

EVIDENCE TAKEN AGAINST STEEL

Government Begins Suit by Attacking American Steel and Wire Subsidiary.

HEARING BEFORE COMMISSIONER
Buell and Holton First Witnesses in Noteworthy Case.

HORSESHOE TRADE BROUGHT UP
President of Company Tells of Formation of Pool.

DEAL WAS NOT KNOWN TO GARY
Attorney Seeks to Show American Steel and Wire Company Withdraw After Judge Learned of Conditions.

NEW YORK, May 6.—The government began its suit to dissolve the United States Steel corporation today by attacking one of its largest subsidiaries, the American Steel and Wire company, with the intent to prove that ever since its organization in 1899 down to a year ago it had been a party to pools, agreements or understandings to restrain trade.

The testimony taken before Henry P. Brown of Philadelphia, special commissioner in the case? was given by two witnesses, Wallace Buell of Port Chester, N. Y., a retired president of the Dryden Horseshoe company of Catawago, Pa., who, with others was indicted and fined in the "wire pool" cases about a year ago, after a plea of nolo contendere. There are seven of these alleged pools, covering different kinds of wire named in the government's complaint and Holton testified as to the formation of the American Horseshoe association in January, 1901, three months before the organization of the United States Steel corporation.

Unknown to Gary.
"Didn't Vice President Bachus of the American Steel and Wire company state in one of the meetings of the association that Judge Gary, chairman of the steel corporation, had no knowledge of this pool?" asked C. A. Severance, one of the defendant's lawyers.

"Yes, he did," replied the witness. Judge Gary had no knowledge of it, as far as I know."
"Didn't the American Steel and Wire company withdraw from it because Judge Gary found it out?"

"That I don't know. I only know that the American Steel and Wire company got out."
Members of the association, including a representative of the American Steel and Wire company, met informally, however, after the dissolution of the pool until about a month after the New York grand jury investigation into the general wire pool situation was begun last year, the witness asserted. They were abandoned then, he said, on the advice of Edwin E. Jackson, the "supervisor" of this and other wire pools, who was himself indicted and fined.

"At these informal meetings we exchanged information and every man knew what the other man's price would be the next day," said Holton, who added that although under the new arrangement prices were not always uniform, there were five or six companies, including the American Steel and Wire company, which usually named the same prices.

Agreement Violated.
Holton read into the record a number of letters written by him to Jackson in behalf of the company, which accused the American Steel and Wire company of violating the agreement to violate prices. One letter asserted that trust's subsidiary was cutting prices on Honolulu business "and unless some action is taken we shall see that we get our fair share of that business."

CAPTAIN B. S. OSBORN.
NAVAL EXPERT IS DEAD

NEW YORK, May 6.—Captain B. S. Osborn, who served under Farragut during the civil war, subsequently in the navies of several foreign countries, died in the Post Graduate hospital here this afternoon in his eighty-sixth year. He had been seriously ill for a fortnight. Captain Osborn was secretary of the Arctic Club of America and was one of the most ardent supporters of Dr. Frederick A. Cook.

BRICK AND TILE WORKERS
ON STRIKE IN MASON CITY

MASON CITY, Ia., May 6.—(Special Telegram)—Six hundred employees of the nine brick and tile plants of this city went on a strike today demanding a raise in salary from \$15 to \$25 per day. All plants are shut down. Managers refuse to accede to the demands and will endeavor to fill the places with imported help.

The National Capital
Monday, May 6, 1912.

WATER BOND ISSUE SOLD

Seven Million Issue Disposed of at Private Sale.

KOUNTZE BROS. TAKE THE LOT
Premium Very Low When Compared to that Fetched by Other Issue Sold in Open Market Only Last Week.

afternoon announced completion of its negotiations with Kountze Brothers of New York for the sale of \$7,000,000 water bonds. President Barlow of the board says the city has the cash and the bankers the bonds.

The sale was conducted with the utmost secrecy. Efforts to get at what was going on have been made by representatives of a syndicate that was anxious to bid on the bonds. A report that Kountze Brothers represented a syndicate that offered a premium of \$3,000 for the bonds brought a rival syndicate's offer of \$2,500. The sale is said to have been made at a premium of \$2,500, exactly \$50 more than was offered by the syndicate that was denied an opportunity to bid on the issue.

