

BARES STEEL MERGE

JOHN W. GATES TELLS OF FORMATION OF UNITED STATES CORPORATION.

CONGRESSMEN HEAR STORY

Gives Inside History of Trust—Says Carnegie Made \$160,000,000 in Combine—Admits It Was Organized to Stop Competition.

Washington.—John W. Gates appeared before the house committee that is investigating the United States Steel corporation and gave some interesting testimony.

Present at the birth of the greatest steel manufacturing concern in the world, he described how it was the natural outcome of what he described as the refusal of Andrew Carnegie to be bound by the "gentlemen's agreements" that marked the early days of open competition in the steel business.

He told also of millions lost and created almost in a breath; how the Carnegie mills, appraised at \$160,000,000, were recognized as worth \$320,000,000 almost within the time required to make the transfer to the corporation; the grim clash in the formative days when John D. Rockefeller was dissuaded from joining in the formation of the corporation and the manner in which others were prevented from engaging in the steel trade.

Relating how Carnegie had been forced to abandon plans for extending his steel business, Mr. Gates frankly admitted that the gigantic industrial combination was formed to throttle competition, and he surprised the committee with the further information that when John D. Rockefeller had sought to enter the steel business a deal had been put through by which the Standard Oil magnate was forced to sell out for 40 cents on the dollar.

Characterizing Mr. Carnegie as "a bull in a china shop," Mr. Gates told of a midnight conference between himself, Charles M. Schwab and J. Pierpont Morgan, at which the steel corporation was conceived, and how it resulted in Carnegie getting \$320,000,000 in the corporation's securities for his steel interests, which he previously had offered for \$160,000,000 in cash.

Mr. Gates also told the committee of the taking over of the Tennessee Coal and Iron company by the United States Steel corporation during the panic of 1907, a deal in which he was interested as a stockholder of the Tennessee company. This, he declared, was a forced transaction carried out by Mr. Morgan and other financial leaders to save from ruin the Trust Company of America, threatened in the financial upheaval, because it had loaned too much money on stock of the Tennessee company.

Plans made by Mr. Carnegie in 1899 and 1900 to circle his steel interests with a railroad of his own and to compete with the National Tube company just organized by Mr. Morgan by the erection of tube works at Ashtabula, O., were the factors that led to the birth of the steel combine. The story of the negotiations which led up to the combination was entertainingly told by Mr. Gates.

He revealed how Mr. Morgan, alarmed by Mr. Carnegie's plans, had sought the advice of himself and James J. Hill; how Mr. Schwab, who he said was the only man who had influence with Mr. Carnegie, was called in to suggest a way to "stop Carnegie" and how the latter was curbed in his purpose, though greatly to his financial gain.

He explained that the steel business was threatened with several demoralizing forces when Carnegie's plans became known and that Mr. Morgan and others became alarmed, fearing Carnegie would demoralize both railroad interests and steel prices.

This was the situation as described by Mr. Gates when Mr. Morgan sent word to him through James J. Hill seeking a conference to determine what could be done. Mr. Gates said he told Morgan that Mr. Schwab was the one man who could influence Mr. Carnegie. Out of that came an all-night conference at Mr. Morgan's New York home, the outcome of which was the United States Steel corporation.

John D. Rockefeller's name came up in the hearing when Mr. Gates was describing Mr. Carnegie's desire to branch out after the organization of the National Tube company.

"John D. Rockefeller," he said, "once started a steel mill and threatened to put us out of business. That did not last long. A deal was made whereby Rockefeller's steel interests were bought out at 40 cents on the dollar."

Mr. Gates answered with candor nearly every question put to him by the members of the committee, but stirred them somewhat when he declined to state what he thought was the value of the common stock of the steel corporation.

Digs for the Gold of Captain Kidd. Boston.—Under the gray walls of Fort Independent on Castle Island, now one of Boston's most popular parks, a treasure hunting expedition, by permission of the park commissioners, is seeking Captain Kidd's gold.

