

Only 3 DAYS For Christmas Shopping

THE OMAHA DAILY BEE

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OMAHA, TUESDAY MORNING, DECEMBER 22, 1908—TEN PAGES.

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CARNEGIE ON STEEL

He Says Industry Needs Protective Tariff

AMERICAN MAKERS ALL

Labor Cost of Ton of Steel

ANSWER MADE TO JUDGE

There Are No Small Steel Mills Except Makers of Specialties.

FIGURES GIVEN NOT ACCURATE

Estimates of Cost by Head of Steel Corporation, He Says, Are Those of Parties Directly Interested.

WASHINGTON, Dec. 21.—That the steel industry of the United States had reached a point where it does not need protection but can stand alone in competition with the world was the feature of the testimony today of Andrew Carnegie before the house committee on ways and means, which is securing evidence designed to assist it in the preparation of a new tariff bill.

Mr. Carnegie was subpoenaed as a witness and began his testimony early in the morning's session and will not, it is expected, conclude until later in the afternoon.

The laird of Skibo castle had primed himself for the ordeal of the rigid questioning which he was to undergo and he kept the committee and the audience in constant laughter by his ready retorts and his wit.

He would not deny, however, claiming that the more that figures were used the more the subject would become "befogged."

Mr. Carnegie in the course of his answers characterized Mr. Schwab as a genius and Mr. Gary as a most lovable man, but a very shrewd one. He expressed the opinion that wages would not be reduced if the tariff were lowered or removed entirely.

He was utterly opposed to any income tax, believing, as he said, with Mr. Gladstone, that such a tax produced a nation of liars.

He and Schwab "Greet Team."

Praising the genius of Charles M. Schwab, Mr. Carnegie suggested that congress should extend a vote of thanks to Mr. Schwab for his work in improving the methods of steel making in this country.

"I never met his equal," said Mr. Carnegie, in speaking of Mr. Schwab, "and when we were partners we were a great team."

"That is very apparent," remarked Chairman Payne.

Speaking of the testimony of Judge Gary before the committee, Mr. Carnegie said: "You should not place any real value on the testimony of interested parties. Judge Gary said the United States Steel corporation could stand by a reduction in the tariff on steel. The smaller local manufacturers could not survive with lowered duties. That is like one of Aesop's fables. Judge Gary is like the monkey who desired the chestnuts, but wanted the cat to pull them out of the fire."

Mr. Carnegie was not willing to deal in figures. "The more figures you get, the more you will be befogged. I do not judge by figures given by interested parties," he said at another point in his testimony. "I judge by results."

The former steel magnate said that Judge Gary had issued an annual statement showing the United States Steel corporation had made a profit of \$28,000,000, which, he said, equaled a profit of \$15.30 a ton on all steel produced.

Mr. Carnegie avoided direct replies to questions as to whether the cost of producing steel at the present time, as given by Judge Gary and Mr. Schwab, was correct. Mr. Schwab's estimate of the present cost is based on entirely different ideas than his estimate on the cost in 1899, "was all that Mr. Carnegie would say."

Replying to a question from Mr. Crocker, Mr. Carnegie declared that the removal of the duty on steel would not necessarily affect the prices because Europe could not successfully compete with the American product. He also said that if the figures given by former witnesses were absolutely correct, steel stock would be selling below parity.

Mr. Carnegie spoke of the difficulties he experienced with directors ignorant of the steel business. I gradually bought them out and got them into Schwab around me and made the cheapest steel that has ever been made."

The interested Judge.

"You've been out of steel some time," said Mr. Payne. "Can you tell us where we can get the figures on the present cost of making steel?"

"I don't know whether you can get the figures," was the reply. "If a judge was interested in a case would you get a chance to cross-examine these dignitaries?"

Mr. Carnegie asserted that at the rate at which iron ores are being extracted the supply would be exhausted in forty years. He based his statement on the best expert opinion he could obtain, he said. He also said that England would be in the same condition in seven years.

The testimony of Judge Gary was frequently referred to in the questions asked of Mr. Carnegie. Reference was made particularly to a statement that the duty on steel could be taken off as far as the steel corporation is concerned, and Mr. Carnegie said this statement should be accepted by the committee. An argument was precipitated by this statement between Messrs. Payne and Dettell on one side, claiming that Judge Gary did not say the duty could be removed on all steel products, and Mr. Crocker on the other hand, claiming that Judge Gary's testimony was to that effect.

Europe Cannot Compete.