Matter of Premium.
The bonds draw 4 1/2 per cent interest and run for thirty years. Last week the city of Omaha sold an issue of \$80,000 twenty-year, 4 1/2 per cent bonds at 100.0166. On this basis, conceded low, a thirty-year 4 1/2 per cent bond should bring 100.0306. If the water bond issue had sold on open bidding, the bidders had been as eager to get the bonds as they were to get the renewal bonds, the issue would have commanded a premium of \$145,000, or \$22,500 more than accepted.

Secrecy to the Limit.
Pursuing its policy of secrecy to the utmost, the Water board held back the information in order to give it out in privacy to the newspaper competitors of The Bee, so that this paper might not have the information until the others had published the fact.

Late in the afternoon Mr. Howell brought to The Bee office a copy of the minutes of the day's proceedings of the Water board. At a meeting held during the morning hours a communication from John L. Webster was read, which informed the board that under the law it was not required to sell the bonds openly. It had, according to Mr. Webster's opinion, sole authority to sell the bonds, and might do so in any way it saw fit. Messrs. Howell, O'Brien and Howell, the special committee to whom had been referred the bid of the syndicate composed of N. W. Halsey & Co., E. H. Rollins & Sons, N. B. Leach & Co., Merrill, Oldham & Co., and Watson & Franzprich, reported adversely on the bid. It was set out that the bid was irregular and contained defects that would invalidate it, so the proffer was rejected and the \$7,000,000 check which accompanied the bid was ordered returned.

A lengthy preamble was presented by Mr. Howell, which set out that for some reason the attorney general of New York had declared that the bond issues of Omaha were not proper securities in which savings banks of New York could invest; suggesting that this opinion was given at the instance of the Omaha Water company, and that the suit of G. W. Shields to enjoin the issuance of the bonds was part of the same effort to prevent the sale of the bonds; that E. H. Rollins & Sons had advised the issuance of 5 per cent bonds instead of 4 or 4 1/2 per cent; that Kountze Bros. of New York were willing to take the issue at par and accrued interest "as a premium," and that Judge Dillon and Mr. Webster had advised the sale of the bonds before the change of city officers took place; and resolving "that it believes it to be its duty to receive and accept what it considers to be the bona fide and unconditional offer of Kountze Bros. to purchase the Omaha water bonds at par with accrued interest, plus a premium, and that it would be unwise and unbusinesslike at this time to accept the bid of N. W. Halsey & Co. and others, under all the circumstances heretofore stated, and" resolving further to sell the bonds to Kountze Bros.

All Preparations Made.
That the transaction was concluded with the utmost secrecy and before yesterday is shown by the fact that on Tuesday of last week City Treasurer E. W. Halsey was in absolute ignorance as to what was going on; he so stated on that day, but on yesterday he was in New York with the bonds and delivered them to Kountze Bros., receiving the cash in exchange for them. This cash was transferred to Omaha by telegraph. Shortly after 4 o'clock yesterday afternoon the Omaha National and the Merchants National bank notified the treasurer's office that \$1,800,000 had been placed to the credit of the city in each bank. No other bank had reported, but it is the opinion of the treasurer's office that the First National and the United States National will make report this morning that the balance of the \$7,000,000 has been deposited with them.

House Passes Norris' Bill to Limit Union Pacific Right-of-Way

WASHINGTON, May 6.—The house today passed a bill introduced by Representative Norris of Nebraska, perfecting title to present holders of property along the right-of-way of the Union Pacific railway in Nebraska, Kansas and Colorado. The bill leaves to the Union Pacific a right-of-way 70 feet wide on each side of the track, but assures title to present owners of property paralleling this right-of-way.

The House.
Considered miscellaneous legislation on regular calendar.
William S. Vane, republican, sworn in as member from First Pennsylvania district.

EARLY RETURNS GIVE T. R. LEAD

First Reports from Maryland Primary Give Roosevelt More State Delegates.

COLONEL CARRIES BALTIMORE
Winner Will Get All Delegates to National Convention.

CLARK, TOO, IS OUT IN FRONT
Carries Metropolis and Runs Two to One Over Harmon.

DEMOCRATIC SITUATION MIXED
Three Candidates May So Split the Returns that Convention Will Determine Complexion of the Delegation.

