

## AFFAIRS DOWN ON THE ISTHMUS

Reports of Isthmian Canal Com'n  
And President of Panama Ry.  
Co. Sent to Congress.

### JECY. TAFT DISCUSSES THEM.

The Market Feeding Contract Gone  
Over—President Formally In-  
dorses Recommendations.

Washington, Jan. 8.—The letter of the secretary of war to the president, transmitting the reports of the Isthmian canal commission and of the president of the Panama Railway company with the reports were received by the two houses of Congress today. The report of the canal commission has been made public. Secy. Taft, in his letter, advised the president that there is to be a majority and minority report from the board of consulting engineers as to the type of canal to be recommended and that he expects soon to receive by cable from Gen. Davis, chairman of the board, who will meet the foreign members in Brussels on Jan. 8, a confirmation of the majority report. The minority report is being prepared, he added, and he hopes that the whole matter may be presented for submission to Congress by the first of February.

The secretary takes up the report of the president of the railway company and discusses two transactions referred to in the report—the issue of bonds and their purchase by the company and the market contract for feeding employees on the Isthmus. Of these the secretary says:

#### IMPORTANT TRANSACTIONS.

There are two transactions referred to in the report of the president of the railway company, of which special mention should be made. In December, at a time when the creditors of the railroad were urgent in demanding the payment of the bills and when the railroad company was unable to meet its obligations because the canal commission was unable to pay the railroad company what was due it, the president and directors sold \$25,000 of 4 per cent bonds which had been in the treasury of the corporation ever since the United States acquired a controlling interest in its shares. The bonds had been placed there by the former management for the purpose of

### Chamberlain's Cough Remedy

Cures Colds, Croup and Whooping Cough.

using them in order to improve the equipment of the road. On Nov. 8 last, the directors authorized the executive officer to advertise the bonds, and after written invitation to several probable purchasers they were sold on the 11th day of November to Mackay & Company, bankers, at the highest bidders. One hundred and seventy-five thousand dollars of the purchase price was paid on November. The purchasers paid par and a premium of 5 per cent for the bonds.

#### ISSUING OF BONDS.

The question of issuing the bonds was not submitted to you or to me before final action was taken by the board of directors. The policy of selling the bonds was a doubtful one and should not have been adopted until after a conference with this government. I have not the slightest doubt that the president and directors of the company acted in entire good faith in what they did, and as they thought for the best interests of the government; but it is regarding the anomalous and peculiar relations between the directors and the company and the government the bonds should not have been issued without your approval or mine. In view of this fact, by your authority, I instructed the president of the railroad company to proceed to at once repurchase the bonds. The bonds themselves contained a stipulation providing that they might be redeemed either on the first of October or the first of April by the payment of the principal and six months' interest, the principal and a premium of 5 per cent.

"Arrangements were made with the purchasers by which the bonds were bought back at the premium paid, 105, and accrued interest to date of repurchase from the 1st of October. To make the repurchase it was at first thought necessary for the railroad company to borrow \$400,000 from the canal commission.

their error," says the secretary in his letter to the president, "and hereafter questions of this character will not be acted upon finally by the commission or the directors of the railroad, until after conference with the proper authorities."