Big Meteor Rocks Earth. Doyle, Cal.—The fall of a giant meteor caused consternation throughout Lassen county. When the missile struck Turley mountain the shock was felt for thirty miles, causing the earth to tremble as if from a quake.

AFTER THE WEATHER MAN



The house of representatives has appointed a committee of seven members from various states to investigate the weather bureau of the Department of Agriculture. It is said that the farmers are complaining of the reports of the Weather Man as "faulty, inaccurate and otherwise objectionable." They even intimate that "wet" predictions are usually followed by dry weather and vice versa, and that the "fair" weather promised is apt to turn out stormy.—Washington News Item.

DIAZ FLEES MEXICO

FEEBLE FROM ILLNESS FORMER RULER OF REPUBLIC BECOMES A FUGITIVE.

SPAIN IS TO BE HIS HAVEN

Accompanied by Few Friends Fallen Chief Creeps Secretly from Palace and Starts for Vera Cruz—Madero Resigns Provisional Presidency.

Mexico City.—Porfirio Diaz, for whom during thirty years all Mexico has stood to one side, but in hand, stole from the capital with the greatest of secrecy and, with a few devoted friends whom he dared trust, started for Vera Cruz.

The blood poison and the fever that had kept Diaz a prisoner in the national palace are not abated. But there is torture more pungent than that of the body. Diaz, still president and still hoping against hope that he would be able to resist the demand for his resignation, could not be conquered by mere physical pain. But Diaz despaired of Diaz broken in spirit, unable to witness the triumph of his enemies.

So on the day following his resignation, with the cheers for his successors De la Barra and Madero, the former just taking the oath as provisional president ringing through the streets, he crept like a badger evicted from his hole, out into the country, slowly, sorrowfully away.

Only Senora Diaz and a few of the ultra-faithful accompany the former president. As understood here the party will go to Vera Cruz and embark there as exiles for Spain.

Diaz had hoped, at least to end his days in Mexico. Madero declared with Diaz in the country permanent peace would not be possible. So he is gone from a wondering people never to return.

In Mexico City the feeling is one of relief tinged with just a bit of sorrow. The country is free—free as it never has been before in all its history. But with all his tyranny, even the most radical patriot is compelled to admit, now he is gone, that Diaz accomplished a great work in Mexico.

El Paso, Mex.—Francisco I. Madero, insurrecto president of Mexico, resigned following the resignation of Porfirio Diaz as president of Mexico. He issued a manifesto renouncing the title of president of the provisional government and explaining the peace terms reached between himself and the federalists. He expresses the utmost confidence in Francisco de la Barra while he holds the office of temporary president, and says the insurrecto troops are at the disposal of De la Barra in enforcing peace.

Asked if he would announce his candidacy for the presidency of Mexico Madero said that he would not; that such a thing was not considered proper in his country, but his friends would advance his name at the proper time.

The inauguration of De la Barra as provisional president was a brief affair, occupying only ten minutes.

Pope Names New Archbishop. Rome.—Rt. Rev. Edmund Prendergast, auxiliary bishop of Philadelphia, has been appointed archbishop of Philadelphia in succession to the late Most Rev. Patrick John Ryan, who died February 11 last.

Bank Robbed While Cashier Dines. Rushville, Mo.—A robber entered the Farmers' State bank here while the cashier was at lunch, took \$2,000 in gold and silver from the vault, which had been left unlocked, and then escaped.

Seventeen-Year Locusts Arriving. Washington.—Seventeen-year locusts are said to be due to ravage vegetation in the eastern states this summer. The vanguard of the invaders is reported to have appeared in Alexandria county, Virginia.

WISCONSIN A MODEL

ROOSEVELT SAYS STATE IS OBJECT LESSON FOR UNION.

Colonel Lauds Work Accomplished in Social Economics and Governmental Affairs.

New York.—"Wisconsin: An Object Lesson for the Rest of the Union," is the caption of an article in the Outlook from the pen of ex-President Theodore Roosevelt. Among other things, the colonel says:

"I doubt whether American students of social economics fully realize the extraordinary work accomplished during the last decade, and now being accomplished in the state of Wisconsin under the lead of Senator La Follette and the group of entirely practical and at the same time zealously enthusiastic workers who have come into active control of the state mainly or largely because of the lead he has given them.

