

PROFITS ON IRON ORES EXCESSIVE

Report of Commissioner of Corporations Says Steel Corporation's Earnings Too Great.

MONOPOLIZES TRANSPORTATION

Separation of Railroads From Big Trust May Be Necessary.

PRICES LONG KEPT TOO HIGH

Quotations on Raw Material From Lake Region Unreasonable.

ADVANTAGES WRONGFULLY USED

Integration of Industry to Permit Large Operations at Minimum Cost Bring No Benefit to Public.

WASHINGTON, Jan. 22.—Unreasonable profits are made on iron ore of the lake region; excessive earnings flow into the treasury of the United States Steel corporation from its ore transportation facilities, which suggests the necessity from the standpoint of public policy of segregating the ore railroads from the giant corporation, and having inter-company profits are made by large consolidated ore, iron and steel companies, according to a preliminary report on the cost of production in the steel interests by Herbert Knox Smith, commissioner of corporations, made public tonight.

The report was presented to President Taft and sent to the house committee on ways and means for consideration in connection with the proposed revision of the steel tariff schedule upon which the demerits will caucus tomorrow.

"The prices of lake ore," the report declares, "have been kept for many years at an unreasonably high level, compared with the cost of production and the cost of investment in the producing ore properties."

The report is based upon an investigation of two-thirds of the country's production of ore from 1908 to 1909, inclusive. Limited data for 1910 to 1911, Mr. Smith adds, makes it clear that these five-year figures substantially represent present conditions also.

Holds Large Ore Reserves.

Insofar as the steel corporation enjoys monopolistic power," the report states, "it lies chiefly in its holdings of ore and of railroad transportation facilities." This company, the report declares, has acquired unduly large ore reserves, holding at the close of 1910 at least fifty years' supply at the present rate of consumption, exclusive of the Great Northern ore properties, the lease of which has been cancelled, effective January 1, 1912.

It is estimated that the corporation has in the lake region 100,000 tons of ore on the lake region.

"It is safe to assume," the report says, "that the present reduced rate of 90 cents per ton is still excessive."

The report adds:

"While integration of industry to permit of large scale operations at minimum costs is exceedingly desirable, these enormous profits of the steel corporation on the transportation of ore present a problem of very great importance. The situation is this: Integration of the steel industry with transportation thus far, instead of working to the advantage of the public in the form of lower costs to all shippers and lower prices, has thrived to the benefit of a great corporation. On the other hand, to let the steel corporation maintain this advantage of low transportation cost and to let this work itself out in the form of lower prices might be undesirable, because it would tend to give the steel corporation an unreasonable and considerable advantage over competitors in the sale of finished products."

Separation May Be Necessary.

"This situation clearly raises the question whether the interests of the public may not require the segregation of these railroad properties from the steel corporation. It would stop what is unquestionably an evil, and that is the imposition of high rates upon competitors' shipments, which place them at a great disadvantage, while, at the same time forcing them by reason of this very fact to contribute unduly to the profits of the steel corporation on transportation."

"While in the case of integration of ordinary manufacturing enterprises it may be entirely proper that the most advantageous results should be obtained"

(Continued on Fourth Page.)

The National Capital

Monday, January 22, 1912.
The Senate.

In session at 2 p. m. Lorimer senatorial inquiry postponed until next Wednesday because of Attorney Harewood's illness.

Daniel Davidson of Bridgeport, Conn., arranged labor unions in hearing before Interstate Commerce commission.

Attorney General Wickham discussed tobacco trust dissolution matters before judiciary committee.

Representative Sherwood of Ohio, General Torrence of the Grand Army of the Republic and others were heard on general pension measures by pensions committee.

Senator Bryan of Florida spoke in opposition to the pending general pension legislation.

Bill regulating sale of Chickasaw and Choctaw Oklahoma surface lands of coal and asphaltum was passed.

Steering committee assigned Senators Smith (Pa.) and Gardner (Me.) to agriculture committee and Lea (Tenn.) to navy committee.