"Judge Gary has summarized the facts for you," said Mr. Carnegie, "and I should depend on them. He has told you that they don't need the duty. If the cost of steel rails has increased abroad as it has increased here, you will find Judge Gary's statement quite true, and that he could stand free trade."

"Judge Gary had testified that the price is as high abroad," said Chairman Payne.

"Then does not that show that you have nothing to fear from free trade?" was the prompt rejoinder.

Mr. Carnegie was questioned at length regarding the cost of producing steel, but

SUMMARY OF THE BEE

Tuesday, December 22, 1908.

Table with columns for dates and numbers: 1908-DECEMBER-1908, SEN MON TUE WED THU FRI SAT, 1 2 3 4 5, 6 7 8 9 10 11 12, 13 14 15 16 17 18 19, 20 21 22 23 24 25 26, 27 28 29 30 31

THE WEATHER

FOR OMAHA—COUNCIL BLUFFS AND VICINITY—Fair Tuesday; not much change in temperature.

FOR NEBRASKA—Fair Tuesday.

FOR IOWA—Fair Tuesday.

Temperature at Omaha yesterday:

Hour, Day, Des. 5 A.M., 23; 6 A.M., 23; 7 A.M., 23; 8 A.M., 23; 9 A.M., 23; 10 A.M., 23; 11 A.M., 23; 12 M., 23; 1 P.M., 23; 2 P.M., 23; 3 P.M., 23; 4 P.M., 23; 5 P.M., 23; 6 P.M., 23; 7 P.M., 23; 8 P.M., 23; 9 P.M., 23

DOMESTIC

Senator Burkett to push the bill prohibiting express companies from competing with common carriers.

Andrew Carnegie said American steel manufacturers can make steel more cheaply than foreigners and therefore the duty may be lowered.

The secrets of the Tennessee night riders were revealed on the witness stand in the trial for the murder of Captain Rankin.

A disagreement resulted in the trial of a banker for wrecking the oldest institution in Kentucky.

The Taft family has occupied the Territt cottage at Augusta.

Joe Lettre and his wife have taken personal charge of the work of extinguishing the fire in the coal mine at the night.

Senator Foraker has excited the Ohio senatorial candidates by saying he will issue a statement on the fight on Wednesday.

Harry Thaw may not go to Pennsylvania to testify in the bankruptcy case of the estate of the late John D. Rockefeller.

The entertainment of the democratic governors of the union by the Iroquois club of Chicago has been postponed beyond Jackson day.

Mrs. Anna testified in the Hains divorce case yesterday that Hains placed a pistol to her back and threatened her unless she made no disturbance.

King Edward closed Parliament for the present session yesterday with a speech.

Seven millions have disappeared from the bank, taken by the government.

Men suspected of military robberies have been taken to Lincoln on extradition papers.

Judge C. L. Guterson of Broken Bow was seriously injured in an accident caused by the lighting of his team by two automobiles.

COMMERCIAL AND INDUSTRIAL

Live stock markets.

Grain markets.

Stocks and bonds.

MOVEMENTS OF OCEAN STEAMERS

NEW YORK, Arrived, Sailed.

NIGHT RIDERS' SECRETS OUT

Witness, Protected by Armed Guards, Tells Them in Court.

TENSE SCENE AT TRIAL OF MEN

Oath Divulged and Methods of Tennessence Bands Revealed by One of Members in Dramatic Recital.

UNION CITY, Tenn., Dec. 21.—Surrounded by a detail of six soldiers with loaded rifles and revolver holsters open, Frank F. Pebringer, a member of the night riders who has turned state's evidence, was brought into court this morning to testify against his former associates of the mask.

At the court room door the soldiers with rifles halted. Four other soldiers armed only with revolvers took him in charge. Four armed deputy sheriffs cleared a way through the crowd into the aisle and Pebringer was led to the stand.

The soldiers sat down inside the railing, facing the throng, and heavily armed deputies scattered quietly through the room. It was a tense moment. The witness, a diminutive man, seemed composed, but pale. He crossed his legs and calmly and tossed his broad brimmed hat on the top of his boot.

The crowd surged up closed, but a stern order from the judge forced them back into their seats. There was no occasion for crowding, however, for Pebringer spoke in a clear, distinct voice, audible all over the room.

Tells of the Oath.

Pebringer was one of the first members of the band. He went on the first ride of the band and visited Marcus store, when there was a feud between the riders of Tipton county and those of Obion county. They feared a riot and Tipton county men.

The oath, which he said he took, was: "I solemnly swear that I wish to join the Society of Night Riders and that I will never write, tell or talk about anything that happens upon the ride, or in conference."