"We can now, at least in many cases, look for leadership to Wisconsin when we desire to try to solve the great social and industrial problems of the present and the future, instead of being forced always to look abroad. It is noteworthy that in Wisconsin when one speaks of such leadership it is possible to include therein the student as well as the political leader. In no other state in the Union has any university done the same work for the community that has been done in Wisconsin by the University of Wisconsin.

"It is only in Wisconsin, so far as I know, that a really serious and thorough effort is making to find out how to frame measures which shall give the people effective control over the big corporations without going into wild extravagances, and in this effort politician and student have joined hands. Again, I found the legislators grappling with the question of workmen's compensation. They were engaged in considering the introduction into the state political system of the initiative, referendum and recall.

"What they were considering in each case were the probable practical results of the measure, what it would do for good, what it would do for evil, and how in actual practice it should be guarded and so applied as to make it likely that it would secure the maximum of good at the cost of the minimum of evil.

"After my visit I felt like congratulating Wisconsin upon what it had done and was doing, and I felt much more like congratulating the country as a whole because it has in the state of Wisconsin a pioneer blazing the way along which we Americans must make our civic and industrial advance during the next few decades."

Senate After Oil Heads.

Washington.—Information as to what steps had been taken for the criminal prosecution of the officers of the Standard Oil company under the recent decision of the Supreme court was demanded of the attorney general by the senate, which adopted without debate a resolution of inquiry referred by Senator Pomeroy.

Army to Use Woolen.

Washington.—To save \$500,000 yearly the war department has decided to clothe the army in woolen instead of worsted uniform. The woolen manufacturers have been invited to send samples of olive drab cloths.

Kills Wife Who Left Him.

Peoria, Ill.—Because his wife refused to live with him George Lash went to the house where she was residing and shot Mrs. Lash through the heart, killing her. He then escaped.

MODIFY JEW BARRIER

RUSSIA WILL ACCORD HEBREWS BETTER TREATMENT.

Those in America Will Be Permitted to Visit Czar's Domains on Legitimate Business.

Washington.—The Russian government has consented to permit American Jews to enter the empire for business purposes under certain conditions which seem to be those applying to other American citizens.

Official information has been received here that Russia henceforth will accord more liberal treatment to the Jews. This is a concession to the continued protests of the United States against the discrimination by Russia against Jews who are American citizens.

This government contended that the barring of the Jews constituted a violation of the commercial treaty of 1832 between the two countries, which provided among other things for reciprocal rights of travel.

Under the procedure which has prevailed up to this time Jews were admitted to Russia only after they had obtained passports which were viced by the Russian embassy or by Russian consular offices in this country.

This method of procedure has, however, practically been a dead letter, as in nearly all cases the Russian officer declined to vize the passports.

It was only a few months ago that a delegation of New York Jews, headed by Jacob H. Schiff, called on President Taft at the White House and urged him to abrogate the treaty with Russia because of the discrimination against Jews who were naturalized Americans and entitled to all the rights of the convention.

The president declined to do this because he believed the abrogation of the treaty would result in considerable injury to American interests and the situation would not be improved except on sentimental grounds. But the president has protested vigorously to Russia against the discrimination.

BERTEAUX IS LAID TO REST

Funeral of French War Minister Killed at Aviation Field at Paris is Impressive.

Paris, France.—The funeral of Henri Maurice Berteaux, the French minister of war, who lost his life in the aeroplane accident that marred the opening of the Paris-to-Madrid aviation race, was made the occasion of an impressive national demonstration here.

All the active officials of the country, including both the civil and military branches of the government, were represented, as were all the foreign governments, who either sent special envoys or commissioned members of the diplomatic corps to act in that capacity. The public schools were closed and all Paris appeared to be gathered along the route of the procession, which moved between ranks of the military.

Gen. Francois Gorlan has accepted the portfolio of the ministry of war, in succession to the late M. Berteaux.