Senator Gore of Oklahoma today introduced a joint resolution for a joint congressional investigation of the presidential campaign funds of 1908 and 1909, and as soon as practicable of 1912.

Cyrus E. Woods of Greensburg, Pa., today was nominated to succeed Edwin V. Morgan, recently promoted to be ambassador to Brazil.

Steel Trust Objects to the Giving Out of Cost Figures

WASHINGTON, Jan. 22.—"Is it your purpose to publish to the world all the details of our mill costs of production?" demanded President James J. Farrell today when put on the stand before the Stanley steel trust investigating committee.

"If it is," said Mr. Farrell, "I think it is a great injustice to an industry built up in competition with Belgium, France, Russia and other nations. If it is proposed to put the secrets in the hands of our foreign competitors our foreign business won't be worth anything within twelve months."

Mr. Farrell and J. A. Reed, general counsel for the steel corporation, were witnesses before the committee.

Mr. Reed said cost information had been furnished to Herbert Knox Smith, commissioner of corporations.

"I asked Mr. Smith to take me into his confidence and tell me what he had learned as to what it cost you to produce a ton of pig iron," replied Mr. Stanley, "and he told me he could tell no one but the president."

"I want to see the president and he authorized Mr. Smith to tell me, but the commissioner said he did not have the records any more—they had been sent back to you."

Then I asked the United States Steel corporation for a peek at the records. The corporation's officials objected on the ground that it would embarrass them in their business.

"It is most vital that this committee get this information, and, come what will, we will know it. There is power enough in this government to find it out."

Chairman Stanley said he did not intend to expose secrets unnecessarily, but that he would insist on the corporation complying with subpoenas duces tecum for records not yet produced.

McManigal More Than Corroborated

INDIANAPOLIS, Jan. 22.—Ortie McManigal's confession concerning the wide-spread dynamite plots has been more than corroborated and we have unearthing things which McManigal knew nothing about.

James W. Noel, special assistant to the United States district attorney, so stated today in reference to government investigations of the dynamite conspiracy. Mr. Noel had just come from a conference at which was prepared a long list of witnesses to be called.

Attempts to blow up a hotel in Salt Lake City, Utah, in 1909 and 1910 were described before the federal grand jury today in his investigation of the dynamite conspiracy. The witnesses included two police officials of Salt Lake City, who were on duty when the attempts were made, a former guard at the Utah state prison and a tailor who sold clothing to one of the McManigals.

ACQUITTED OF ONE MURDER AND CHARGED WITH ANOTHER

CHEYENNE, Wyo., Jan. 22.—(Special.)—After being out nearly all night the jury in the trial of Soli Elkins, charged with the murder of Jim Baker, brought in a verdict of not guilty. Elkins was immediately re-arrested charged with the murder of Brown Baker, a brother of Jim. Both Elkins' brother of Soli, will be tried for the murder of the Baker brothers. The dead men and the prisoners came from Turkey, and while employed near Torrington, carried the Bakers being killed during the fight.

BOY RECOVERS BABY'S BODY FROM ICY POND

ARVADO, Col., Jan. 22.—The 15-month-old child of D. N. Ellis was drowned in a small reservoir near here today when it fell into a hole cut in the ice. Arvon Munger, aged 15, was lowered into the hole by a rope in the frigid water at intervals for fifteen minutes until he found the body of the infant.

FOUR RAILROAD OFFICIALS KILLED

Ex-President Harahan of Illinois Central and Vice President Melcher of Rock Island Victims.

COLLISION AT KINMUNDY, ILL.

General Solicitor E. B. Peirce of Rock Island One of Dead.

SON OF LUKE WRIGHT A VICTIM

Fast Train on Illinois Central Runs Into Train at Station.

PRIVATE CAR IS TELESKOPIED

Responsibility is Not Placed, but it is Indicated that Engineer of Second Train May Be to Blame.