BALTIMORE, May 6.—Republican primary returns from eight of twenty-three counties and two out of four districts in Baltimore city, give Roosevelt forty delegates to the state convention and Taft fourteen, out of a total of 123.

Democratic primary returns from Baltimore city complete and five out of twenty-three counties give Clark thirty-four delegates to the state convention, Harmon four and Dilson fifteen out of a total of 123.

The Maryland primary election today will determine whether President Taft or Theodore Roosevelt will capture the state's sixteen votes at the republican national convention, but, owing to a peculiarity of the Maryland law, there is a possibility that the complexion of the delegation to the democratic convention will not be determined until the state convention.

Under the new law the candidate that wins a majority of the 123 delegates chosen for the state convention will get all the national delegates also. Since there are but two candidates for the republican presidential preference the division of the state delegates must result in a majority for one or the other.

Results Close in Texas.
DALLAS, Tex., May 6.—It will require the county conventions tomorrow and possibly the state conventions on May 28 to decide whether Taft or Roosevelt for the republicans and Wilson or Harmon for the democrats will receive the Texas delegations to the respective national conventions.

Little Rock, Ark., May 6.—Taft and Roosevelt forces in Arkansas will measure strength in meetings today and tomorrow. The Fifth district republican convention tonight probably will result in a split. The Taft men claim regularity for the meeting they will have and the Roosevelt workers make other claims. The contest will be carried to Chicago.

Body of C. M. Hayes is Picked Up by Minia

HALIFAX, N. S., May 6.—The cable steamer Minia, which relieved the Mackay-Bennett in the work of searching for the Titanic's dead, returned to port this morning with flags at half mast.

Lower Prices in Belgium.
In Belgium, the consular reports state, a large proportion of the co-operative societies sell at prices lower than those of the regular markets, allowing only minimal profits to distribute. Many societies guarantee a 6 per cent dividend on all purchases and distribute all remaining profits to various funds for retaining.



The Vegetarian Remedy for the High Cost of Living and How it Worked.
From the Minneapolis Journal.

COST OF LIVING IN FRANCE

President Sends to Congress Information Gathered by Consuls.

WASHINGTON, May 6.—President Taft today sent to congress the second installment of the reports of consular officers on co-operation and the cost of living which are the result of the investigation he some time ago directed should be made. The countries included in this installment are France, Belgium, the Netherlands and Denmark. The reports are accompanied by a letter from Huntington Wilson, acting secretary of state.

Expert Advice Free.
The operation of the agricultural societies has been especially successful in southern France. The French government has given encouragement to these societies by furnishing expert advice, granting subsidies and permitting long-term loans by agricultural credit associations. The general buying is done principally through district unions. High grade farm machinery, such as is beyond the reach of many individual members, is purchased from the surplus or is loaned gratuitously or upon the payment of nominal fees.

Government employees are to a large extent organized into co-operative societies. Many of the associations are affiliated with labor unions that restrict their membership to persons engaged in a given occupation.

Lower Prices in Belgium.
In Belgium, the consular reports state, a large proportion of the co-operative societies sell at prices lower than those of the regular markets, allowing only minimal profits to distribute. Many societies guarantee a 6 per cent dividend on all purchases and distribute all remaining profits to various funds for retaining.

Counterfeit Gold Coins Are Seized at St. Paul, Minn.

ST. PAUL, Minn., May 6.—Counterfeit gold coins having a face value of \$1,000 have been seized in St. Paul and in Waterville, Minn., by Special Service Agent Thomas R. McManus, it became known here today. The coins, which are an imitation of the Spanish 16-peso piece, having a money value of \$4 in United States money, were discovered in a local jewelry store, where 300 of them had been plated with gold.

DALLAM IS HELD BLAMELESS

Coroner's Jury Finds Death of Barclay Was Due to Accident.

Two Chums Drink Heavily, Go to Room of One, Fool with a Loaded Gun and One is Killed.
That Alexander L. Barclay came to his death from a gun shot wound on May 7, accidentally inflicted, the gun being in the hands of Philip H. Dallam, a friend of the deceased, whom he held blameless.