RYAN ILL; SECRET FOR TIME

Financier in Serious Condition After an Operation—Nature of Disease Unknown.

New York.—Thomas Fortune Ryan, the traction magnate is seriously ill in his home, 853 Fifth avenue.

He underwent an operation and while it was said that he was "doing nicely." It is understood that his condition is grave. Plans have been made for his removal to England.

Just what was the nature of the disease they could not tell, but it is believed it was some form of kidney trouble from which it was said Mr. Ryan had been suffering for years.

The operation, they added, was performed by Dr. George David Stewart. Doctor Stewart referred all inquiries to Mr. Ryan's private secretary, who could not be found.

LORIMER READY TO QUIT?

Rumored in Washington That Illinoisan May Resign Seat in Senate.

Washington.—In the cloak-rooms of the senate there was much discussion of a persistent rumor that Senator Lorimer might resign before the new inquiry is actually authorized, in order to protect his friends from the attacks of those seeking to unseat him. Neither his colleague, Senator Cullom, nor any of the members of the Illinois delegation in the house would admit they had any knowledge of such an intention on the part of Mr. Lorimer.

Grant Guilty of Heresy.

Atlantic City, N. J.—Rev. Dr. William D. Grant of Northumberland, Pa., has been found guilty of heresy by the commission which heard the charges made against him.

America Honors Tom Moore.

Washington.—A bust of Thomas Moore, the great Irish poet, was unveiled in the Corcoran art gallery in honor of the one hundred and thirty-second anniversary of his birth. Champ Clark and Bourke Cockran delivered addresses.

Sportsmen's Association.

The 36th annual meet of the Nebraska State Sportsmen's association came to a close after one of the most successful three days' shoot ever held in the history of the organization.

Whedon Gets Judgment.

The district court jury which tried the case of Charles O. Whedon against the Citizens' Railway company and the Lincoln Traction company, returned a verdict in favor of the plaintiff and assessing the amount of his recovery at \$1,809.09.

HE MUST GET BUSY

ATTORNEY OF DOUGLAS COUNTY IS SHIRKING DUTY.

"EITHER ACT OR GET OUT"

Must Get Busy or Be Replaced by a Man Who Will—Request to Donahue is But a Subterfuge.

Governor Aldrich sent a stinging letter to County Attorney English of Douglas county in which he states that that official's sidetracking of the recent communication sent out by him in regard to the enforcement of the Alberts disorderly house act does not meet with the executive's approval.

He further says unreservedly that unless proceedings are instituted at once he will take steps to furnish Douglas county with an attorney who will not hesitate to conform with his wishes in the matter.

The letter goes to Attorney English in reply to one received by Governor Aldrich in which the Omaha executive's communication to Chief of Police Donahue with a request for information of the existence of houses of ill-fame in the state's metropolis. In his letter Governor Aldrich says:

"I observe that you say in your letter that you have transmitted to the chief of police of your city a copy of your letter to me and upon receipt of information you will take such steps as the evidence justifies.

"Permit me to say, Mr. English, that I am calling on you as county attorney in and for Douglas county to enforce this one of the statutes of the state. If it had been the duty of the chief of police I would have called upon him and not upon you."

"I do not believe in French diplomacy. If I did, I would be tolerant of evasions, subterfuges and equivocations and in short, anything to evade a plain performance of duty. Chief Donahue is in no way under and by virtue of provisions of this statute connected officially with your office.

Governor Aldrich then says that the statute is not hard to enforce and he quotes from its provisions to illustrate to the county official that his duty in the case is clear.

"So when you refer this matter to the investigation of Chief Donahue I must plainly say that you are certainly not acting in good faith, and do not intend to enforce the law if you possibly can evade it. I have decided to see to it that this law is enforced and I shall use all the means at my command to see that it is done. If it is necessary for me to get a new county attorney in Douglas county to enforce this law, I shall take the necessary steps to do so and will not hesitate to assume this responsibility. This measure is one of the most important to good government and to society that has ever been placed upon the statute books of this state. It is indispensable that these assignment houses are the headquarters of murderers, criminals, thugs and thieves. When it is necessary to hold public meetings to provide for the safety of life it seems to me that no official should for an instant hesitate to lend his most energetic aid in the performance of his duty.