#### THE MARKET CONTRACT.

"Another matter calling for comment," Secy. Taft says, "is the cancellation of the so-called Market contract and subsequent settlement. In March, 1905, it became an urgent question how the employees of the canal commission and of the railway company on the Isthmus could obtain proper food at reasonable prices. Chief Engineer Wallace knew J. E. Markel of Omaha as a contractor engaged by railroad companies to feed boarding camps and to cater for railroad hotels and restaurants. Mr. Markel had been in the business for 30 years and had carried out large contracts of this kind in construction work done by the Union Pacific railroad, the Illinois Central railroad and other large railway systems of the west. Mr. Wallace in March last wrote to Mr. Markel and invited him to come to the Isthmus and look the ground over with a view to making an arrangement to feeding all the employees on terms satisfactory to the government and himself. The latter did not reach Mr. Markel until May when he answered accepting the suggestion and with his son and partner and private secretary, visited the Isthmus about the first of July, returning to this country after a month's stay on the Isthmus, and after an absence of something like six weeks. The contract was awarded to Mr. Markel as the lowest bidder on the seventh of September. When notes of the contract reached the Isthmus, Mr. Stevens, cable objected to it as fixing too high a price, and thereupon a clause was introduced into the contract by the consent of Mr. Markel, by which the company was permitted to cancel the contract at any time in the discretion of the president. In view of the new cancellation clause, Mr. Markel took only four persons to the Isthmus and others were directed to remain in New York until the matter in respect to the contract was definitely settled. On the 22nd of September, Mr. Shonts and Mr. Markel sailed for the Isthmus and did not return until the 17th of October. During this time, after a conference between Mr. Shonts, Mr. Stevens and Gov. Magoun, the notice of cancellation in accordance with the new clause, was given and accepted, and Mr. Shonts and Gov. Magoun then stated that Mr. Markel ought to be and would be compensated for his loss of time and money and for services which had injured the benefit of the government. The reason for the cancellation of the contract was plainly in the corporate power of the directors and was supported by advice of counsel. I think, however, that these were issues of such importance and doubt that they should have been submitted to you or me as your representative for approval. Undoubtedly a board of directors, acting for a corporation with individuals as stockholders might exercise the discretion which was exercised here by the directors; but, as between the government and the directors of the railroad company, the exercise of such discretion is only safe when approved by the president or his representative.

quited for meals for the second class of employees a more expensive meal than the company was actually furnishing. In view of the cancellation of the contract it is unnecessary to consider this issue further.

#### MARKEL'S CLAIM ALLOWED.

"At the meeting of the railroad directors on Nov. 8, Mr. Markel presented his claim for his actual outlay amounting to \$5,745.97 and also a claim for the value of his time and services. The directors at the instance of Mr. Shonts voted to allow Mr. Markel for his expenses and service the sum of \$10,745.97 and the money was paid.

"This action was taken without consulting either you or me, and was not strictly construed to cancellation would brought to my attention until some time after my return from Panama on the 14th of November. Looked at from a purely and strictly legal standpoint, if the amendment of the contract with respect to the cancellation at the discretion of the president was to be strictly construed to cancellation would under the obligations of both parties under it and leave them without any claim for damages by either against the government. In other words it would seem to have no claim for either his expenses or his services against the railroad company after the right of absolute cancellation had been exercised by the president. In other words it would appear that the payment ordered by the directors was gratuitous and without legal consideration.

#### THE MORAL SIDE.

"On the other hand the moral and meritorious consideration arising from the fact that Mr. Markel had actually rendered valuable expert services to the railroad company, had made an actual outlay of more than \$5,000, all in anticipation of securing the contract and relying on the permanence of the contract would justify a good business man with whom such a transaction was had in compensating him for his loss of money, time and services. It is perfectly plain from Mr. Markel's own evidence that if he had been permitted to carry on the contract, indeed if he had bid and not been awarded the contract he never would have considered the railroad company indebted to him for anything. The directors, however, thought the circumstances under which the final cancellation clause had been obtained and the benefit which they had actually derived from Mr. Markel's services, required that they should make him whole.

"That they acted in this regard in good faith and with a due regard to their trust I have no doubt. In reply to my criticism and my disapproval in these two cases, the president of the railroad has answered that the course taken was plainly in the corporate power of the directors and was supported by advice of counsel. I think, however, that these were issues of such importance and doubt that they should have been submitted to you or me as your representative for approval. Undoubtedly a board of directors, acting for a corporation with individuals as stockholders might exercise the discretion which was exercised here by the directors; but, as between the government and the directors of the railroad company, the exercise of such discretion is only safe when approved by the president or his representative.

tative, I have so advised the president and directors of the company in order to prevent a departure from this principle in future.