This is the shortest form of the oath. A longer one was administered to others and this will be recited by another witness.

Pebringer knew all the defendants and accompanied them on many rides prior to the killing of Captain Rankin. The night riders garb consisted of long black coats, black masks trimmed with white and had false beards attached to the bottom.

On one occasion Deputy Sheriff Mays, since resigned, one of the night riders, came to a meeting unmasked. At this meeting Garrett Johnson was chosen chief and other captains were named for different localities and authorized to raid wherever the riders had certain locality thought they had something to regulate.

At times members failed to appear for rides and on those occasions the riders went after the missing men and forced them to go on the ride.

Law Unto Themselves.

The witness said that often the riders whipped men and women without knowing who they were. The captain ordered it. Once when the jury was in session and several men who had been whipped had come to the court house to see the man who testified. They caught a witness named John Shaw on his way to court near Steery's house, whipped him and sent him home. He did not testify.

Several prospective witnesses were similarly treated, but few of them would tell of it even now, so great is their terror.

The riders went to the home of John Thurman one night to tell Thurman's daughter, Mrs. J. J. Johnson, to withdraw her suit for divorce. They whipped Thurman because he would not urge his daughter to live with her husband again.

On the night of the ride Joe Johnson, husband of the woman, was with them. A few nights later Mrs. Johnson, who is young and pretty, but who had been in the hospital for some time, was taken from her father's home to the woods near by and fearfully whipped. She was stripped to the waist, the witness said, and beaten with a buggy trace, the end of which had been split into five strips. Pebringer was not on this ride. When a night rider approached a place where a horse and rider were two long and one short whistles. The sentry replied with the same whistle, and then called, "Who comes there?" The reply was, "The seven wonders." Then the sentry replied, "I wonder," and admitted the member.

On October 19 the riders learned that Rankin and Judge Taylor were at the Walnut Log hotel in the heart of the rider country.

Band Summoned for Murder.

T. D. Burton, one of the defendants, told Pebringer to notify the band to meet that night to attend to Rankin and Taylor. Pebringer got one of the riders, John Johnson, and rode all day, summoning the band. The riders met near Johnson's that night and it included the eight defendants, named by name. They proceeded to the hotel after Garrett Johnson had forced Ed Powell to take the riders there. Garrett Johnson was the spokesman, and the spur and whip and gave the orders to Rankin and Taylor to dress.

On the march to the densely wooded bank of the slough where Rankin was slain, Johnson did all the talking, the others, about fifty in number, including the defendants, following silently. As they put the rope on Rankin's neck Pebringer said to the victim: "Do you want to say anything to the Lord? If you do, say it now."

Rankin replied: "I have attended to that."

Just as they pulled the rope Bob Hoffmann shot him and Sam Appleton then said: "I know he is dead, for I put a load of bullets into him." The spur and whip and gave the orders to Rankin and Taylor to dress.

Pardon Promised Witness.

When Colonel Taylor jumped into the slough Carter shot into the water. Meantime the men holding the rope let it go and Rankin's body crumpled and dropped to the ground.

Just before the body fell a rider not on trial emptied six .38-caliber bullets into the hanging man. The riders then went to where their horses were hitched and where four men had been left on guard. Garrett Johnson addressed them before they dispersed.

"Burn your masks," he said, "and say nothing about this night's work."

Pebringer was arrested by the militia and taken before Governor Patterson, who was personally in command.

"Tell the truth," said Governor Patterson. "If you do I will give you an absolute pardon."

Then he confessed.

The court asked the newspaper correspondents not to mention the names of those implicated by the witnesses who are not on trial.

For nearly three hours the defense attempted to make the witness contradict

(Continued on Second Page)

SAILS UNDER SEALED ORDERS

Battleship Maine Leaves Norfolk on Mysterious Mission.

ALL OFFICIALS REFUSE TO TALK

Vessel Probably Bound for Coast of Venezuela, Where United States Has No Warship at Present.

WASHINGTON, Dec. 21.—The most complete mystery surrounds the destination of the battleship Maine, which left Norfolk today under sealed orders.

Neither the State nor the Navy department would say where the vessel is bound, more than to say that the vessel has "gone on a cruise," and they will not deny or affirm rumors that the ship is bound for any duty in Venezuelan waters. The American government is without any naval representation in that immediate section, and should an outbreak against the existing government occur, such American interests as may exist in the ports of La Guaira, Porto Cabello and Maracaibo would have to appeal to the forces of foreign nations for help.