JAMES T. HARBAN, 82, former president of the Illinois Central.

FRANK O. MELCHER, second vice president of the Rock Island.

E. B. PEIRCE, general solicitor of the Rock Island.

HERDSON E. WRIGHT, son of Luke E. Wright, former secretary of war.

CENTRALIA, Ill., Jan. 22.—The state, the railroad and the coroner tonight began investigations to fix the responsibility of the head-on collision of two Illinois Central passenger trains at Kinmundy early today, in which four prominent railroad men were killed, and three trainmen injured.

The victims of the wreck were sleeping in a private car of wood construction attached to train No. 2, the New Orleans express, when the engine of train No. 2, the Panama Limited, crashed into the car.

The trainmen injured are Robert Stuart, engineer, and C. J. Bert, fireman, of the Illinois Central, and Jesse E. Gilbert, fireman of the Rock Island. They were taken to their homes in Champagne. Bert has a fractured skull, Gilbert's hip was broken and Stuart is suffering from concussion of the brain.

Private Car Struck.

The heavy engine, drawing a solid train of steel sleeping cars, plowed half way through the private car. Four other occupants, Byron B. Curry, secretary to Vice President Melcher; Thomas E. Buebe, local attorney of the Rock Island at Little Rock, Ark.; and two negro porters, escaped with bruises, after being buried in the debris. They were sleeping in the front end of the car.

The investigations in progress are in charge of the coroner of Marion county, the state Board of Railroad and Warehouse commissioners and the Illinois Central railroad. Witnesses were examined by Deputy Coroner Grant Westling and the inquest was continued until Friday to enable the crew of the engine to be limited to testify.

The deputy coroner expressed the opinion that the responsibility lies between Stuart and Flagman Henry J. Brockner, on the express, who lives in Chicago.

The bodies of the four victims were mutilated. Their arms were torn off and the top of Mr. Harahan's head was cut away. The car was reduced to ruin. The train crew and passengers in removing the debris from the dead.

Friends of the officials took the bodies of Mr. Harahan, Mr. Melcher and Mr. Peirce to Chicago. Mr. Wright's body was taken south to Memphis.

Survivor Tells of Escape.

Mr. Buebe in speaking of the escape from the car said:

"I retired only a few minutes before the wreck and had hardly fallen asleep when I was aroused by a terrific crash, as the locomotive of the limited split our car in two. When I got my bearings I found myself and Curry, who had been asleep in the upper berth of the same compartment, virtually covered by debris."

"We assisted each other to arise and after a great deal of difficulty managed to make our way out of the car at the forward end. A crowd had gathered by the time we got out and we searched the ruins of the private car, finding the bodies of Mr. Harahan, Mr. Melcher, Mr. Peirce and Mr. Wright lying in the debris. They were badly mutilated."

"The compartment in which Mr. Curry and I were sleeping was in the forward end of the car, and to this fact we probably owe our lives. It is marvelous that we escaped as we did. The cars were expected to occur at any moment."

It is now considered an indubitable fact that the revolutionaries alone were responsible for the attempt on the life of Premier Yuan Shi Kai.

Consul General Loses Prestige.

SAN FRANCISCO, Jan. 22.—Lia Yung Yew, the imperial consul general, whose authority extended over the Chinese population on the Pacific coast, not only lost his income through the success of the revolutionists, but has suffered the additional loss of the honor formerly enjoyed of naming the directors of the Chinese Six companies. This indignity was made public in the Tat Yung Yew, an invigilant daily of Chinatown, which says, according to the translation:

"The Chinese Six companies has decided that the time has come to declare its independence. No representative of a fallen monarchy, a dishonest and barbarous regime shall dictate the actions of free and independent Chinese. Hereafter the organization will name its own directors. The consul has been a member, but he may continue to remain so, but his voice shall be that of one member only—namely himself."

