houses belonging to the Mormon Church. The residents in those settlements were almost exclusively members of that Church. School apparatus and libraries were wanting in many places at that time. From his experience he gathered that the special needs, in addition to what he had already stated, were good schoolhouses and good furniture. Libraries had since been established in some places, but some had fallen through from various causes. The need of schoolhouses was most urgent then.

Mr. Rawlins asked the witness what proportion of the school population of the Territory outside Salt Lake and Ogden were of Mormon parentage; but the question was objected to by Mr. Dickson, on the ground that the witness was not competent to answer, and it was not pressed.

To Mr. Dickson—He had not familiarized himself with the condition of the schools in the Territory since the time named.

Prof. W. M. Stewart, former superintendent of schools, gave the result of his experience among the schools in this and other counties during his ten years' of educational work, and said the great deficiency he observed lay in the want of proper school buildings, which were primitive and in some instances altogether unsuited to the purposes for which they were used. This was due largely to the lack of means among the people in the respective country districts. The sanitary arrangements of the school houses in many places were most imperfect. Last year there were only about twelve suitable school houses in Salt Lake County.

Mr. Parley L. Williams, ex-commissioner of schools, was next called and was shown an official report made by him to Congress, in his capacity of commissioner of schools, for the years 1887 and 1888, commencing in April of the former year.

Mr. Dickson, however, after perusing the document, objected to it on the ground that it contained a strong anti-"Mormon" flavor, or speech, which was improper as coming from a government officer.

Mr. Varian replied that the report was a Senate document and he denied that, therefore, it contained anything but what was allowable and proper.

After some desultory conversation on the matter the Master ruled that the report was admissible.

The witness was then interrogated by Mr. Rawlins and stated that his visits, while acting as school commissioner, to the respective districts, convinced him that there existed a great lack of accommodation in the schools.

It having been stated that the government might possibly want to call an absent witness on Wednesday morning,

Mr. Varian remarked that the government, as he said in the beginning of this inquiry, had no interest in this proposed application of funds except to see that it was properly made; that was to say, it had not the same interest that these same claimants had, for instance, or that any society or private claimant representing any particular charity would have. If the application of these moneys to charitable uses was properly made, the government had nothing further to say. Hence it seemed to him eminently proper that those who had schemes to submit should be permitted to present them and all the evidence bearing thereon that they wanted. Then when the schemes were all in, if the government chose to suggest a scheme for itself, not approving of those already presented, it should be allowed to do so for the consideration of the Master in Chancery. He thought, too, that counsel for the government should have the right to make the closing argument, in order to review the whole matter. They did not ask to open the arguments. They were willing to alternate, and the gentlemen representing the other two schemes might talk as long as their own judgment and the discretion given by the Master allowed.

Mr. Richards—Have you made any formal presentation of a scheme?

Mr. Varian—Only what is on the record (referring to his verbal statemen, or objection, yesterday). I have not written anything; but if it is deemed advisable we can take time to bring it in here.

Mr. Dickson—It seems to me that the order of argument should follow the order of evidence. As the defendants had opened the case, they should also have the privilege of closing. Counsel remarked that no one in this investigation had as deep and vital an interest in the matter as the defendants.

Mr. Varian, dissenting from the observations of Attorney Dickson, still argued that his side should have the opportunity of making the final arguments. That would afford them an opportunity of pointing out any unsatisfactory or objectionable features which might appear in other schemes.

After some further talk, the Master in Chancery said he thought that the arguments should be made in the same order as that in which the evidence had been taken, but he preferred to reserve his decision on that matter until this morning.

It wanted a few minutes to five o'clock when the court adjourned.

THIS MORNING'S SESSION.

When the court re-assembled, Mr. Varian called as a witness Mr. Frank H. Dyer, formerly receiver in the Church escheat proceedings.

Mr. Varian said—I want to call your attention to the matter of compromise made with the Church authorities, with a view to designating precisely the several amounts in money that were received for certain things. Perhaps that report will show it (handing to the witness one of his official reports for inspection.)

To Mr. Richards—This is the petition I made to the Supreme Court asking for authority to compromise.

To Mr. Varian—The 30,000 head of sheep were turned over to me as Receiver. They were all leased to different parties—the greater number to Mr. Pickard. A few were inventoried in the compromise of $75,000; but they did not amount to anything. The only notes that were turned over to him, and certainly paid, were those for the Theatre, so far as he remembered, gas stock, the street railroads, telegraph stock, and money on account of the property, etc., which had been sold. Asked as to what was the present value of the gas stock, Mr. Dyer said: My judgment is that it is worth $125, at least, per share.

Mr. Varian—What about the present value of the Deseret telegraph stock?

Witness—Well, at one time I thought that it had some value, but the more I looked into it the more convinced was I of its worthlessness. I would not now give $4 for the whole line of telegraph in the Territory; well, I would not take it as a gift. (Laughter.)

Mr. Richards said he desired to offer the statement of facts in the Church case, filed October 8th, 1888. He wanted it agreed that this statement was the only evidence before the Territorial Supreme Court on which counsel on the other side based their decree and findings in this case.

Mr. Rawlins—We take that as being incompetent, and we object. The only purpose for which it can be offered is to impeach the decree.

Mr. Varian—And we stand right upon our objection.

Mr. Richards—There is nothing to offer if you do not agree. We asked you simply to admit the fact.

Mr. Varian—And that if we objected you would prove it.

Le Grand Young, one of the attorneys for the defendants in the case when tried before the Territorial Supreme Court, was then called and he identified the agreed statement of facts handed to him.

Mr. Richards—Was any other evidence either oral or in the form of depositions, introduced on the trial of that cause?

Mr. Rawlins objected; but the Master held that the answer might be given, subject to future ruling, if necessary by the higher court.

Witness answered Mr. Richards' question in the negative and was further interrogated on the point at issue, which resulted in a general desultory conversation between counsel lasting some minutes.

This closed the testimony, and the arguments began. They were opened by Judge John A. Marshall on the part of the government, who stated that this case came before the Master in pursuance of the decree of the Supreme Court of the United States. It was recommitted by that body to the Territorial Supreme Court and sent here for investigation. He first called attention to the evidence adduced as relating to the purposes of donations, and remarked upon the testimony of President Cannon, who had said in substance, that the donations to the Church were in the hands of the trustee-in-trust for dispensation—that there was no limitation to his power in that respect, and that he could dispense them as he pleased. Counsel quoted from Mitcheson on Charities in support of his argument on this head, and contended that so far as those purposes set up in the present scheme were concerned, they were precluded by the Supreme Court of the United States in this case; and this surplus fund, as had been already shown, was not to be applied to the original purpose at all. He referred to the many phases through which the Church case had passed, and proceeded to criticize the scheme submitted by the defendants.

Assuming from the evidence it would be contended that this money was originally donated to purposes some lawful and some unlawful in their character, then this decree would