"I have deemed it my duty in view of the fact that the matter was not submitted either to you or to me until after the final action of the board, to investigate quite fully the facts. I have received a written statement of the matter from Mr. Shonts. I have submitted Mr. Markel to a long examination, have secured from him all the correspondence throwing light on the subject and have requested from him the vouchers for such of his expenses as he will be able to furnish. The examination and the correspondence I append to this letter. The vouchers Mr. Markel has not yet been able to send me. If complete vouchers are not forthcoming it will not be significant, because when expenses were incurred, Markel did not suppose that they would form the basis of a claim against the government and moreover, a large part of the money was expended for traveling, for which it is unusual to obtain receipts. I think no one can read his evidence without being convinced that the claim which was allowed by the railroad company was meritorious and moderate. I have submitted the question to the attorney-general whether you may legally confirm the action of the railroad company and make the payment a legal one. The opinion of the attorney-general in the affirmative would be found as an appendix.

#### RECOMMENDS CONFIRMATION.

"I respectfully recommended that the action of the commission in settling with Mr. Markel now have your formal confirmation. I further request that the two reports and the letter of transmittal with its appendices be submitted to Congress.

#### PRESIDENT'S LETTER.

"Those who are responsible for the work of the canal commission court investigation of a thorough character into everything that has done with its authority."

#### PRESIDENT'S LETTER.

"The White House, Washington, Jan. 4, 1906.

"To the Secretary of War: I have received your letter of Jan. 3 transmitting the annual report of the Isthmian canal commission and the Panama Railroad company. I hereby formally approve your actions and recommendations as therein set forth. (Signed) 'THEODORE ROOSEVELT'."

#### C. C. MEIER COMMITS SUICIDE.

Was Being Brought Back from England on the Charge of Embezzlement.

New York, Jan. 8.—C. C. Meier, of San Francisco, a prisoner on the steamer Carmania, shot and killed himself in his cabin today just as the big liner was entering New York harbor. Meier was charged with embezzling \$20,000 from a San Francisco wine merchant and was returning from London to answer the charges. He shot himself at daylight as the outlines of

the American shores became visible. He was in custody of an officer. Meier was arrested in London at the request of the state department at Washington. He did not contest the application for his extradition.

### GERMANY ISSUES PAMPHLET ON MOROCCO.

Berlin, Jan. 8.—The foreign office's pamphlet on Morocco, consisting of 42 pages with extracts from 27 documents, appeared today and furnished good reading for those who have followed this long controversy. This publication, however, contains but few interesting features. It begins with a symposium of the newspaper cuttings expressing the aspiration of the French to attain exclusive jurisdiction in Morocco and representing that the French minister at Fez had assumed the mandate of Europe to urge the execution of reforms in Morocco.

The sultan of Morocco Dec. 21 received in audience Herr Vassel, the German consul at Fez and talked over the general situation. "I am willing," said the sultan, "to treat three or four powers equally with Germany and Great Britain on account of their trade and France and Spain because they are neighboring harbors."

The sultan inquired whether the French minister could claim a general mandate of not and the consul replied that Germany had not granted such a mandate. She sultan said he was pleased to receive this information.

### TORPEDOBOAT DESTROYERS COLLIDE IN HAMPTON ROADS

Norfolk, Va., Jan. 8.—During a heavy blow in Hampton Roads yesterday morning the torpedo-boat destroyers Vorden and Lawrence collided. The Vorden was rammed by the Lawrence and was holed in the bow. The Vorden was uninjured. An investigation will be made by the commander of the torpedo flotilla.

### NEW PARLIAMENT.

Edward Returns to London and Writes Of Election Are Issued.

London, Jan. 8.—King Edward, who has been absent in the country since Sir Henry Campbell-Bannerman's cabinet was formed, returned to London this afternoon and held a meeting of the privy council at which the proclamation dissolving parliament was signed. Immediately afterwards the writs were sent to the returning officers for the election of the members of the new parliament which by law will assemble within 35 days.