"Murders are too common and holdups too frequent to conduct the enforcement of this statute along diplomatic lines for the purpose of evading a plain duty. You and you alone are called upon to do your duty in enforcing the provisions of the statute in question. I shall hold you and you alone responsible for its enforcement. Now it's up to you to say, 'Yes' or 'No.'"

Omaha is Elected. Dana Van Dusen, of Omaha, was elected editor-in-chief of the State University Cornhusker for next year. Van Dusen's election was unanimous, he having for the last year been managing editor.

The State Guard.

Adjutant General Phelps went to Osceola to muster in a new company of the state guard. The company will be known as Company H. It has been recruited by R. O. Allen, formerly of the regular army. The company will become a part of the first regiment.

Y. M. C. A. Camp.

Plans have been laid for the annual boys' camp of the Y. M. C. A. at King's lake, Valley, Neb., commencing Tuesday, June 13, and continuing for a period of ten days. The camp has been named Camp Stephens in honor of Superintendent W. L. Stephens, who has been on the boys' work committee for a longer period of continuous service than any other man on the board of directors.

Douglas County Appeals.

The county commissioners of Douglas county have appealed to the attorney general from a ruling of State Auditor Barton holding that the State is not liable for the board of prisoners between the time of the bringing in of a verdict by a jury and the time of sentence by a district judge. Douglas county has claims amounting to \$3,000 hanging on this. Attorney General Martin, following a decision of Former Attorney General Norris Brown, holds that the state is not liable until prisoners are sentenced.

To Close Houses of Lewdness.

Governor Aldrich has on his own initiative started a movement to close all houses of lewdness and assignation houses in Nebraska. The last legislature passed an act which is now in force authorizing the closing of all such houses on relation of a county attorney or any citizen. The governor has notified the county attorneys of Douglas, Otoe, Platte, Hall and Dodge counties to institute proceedings against such places. He says it devolves upon the county attorney to enforce the law.

Guaranty Deposit Law.

State banks which are instructed to report their average deposits for a period of six months so that the amount of their assessment under the guaranty of deposit law may be made have in many instances applied to Secretary Royle for further information. Mr. Royle has replied that nothing must be deducted from the deposits except deposits otherwise secured and to include in deposits the amount due from other banks, also time and demand certificates of deposit certified and cashier's checks.

SHORTEN LIFE TERMS.

Some Interesting Figures on the Penitentiary.

The last report of penitentiary conditions show that there are 426 prisoners at that institution, of which number 20 are under sentences varying from 10 to 40 years, while the rest are sent there for periods ranging from six months to ten years. The figures show that there are of that number 321 whites, 98 negroes, 6 Indians, and 1 Korean. Two white and two negro women are included in the number. During the last two years four were received at the institution under the death penalty, while six convicted of first degree murder have been sent up for life, as well as three who have been convicted of second degree murder. During the biennium, which closed under Warden Smith, there were 31 prisoners received, who had been guilty of murder. Of this number 12 came from Douglas county. Thirty-six men were also brought in to serve time for attempts to kill.

While in charge of the penitentiary, Warden Smith, after examining the records, found a life sentence in the light of the past has meant only about seven or eight years, and that the longest term served by any man sentenced for the remainder of his years was only 15 years. This, despite the fact that many have been sent to the institution for life and many more for periods of from 20 to 35 years.

The penitentiary is almost self-sustaining, as the books show. The maintenance cost for the last biennium was \$180,000, of which \$38,000 was for salaries and wages, \$65,000 for clothing, food and medicine and \$27,000 for coal. The earnings are put down at \$137,000, the principal items being: From contractors, \$34,000; farm products, \$27,500; electric current for other state buildings, \$10,000; gate receipts, \$2,500.

Brokers Slow to Buy.

