5th day of October last, you entered into a contract with Mr. McCune, did you? Well, about.

Written contract, by which he was to pay the losses of the issue of The Herald for the months of October, November, December, January and February? Yes, about that time. I think I did.

What was the consideration in that—why was he to pay the losses? The consideration was this: that I appealed to a good many Democrats to help out, that I had had him I had carried that property for a whole, two or three years, at a loss to myself, and that I thought that the party or the leading men of the party and those that were able to should assist in carrying it during that.

That was the only consideration, wasn't it? That was the only consideration, yes, sir.

How much were these losses monthly about that time? About two thousand dollars. Yes, and the losses ran up to twenty hundred; some months wouldn't be over three or eleven.

Well, it would average fifteen hundred, wouldn't it? Perhaps it would.

Well, Mr. McCune was to pay—then, if it averaged fifteen hundred dollars a month, Mr. McCune, for five months, Mr. McCune would have to pay all that sum, would he? Well, he would have to advance that sum.

In other words, he would lose seven-and-five hundred dollars in those five months? Yes.

For what purpose, just for the privilege of being let it was to support the paper, assisting the party.

You have been a candidate for the United States Senate before that time? I expected to would be.

And this was the time to be controlled by him in his interest, was it not? No, sir, it was not.

Didn't he have, under this contract, the absolute right to control it during those five months? I told him that I couldn't guarantee that he should control the paper solely.

Didn't you agree to it in this writing? I don't think that is the meaning. I don't think I have seen it from the time I signed it until this minute.

Isn't that your signature? Yes, sir.

And at that time you took a part in the contract? Yes, sir.

Yes, sir? Yes, sir. Yes, sir.

And the balance of the $2,000 has been made up by your contribution to the support of the paper?

That has come before you became a candidate, or thought of becoming a candidate for the United States Senate? No, sir.

That wasn't done for the purpose of corrupting Mr. Chambers as a senator? No, sir.

Mr. Evans—Was it done for the purpose of securing the support of Heber J. Grant? No, sir.

You did secure his support after you did that, didn't you? He supported me before that.

(Defense rests.)

MR. LAPISH EXCUSED.

Representative Lapish was called by the prosecution and was asked if he began to testify as to a conversation between himself and Mr. Dunbar. Mr. Van Cott objected to the testimony as being a new charge not named in the specifications.

Mr. Stewart—I certainly think that we should hear from Mr. Lapish, but the question as to whether it affects the case or not is another and earlier. Mr. Lapish desires to be heard, as I understand it, but not upon the charges that have been preferred by Mr. Lee. I think we have a right to hear Mr. Lapish, but a hardly think so at this time. I might, therefore, say that the objection is sustained.

The Chairman—For the time being?

Mr. Stewart—For the time being.

Mr. Lapish—If I might say one word about the matter, I wanted to testify in relation to anything I was going to testify in regard to, I would like to be sworn in regard to it.

The Chairman—Yes.

Mr. Lapish—I would just state that I stand by my testimony, and I didn't report that was brought in by this committee was such that I could not vote for it, and I was willing to testify to vote to expel Mr. Lee from the assembly, that I propose to fight the report in the assembly, and I didn't wish it said to me by any member on the floor there: "Didn't you give this information to the committee?" "Why, didn't you give them an opportunity to hear this under oath," and for that reason I wanted to take that I was willing that if the committee desired it to state what I knew in regard to the assembly—what I knew in regard to the assembly—came on and brought me down now to state that, and to said that the committee wanted to hear me; that is why I came to be here.

The Chairman—Mr. Lapish, you will be excused.

F. H. LANNAN SWORN.

Mr. Lannan was sworn. Mr. Van Cott inquired who had edited Mr. Lannan.

Mr. Evans—I will take all the responsibility and take my witness.

There have been some intimations I think in the public press, that you were connected with the Herald company? Yes, sir.

Running high in the Democratic. Your attention was called to the resolution of $76, which Mr. McCune agreed to pay under the terms of this contract; I will ask you if that was not the method that was an overdraft incurred for the account of the paper—stock that was then on hand, from The Herald office building? I don't remember just what the overdraft was for, but it was to pay up the deficiency there at the time.

Re-cross-examined by Mr. Evans:

As I understand you, Mr. Chambers from Mr. Dickson's question, you were willing—that is, you were in a receptive condition to assume half of Mr. McCune, if he offered it, as the losing proposition? Yes, or anybody else.

MR. MCCUNE'S LOSSES.

A. W. McCune, being recalled in his own behalf. Examined by Mr. Dickson:

Mr. McCune, do you know what the overdraft was for? Was it explained to you what it was for? Yes; it was explained to the secretary that it was proper that it was on hand in the office of the paper.

In the years preceding the year 1898 had you made contributions to The Herald to meet losses? Yes, sir.

And to an extent did they aggregate prior to that time? I think, if I remember it right from my memory, it was $12,000.

Re-cross examination by Mr. Evans:

Twenty-five or thirty-five hundred and what, Mr. Dickson?

Mr. Dickson—Seven hundred and seventy-six dollars.

How did you suffer that previous loss, Mr. McCune? It was suffered in the form of the stock that I bought originally and assessments that I paid up on the paper, as it went along running up behind.

Who owned that stock that you purchased? Why, it was purchased originally from Kimball & Co. It was an incorporated company, as I understand it. I have had some of those—Frank Dyer and some of them that did the concern that purchased it and they formed me in for $1,000 on the first of it.

That is Heber J. Grant & Co. stock which you took up and paid, referred to in the first letter, isn't it? So far as I know, I had nothing to do with it then.

Carried up money to it. It was Frank Dyer and some of them that did the business.

Questions by Mr. Dickson:

The Herald Publishing company purchased the plant of the paper up there from Grant & Co.? Yes, sir.

And at that time you took a part in the purchase? Yes, sir.

To the extent of $1,000? Yes, sir.

And the balance of the $2,000 has been made up by your contribution to the support of the paper?

That has come before you became a candidate, or thought of becoming a candidate for the United States Senate? Yes, sir.

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Re-cross-examination