THEN TSIN, China, Jan. 22.—Three hundred men, forming part of the battalion of the fifteenth United States infantry, which arrived at Ching Wang Tsu on board the transport Logan from Manila on January 20, have arrived here.

CHINESE MAY BE DEPORTED WITHOUT COURT ORDER

WASHINGTON, Jan. 22.—Chinese, like other foreigners, may be deported by order of the secretary of commerce and labor and are not entitled to have a judicial determination first under the Chinese exclusion act of their rights to remain in this country. The supreme court of the United States so decided to-

day. The Chinese, like other foreigners, may be deported by order of the secretary of commerce and labor and are not entitled to have a judicial determination first under the Chinese exclusion act of their rights to remain in this country. The supreme court of the United States so decided to-

The Anvil Chorus



From the St. Louis Globe-Democrat.

THREE MILLIONS STARVING

Red Cross Engineer in China Sends Appeal for Help.

SITUATION IN PEKING TENSE

Princes Again Defer Action on Abdication and Populace Fears Massacre by Manchus at Any Moment.

WASHINGTON, Jan. 22.—An appeal for help declaring that over 2,000,000 people are facing starvation has been received at the headquarters of the Red Cross society from C. D. Jameson, the Red Cross engineer sent to China to devise means for preventing floods.

Mr. Jameson says if there ever was a place and time for Americans to relieve suffering "it is here and now in China." He adds that the most sorry and tragic period is just beginning and surely will last until the middle of May, when the scanty crops come to maturity.

Butter Drops Three Cents at Elgin

ELGIN, Ill., Jan. 22.—Butter, firm at 37 cents, a drop of 3 cents. Output, \$15,000,000. Resolutions were introduced to increase the board membership so as to cover six states—Illinois, Wisconsin, Minnesota, Indiana, Michigan and Iowa.

TEDDY, JUNIOR, REFERS INTERVIEWERS TO FATHER

CHICAGO, Jan. 22.—"Father does the talking for the family; not a word from me," said Theodore Roosevelt, Jr., today, backing away from newspaper men who sought to question him when he arrived from San Francisco today with his wife and children.

Sunday

Bee—1,356 inches Display.
Next paper—1,693 inches Display.
Third paper—738 inches Display.

Last Week

Bee—4,573 inches Display.
Next paper—4,255 inches Display.
Third paper—4,939 inches Display.

Last Month

Bee—24,941 inches Local Display.
Next paper—23,974 inches Local Display.
About 1,500 inches "advertisent medical" advertising refused by The Bee were run by the

CUMMINS TO BE FAVORITE SON

Senator Kenyon to Make Public Statement of Position on Colleague's Candidacy.

SHOWS NO HOSTILITY TO TAFT

"Trust Buster" of Administration is Loyal to His Chief.

TRUST CRITICISM GROUNDESS

Western Senators Declare Their States Are for President.

SLOAN WRITES WILEY REPORT

Much of Sting of Politics Eliminated From Report Due to Careful Work of Representative From Nebraska.

(From a Staff Correspondent.)

WASHINGTON, Jan. 22.—(Special Telegram.)—It is expected that Senator Kenyon of Iowa will issue a statement tomorrow of his position toward the presidential candidacy of Senator Cummins. Senator Kenyon made a brief call at the White House today and was with the president a few minutes. To all inquiries as to what he intended to do regarding the candidacy of his colleague in the senate, Senator Kenyon said his position would be made clear in a short time.

There is a strong belief, however, that Senator Kenyon will throw to the winds his political future in Iowa and show no hostility to Taft. The principal reason for this attitude is that Senator Kenyon was for a long time the "trust buster" of the Department of Justice, knows what the administration has done in fighting the trusts, and is heartily sick of criticism of the administration's work in that direction. Mr. Kenyon feels that his trust work is under fire when the president is under fire. He will, though, probably support Cummins as a favorite son.

The Iowa senator is known to care little about returning to the senate. He has been half sorry for a long time that he ever permitted himself to be elected to his present term. This disregard of his political future will have much to do with what he has to say in his statement tomorrow.