As the Maine is equipped with wireless telegraphy, this affords a ready means of communication with the United States if necessary. The Maine is in command of Rear Admiral Conway H. Arnold, who was in Washington on Saturday in conference with the naval officials. The conference, it is understood, was followed by a talk last night between Secretary Root and Secretary Newberry.

JUDICIOUS USE OF WATER

First Step Taken by Congress to Conserve Natural Resources of Country.

WASHINGTON, Dec. 21.—Practically the first step toward a more judicious use of the water powers of the country in line with the policy of President Roosevelt to conserve the natural resources of the United States are now being taken by the house committee on interstate and foreign commerce in the preparation of a bill to regulate the construction of dams across navigable waters.

Preliminary consideration of the subject has developed the fact that there is a strong opposition in congress to the government levying a tax on the use of the water powers of the navigable waters in spite of the suggestions of the president that such a tax be required.

The subcommittee will urge that the full committee recommend to the house that the present law be so amended that the secretary of war may fix charges for the privilege of constructing a dam. It will make an alternative recommendation that this money either be devoted to restoring conditions of navigation to the original state before the dam was constructed, or be turned into the treasury to be applied to the improvement of navigation generally.

WARDEN WITH TENDER HEART

Head of Fort Madison Penitentiary Creates Sentiment Before State Board of Control.

DES MOINES, Ia., Dec. 21.—Urging that inmates of the state penitentiary have polished shoes, inside of the present prison warden, J. C. Sanders of the Fort Madison penitentiary has created a sensation before the state board of control. He told the board that so long as he is warden no prisoner will be beaten, that he purposes to abolish the solitary confinement and will do all in his power to furnish pleasure to the inmates of the penal institutions.

FIGHT FOR DUT YON COFFEE

Porto Rico Seeks Protection for Its Chief Industry in the Coming Tariff Contest.

WASHINGTON, Dec. 21.—Porto Rico, through its resident commissioner in the United States, Mr. Larrington, and a special commissioner, which came here for the purpose, in making a determined fight for the imposition of a duty of five cents a pound on foreign coffee. By reason of the fact that since 1823 coffee has been on the free list, the Porto Ricans maintain that their principal industry, now that the tariff laws are to be revised, should be given proper protection.

END OF UNION TO CHINAMAN

White Woman Stabs One Child, Poisons Others and Leaps Under Train.

CHICAGO, Dec. 21.—The American wife of George Ah-Wong, a Chinese restaurant proprietor of Plano, used desperate and partly successful means of ending the lives of herself and four children early today. She gave her four children early today, and one of them, Ida, 2 years old, she stabbed. Ida died today, and the mother, said by a coroner's jury to have been temporarily insane after drinking some of the poison, threw herself under a Burlington train. Her mangled body was found shortly afterward. Further search led to the discovery of the dead child and her suffering, but not fatally drugged, brothers and sisters. This note was found:

"Thank God, it is over. It was horrible. I can't go on with the rest, but no one will lead my girl the life of misery I have led. I shall not depend on the poison. The way must be sure."

"I can't go on" is supposed to have referred to her inability to undergo the horror of executing all her children as she had little Ida. Mrs. A-Wong is said to have been the daughter of reputable Chicago parents.

THAW MUST STAY IN ASYLUM

Slayer of Stanford White May Not Be Taken to Pennsylvania for Case.

PHILADELPHIA, Dec. 21.—Harry K. Thaw, the slayer of Stanford White, is now confined in the state hospital for the criminal insane at Matheran, N. Y., and cannot be taken to Pittsburgh to testify in bankruptcy proceedings, according to a decision handed down today by the United States circuit court of appeals in this city. Whether the case will be taken to the United States supreme court is not known here.

The decision affirms the action of Judge Young of the United States court for the western district of Pennsylvania sitting at Pittsburgh, who quashed a writ of habeas corpus compelling Robert R. Lamb, superintendent of the Matheran asylum, to turn Thaw over to a United States marshal for the prisoner's appearance at Pittsburgh. The writ was allowed by Judge Archbold of the United States court for the middle district of Pennsylvania, sitting at Scranton, who was looking after the business in Judge Young's court while the latter was in Europe last summer.

EFFORT TO SAVE BURNING MINE

Joe Letter and Wife Take Personal Charge of Work at Zeigler, Ill.

ZEIGLER, Ill., Dec. 21.—With a stubborn fire slowly fighting back hundreds of men who have been ceaselessly at work for days seeking to save the coal supply of the great Zeigler mine, Joe Letter, Chicago millionaire, and his beautiful young wife, have joined forces with the workmen and are personally combating the flames. Early today Letter and his wife, formerly Miss Juliette Williams of Washington, D. C., were at the scene of the conflict. Letter was among the workmen with an inspiring energy, while on the fighting line, tired but determined, was his beautiful young wife, serving the almost exhausted men with coffee and sandwiches and encouraging them by her presence.