### BIG FIRE IN DES MOINES.

Des Moines, Ia., Jan. 8.—Fire of probably incendiary origin broke out in the Marquardt building early today, totally destroyed the cafe and did probably \$100,000 damages to the block and contents. The flames are under control, but the entire building is gutted. Morrison's loss is greatest, the damage being estimated at \$50,000. The Marquardt Savings bank, the Anchor Fire Insurance company, and the Columbian School of Correspondence were the greatest sufferers. The remainder of the building was occupied by office tenants, whose losses were light. Most of the loss is covered by insurance.

Des Moines, Jan. 8.—The mercury dropped to 10 degrees below zero here this morning the coldest of the winter.

### TEN BELOW ZERO.

Cincinnati, Jan. 8.—While sitting beside the sick bed of his brother-in-law, poison was taken by mistake by George Stevens yesterday and he died within an hour at the city hospital. His brother-in-law, Robert Louis Gillette, aged 65 years, died an hour later. Stevens was a Harvard graduate and had acquired a competence on a line of steamers between Boston and New York, but lost most of it in the cotton crash two years ago.

### MEXICO CITY AND RETURN \$68.25

Via D. & R. G. January 10th.

Under the auspices of the Utah-Mexican Sugar and Lumber Company, ten days' transit limit in both directions. Final limit Feb. 28th. An unusual opportunity to see the greatest winter resort on earth. Party leaves Salt Lake 8:30 a. m. and makes direct connection. See J. A. Benton, Dooly Block, for further particulars.

### NEW HYMN BOOK AND PSALMODY.

A new edition of the L. D. S. Hymn Book (the twenty-fourth), revised under the direction of the Church Authorities, has just been issued by the Deseret News. Many improvements will be observed. The names of the authors, as far as they could be ascertained, have been appended to each hymn. Special type was selected for the edition, to secure a large, plain and bold print, without increasing the size of the book. Thirteen new selected hymns have been added to this collection, among which are "Onward, Christian Soldier," "Peace Be Still," "Rock of Ages," "Abide With Me," the two National anthems, "America" and "The Star Spangled Banner," and several others.

### NEW PSALMODY.

A new edition of the L. D. S. Psalmody has been issued to correspond with the revised Hymn Book. It also contains the music for the additional thirteen hymns. New plates have been made throughout. The book, though enlarged in its number of pages, has been somewhat reduced in form, making it more convenient for choir use. The price has also been reduced in the various binds, as follows: Cloth, \$1.25; half leather, \$1.50; limp leather, \$1.75; and full morocco gilt, \$2.50. Both Hymn Book and Psalmody are now ready at the Deseret News Book Store.

Gardner Daily Store News

By Far The Most Important News in the Paper Today

Gardner Daily Store News.

# Our Monstrous Winter Sale Is On!

It started this morning—this extraordinary price and profit-destroying movement to move this season's stock while the season is on, and judging from the enthusiasm manifest in the early attendance it's object will be accomplished in double quick time. 'Tis for you to come and share the economies afforded. The Sale continues all this week. Hurry, is the word.

## Read Your Good Fortune In The Sale Lists Below.

### Fat Picking of Warm Winter Suits for Men.

WINTER SUITS to the number of nearly a thousand are involved in this movement. They represent the biggest and best suit stock we have ever shown, but the time for clearing has come, and clear they must at any cost.

'Tis for you to come and profit by our necessary sacrifices.