The president saw a number of other republican senators today and they nearly all talked politics. Most of the callers repeated assurances heretofore given that the president need have no fear as to the delegates from various states. Senator Guggenheim says he sees nothing to indicate that Taft will have serious opposition in Colorado. Senator Glassie is still confident that South Dakota will send a Taft delegate.

STEEL TARIFF BILL DRAFTED

Democratic Members of House Committee Propose Reduction.

AVERAGE CUT OF 12 PER CENT

Underwood Estimates It Would Cut Revenue Less Than Million and Greatly Increase the Imports.

WASHINGTON, Jan. 22.—Reductions of from 20 to 30 per cent on all items in the iron and steel tariff and the placing on the tariff free list of iron ore, sewing machines, printing machinery, mills and many other articles against which a tariff is now levied, are proposed in the democratic steel revision tariff bill, made public today.

Democratic Leader Underwood estimated that the bill would reduce the average tariff on steel imports from 33.5 per cent to 22.42 per cent; would reduce the government tariff revenues from steel products by \$25,567 from 1911 and by \$4,000,000 from 1910. Imports of steel products, he said, would be increased by nearly \$30,000,000.

The bill was completed by the democratic members of the ways and means committee on Saturday. After being submitted to the full committee it will be held before the democratic caucus tomorrow afternoon and if approved by the caucus will be formally introduced in the house Wednesday.

Iron Ore to Be Free.

Sweeping reductions are made in all of the important items of the iron and steel tariff. Among articles dutiable under the Payne-Aldrich bill which would be placed on the free list are iron ore, existing duty 5.25 per cent; hoop and band iron and steel, 16 per cent; barbed wire and wire fencing, 5.77 per cent; nails, 17.67; horse-shoes, 21; tungsten ore, 10; zinc ore, 35.37; cash registers, linotype machines, machine tools, printing presses, sewing machines and typewriters, 30 per cent.

List of Reductions.

The rates of duty under the existing Payne-Aldrich tariff law have been reduced to the equivalent ad valorem duty by the committee. Using the ad valorem equivalent as a basis the important reductions proposed by the democratic bill are: Pig iron, from 15.65 to 8 per cent; scrap iron, 3.72 to 3; ferromanganese ore, 15 to 6.25; chrome metals, 25 to 15; bar iron and steel, 15.50 to 10; slab iron and steel, 25 to 20; round iron in coils or rods, 34 to 25; beams, girders, etc., 30 to 25; boiler plates, 37 to 25; sheet iron or steel, 32 to 15; steel saw plates, 25 to 15; iron ore steel forgings, 30 to 15; iron and roller bearings, 45 to 25; hoop iron, 17.52 to 15; band iron, 25 to 15; railway bars, 15.34 to 10; railway fish plates, 30 to 10; steel ingots, 21.52 to 10; rivets, screw and fence rods, 14 to 10; anvils, 16.13 to 10; automobiles, motorcycles and bicycles, 45 to 40; axles and axle bars, 14.31 to 10; blacksmith tools, 17.12 to 10; bolts, 29.45 to 15; cast iron pipes, all kinds, 16.13 to 10; chains, 25 to 20; knives and cutlery, 7.52 to 35; razors, 71 to 25; scissors and shears, 52.53 to 20; carpenters, butchers and artisans' knives, kitchen knives and forks, 45 to 25; files and rasps, 61.54 to 25; muskets, rifles, 25 to 15; breech-loading shotguns and rifles, 62.44 to 35; table.

(Continued on Second Page.)

Boxes of O'Brien's Candy and Dalzell's Ice Cream Bricks

Given away each day in the want ads to those finding their names.

Read the want ads each day, if you don't get a prize you will probably find something advertised that appeals to you.

Each day these prizes are offered, no puzzles to solve—no subscriptions to get—nothing but finding your name. It will appear some time.

(Continued on Second Page.)