State Treasurer George has expended all of the \$600,000 received for the sale of bonds of other states with the exception of \$133,000. He paid out the money for bonds issued by Nebraska counties and cities. He has just completed the purchase of \$14,000 of Arapahoe refunding bonds and \$8,000 of bonds issued by the town of Franklin for electric light. The bond broker who bought the California state bonds declined to accept \$25,000 of the issue because the bonds were stamped not negotiable, so that the total sale of bonds of other states aggregates only \$600,000. The total amount offered for sale was \$4,000,000. Negotiations for the sale of the balance of that amount are progressing very slowly, brokers offering terms which the state board of educational lands and funds refuses to accept.

Cups to Guard Officers.

Adjutant General Phelps has received and will present two bronze cups to officers of the Nebraska national guard for excellence in marksmanship. One cup goes to Captain Iver S. Johnson of Stanton, Company B, first regiment, and the other to Captain Chris L. Anderson, of Norfolk, Company D, first regiment.

The State Fair.

Secretary Mellor, of the state board of agriculture, is of the opinion that if the other departments of the state fair show up as well as the speed department, the next fair will be a record-breaker. In the early closing races 233 horses have been named, while the highest number ever before entered was 187.

Session Laws Early.

Secretary of State Wait says that the session laws will be printed and ready for distribution by June 25. The copy on the laws was started to the printer as soon as they were deposited in the office of the secretary of state.

IS FOUND HANGING BY FOOT IN A TREE

THREE BULLET HOLES IN HEAD OF MYSTERIOUSLY MISSING OKLAHOMA HACKMAN.

LAST WITH A BUSINESS MAN

Had Driven Hunter to the Country—One Theory is That He Was Shot by Mistake After Seeking Squirrels' Nest in the Tree.

Tulsa, Okla.—Mystery was added to the unexplained absence of Daniel C. Bonner, a hackman of this city, when his body was found in a tree suspended by one foot and with three bullet holes in his face and head. The foot was firmly wedged between branches, where they forked, and his head was hanging downward.

The last seen of Bonner in Tulsa was two months ago, when a man who announced he was a capitalist from Missouri engaged him to drive into the country on a hunting trip. The authorities have this man's name and are making inquiries about him.

Bonner had no family and was of a roving disposition, so little attention was paid to his absence. It attracted only passing comment and had been nearly forgotten when the body was found. From the condition of the body it had evidently been hanging from the tree all this time.

In the tree was the nest of a squirrel. It is supposed Bonner climbed



Found Hanging in a Tree.

the tree to inspect the nest and with one foot caught in the forks of a limb, hung head downward.

A careful investigation of the vicinity shows that the hunter for whom he was driving might have been approaching this tree from any one of several different directions where a glimpse through the trees would show him Bonner's head but not his body. Men who went to the scene circled around the tree and found several places where such a view might be had.

At a distance of 50 or 75 yards it can be easily understood that a hunter seeing some strange object hanging from a limb of a tree would fire. Even if he were thinking of his companion he would not expect to see him hanging head downward from a tree.

Bonner had been shot twice in the head and once in the jaw. The theory of those who have been working on the case is that the Missourian when he found he had shot his driver, walked back to a railroad station and left the country. The man supposed to have done the shooting is a business man of considerable property, who was here looking after some investments.

Any robbery theory that might suggest itself is disposed of by the relative financial condition of the two men. The hackman had nothing, while the Missourian had plenty of money.

Bonner's team was found in possession of a farmer near by. The farmer said two men came to his place and left the team, saying they would be back in a few hours. They never came, and the farmer has been using the team in putting in his crop.

The authorities have not considered arresting the Missourian man, but he will be asked to make a statement of the affair. On account of his standing and the absence of any ground for suspecting the shooting to be premeditated, the coroner and sheriff have declined to give the name of the Missourian. There was no acquaintance between the men prior to the time Bonner was hired to take the hunter out into the country.

Rescues Woman From Well.

Oriska, N. D.—To save Mrs. Marie Smith from death H. R. Olson was lowered head downward into a well 22 feet deep and only 18 inches in diameter and pulled up after he had hold of the woman. The strain was so great that blood burst through his chest and left arm. Miss Smith fell into the well accidentally.