Take your pick of these:

**\$9.00** For the choice of a great lot of Gardner \$12.00 Suits.

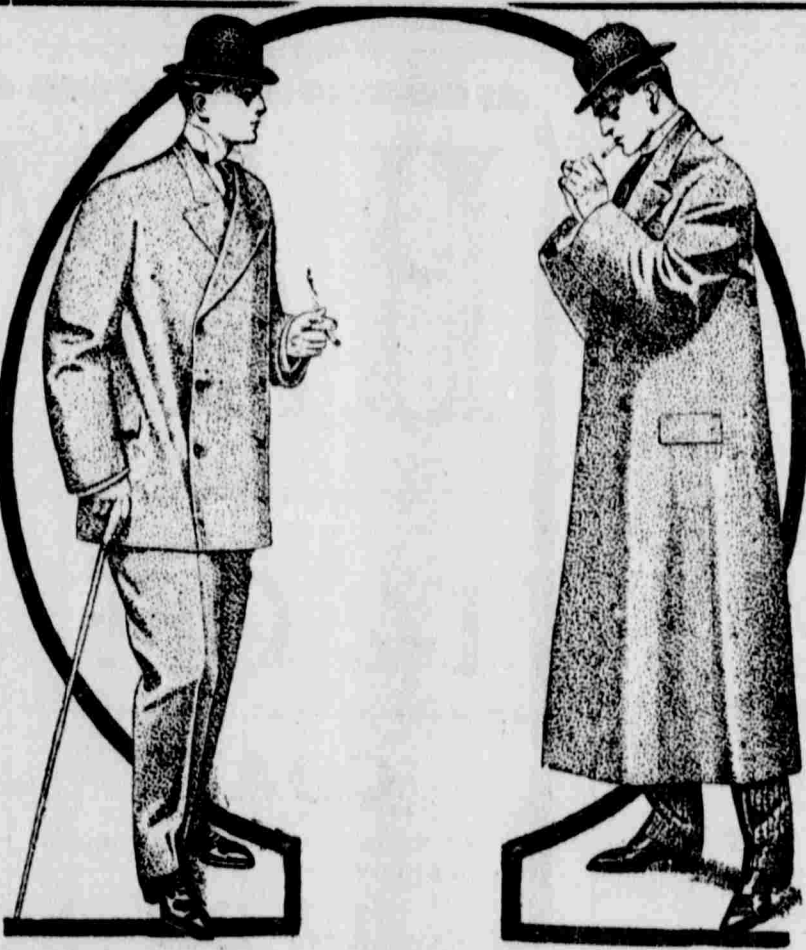
The choice of a great lot of Gardner \$15.00 Suits for **\$11.00**

**\$13.50** For the choice of a great lot of Gardner \$18.00 Suits.

The choice of a great lot of Gardner \$20.00 Suits for **\$15.00**

**\$17.00** For the choice of a great lot of Gardner \$22.50 Suits.

The choice of a great lot of Gardner \$25.00 Suits for **\$19.00**



The Thousands of Dollars Worth of most seasonable merchandise behind this Gigantic Sale marks it a boon to clothes needers of all classes at this particular time of the year. The very time when winter wearables should be at a premium, and here we are offering them at figures that would make them inexpressible bargains even after the season is entirely over. 'Tis house-cleaning time with us. Let it be a clothes buying time with you, and buy to the very limit of your means at hand, for the like of these bargains will not confront you again in a hurry. What you need now and what you will need for the future should be afforded while the opportunities are within reach. It behooves you to hurry.

### The Slump In Real Overcoat Prices Something Terrific.

A WELL-ROOTED determination to move this Season's Stock this Season is alone responsible for this decisive price-cutting of coats that are worth their regular price of any man's money, and no sharp trader will pass them up. They're this season's best styles and best values. We've devised this plan of making them go before the season is any older.

The pick of a great lot of Gardner \$10.00 Overcoats for **\$7.00**

**\$9.00** For the pick of a great lot of Gardner \$12.00 Overcoats

The pick of a great lot of Gardner \$15.00 Overcoats for **\$11.00**

**13.50** For the pick of a great lot of Gardner \$18.00 Overcoats.

The pick of a great lot of Gardner \$20.00 Overcoats for **15.00**

**19.00** For the pick of a great lot of Gardner \$25.00 Overcoats.

The pick of a great lot of Gardner \$30.00 Overcoats for **22.00**

Big Lots of Men's Pants—Underwear—Suspenders—Half Hose and Neck Ties at Smashed Prices.

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