The Zeigler mines are among the most valuable of the Letter properties. Their supply is practically limitless, while great expense has been incurred in erecting homes for the miners and the construction of buildings and the purchase of implements.

FORAKER MAY LEAVE RACE

Announces He Will Make Statement About Senatorial Race on Wednesday.

COLUMBUS, O., Dec. 21.—Senator Foraker denounced a story from Cleveland today to the effect that he had decided to get out of the race for senator.

"That is a bold misrepresentation," he said.

Mr. Foraker readily admitted that he will issue a formal statement regarding the senatorial race next Wednesday. The senator's announcement has caused all kinds of gossip today and in spite of the declaration that he is still in the race and won't withdraw any of the politicians here declare that Foraker will eventually withdraw and his promised statement Monday may contain his withdrawal.

BROWN TAKES UP CHARTER

Does Not Think Commission Should Serve Without Pay.

NO PARDON FOR FRED CLEMENTS

Sentence of James Reed, Sent Up for Life for Murder of Glenns Hines, Reduced to Ten Years by Acting Governor.

(From a Staff Correspondent.)

LINCOLN, Dec. 21.—(Special.)—Mayor Brown, who has just recently returned home from an absence of several weeks at Essexville Springs, where he went to rest up after the election, has begun to look into the matter of the city government by commission. Mayor Brown is opposed to the idea of having a commission to serve without pay. He believes such a commission will not attend to the duties of the city government and business men should not be asked to give their time to the city for nothing.

While the making of the charter has gone on in the absence of the mayor and with little advice or suggestion from him, the people here now realize that it is time his honor was being consulted. Therefore a number of leading citizens have dropped up after the election to see Mayor Brown and get his advice. The mayor may and the mayor may not permit the passage of the charter bill. If it suits him he will, and if it does not he won't. The mayor holds the key to the situation.

No Pardon for Clements.

Lieutenant Governor Hopewell today decided that Fred W. Clements of Sarpy county should serve out the remainder of a sixteen-year term for murder. He was convicted of killing Luke Golden in the outskirts of South Omaha about two years ago. At the time of the trial his son, Ernest Clements, testified that it was he who killed Golden in a fight in front yard and that his father had gone several blocks away at the time. The jury, however, took the view that the elder Clements was guilty and convicted him of being the principal in the crime, though the boy was given a term of a year and a half also.

The matter brought out at the hearing, the governor said, had been brought out also at the trial of the convict and therefore had been passed upon by the judge and the jury.

The lieutenant governor decided that William T. Turley, convicted of murder in Hall county, is not entitled to a pardon and must serve out the rest of his seventeen years because he was unable to furnish evidence that three new light on the case.

D. Allen Crowell, sentenced to four years from Buffalo county for burglary, was refused a pardon on the same ground.

Reed's Sentence Reduced.

The life sentence of James Jarinde Reed was reduced to ten years by Acting Governor Hopewell. Reed was convicted for the murder of Glenns Hines of Omaha, with whom he was infatuated. He was sentenced to the penitentiary in 1896 after having been three years in the Douglas county jail. With his good time allowance his term will expire within four years.

Reed graphically described the killing of the woman and told amid sobs of his great love for her and her son, who, he said, he intended to adopt as his own and educate if he received executive clemency. Reed told of being the son of James Jarinde Reed, the author of text books on mechanics, of his own education in Stephens' institute in New Jersey, and of his Omaha years on the sea and in foreign ports. He told how his two companions and college chums, who graduated with him, were now at the head of big concerns in South Africa and South America, and how he himself intended some time previous to the murder to take a good place in Kimberly. At the time of the murder he was receiving \$100 a month from the Union Pacific as a machinist.

"I loved that woman," Reed exclaimed dramatically to Governor Hopewell, "and I wanted to take her from the life she was leading in New Jersey, and of his great love for her and her son, who, he said, he intended to adopt as his own and educate if he received executive clemency. Reed told of being the son of James Jarinde Reed, the author of text books on mechanics, of his own education in Stephens' institute in New Jersey, and of his Omaha years on the sea and in foreign ports. He told how his two companions and college chums, who graduated with him, were now at the head of big concerns in South Africa and South America, and how he himself intended some time previous to the murder to take a good place in Kimberly. At the time of the murder he was receiving \$100 a month from the Union Pacific as a machinist.

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