Anthracite Miners Are Trying to Stop Pumping Operations

POTTSVILLE, Pa., May 6.—Preparations are being made by the coal companies to provide for boarding of their firmen and pummen at the mines in order that there shall be no interference with them.

Corset Makers' Strike Will Be Settled Soon

TAFT IS SPEAKING IN OHIO

President Begins Series of Addresses in Home State.

HE IS NOT ASKING FOR FAVORS
He Says He Has Taken the Stamp Request the Cause that He Represents Has Been Attacked.
ATHENS, O., May 6.—President Taft entered his third primary fight today with Ohio's forty-eight delegates to the republican national convention to be elected May 21 as the prize. Mr. Taft will make speeches in several southern Ohio towns.

Review of Work Done.
Mr. Taft gave a short review of the achievements of his administration, pointing to the railroad bill, the postal savings bank bill, the mine bureau bill, the child labor bill and others, which he declared showed as much true progressiveness as any legislation enacted since the civil war.

Downpour at Chillicothe.
CHILICOTHE, O., May 6.—The president had hardly stepped out in front of the crowd in front of the Athens court house when rain began falling. It was so heavy that the crowd melted away and after saying a few words the president was forced to retire by the downpour. He waited a half hour, but the rain kept up and he boarded his private car again.

Chillicothe.
Mr. Taft's proposed automobile jump from this city to Greenfield was abandoned, but all the stops arranged beforehand were included in the revised schedule.

Kalamazoo, Mich., May 6.—As a result of negotiations started today by business interests of the city to restore peace between striking corset makers and the Kalamazoo Corset company the strikers charged with violating an injunction restraining the picketing of the factory were not brought into court today for a final hearing as scheduled. The case was continued until Wednesday at the request of the company and the strikers. It is said that prospects are good for a settlement.

MANY PERISH IN SOUTHERN FLOOD

Heavy Loss of Life is Reported in Vicinity of Lettsworth and Batcher, La.

TORRAS CREVASSE SPREADING
House Containing Fifty Persons is Adrift.

RAILROAD IS WASHED OUT
Last Relief Train Left People Standing Waist Deep in Water.

RAIN ADDS TO DISCOMFORT
Parts of Eighteen Parishes Are Already Under Water, and River Continues to Spread Over Rich Bottom Lands.

NEW ORLEANS, May 6.—Thousands of anxious people in the flood menaced districts of Louisiana were disheartened today by heavy rains that pelted at levees already strained almost to the bursting point by the swollen Mississippi. All night long armies of workmen fought to strengthen those dikes that held firm, while other embankments gave way before the flood that now covers portions of eighteen parishes.

Loss of Life in Heavy.
NEW ORLEANS, La., May 6.—Flood refugees reaching here early today declare there has been loss of life in that part of Louisiana inundated by the Mississippi river, which rushed through the breach in the levee at Torras.

It is said that motor boats sent to take numerous persons from floating house tops arrived too late. How many persons perished cannot be determined. Refugees brought to the concentration camps are hurried hither and thither, sometimes families are separated and persons have been reported "missing" who simply have been sent from one camp to another. Nevertheless, large numbers of the refugees claim they have seen entire families swept from house-tops. Leaders of the rescue corps admit that several times they have sent motor boats to points where families had taken refuge on the roof of a house, and that when the boat arrived its crew found only the building, buffeted about by currents, and half its roof surface submerged.

Appeals for help reached here last night from Lettsworth, directly in the path of the Torras current. Half a hundred people were reported to be in imminent danger of drowning. The houses in which they had taken shelter had been dislodged from its foundation and was being tossed about on the current.

There are at least 1,200 persons who remain to be rescued from the inundated country west of Lettsworth and Batcher. Both of them are drifting about on hastily constructed rafts.

Crevasse is Spreading.
The crevasse water is spreading at a rapid rate inundating sections of Point Couperie parish, which have never before been reached by overflows. Town after town is being swept by the muddy water. The last of the special trains which have been bringing refugees out of the country around Batcher arrived here last night. When the two relief trains were about ready to leave Batcher, word was received that there was grave danger of being cut off by a threatened washout in the tracks several miles east of that place. When the first train arrived at the point of trouble water was flowing over the tracks for a distance of five miles. But the train passed over safely.

When the second section arrived the water was rushing over the track about two feet deep. An attempt was made to reach the other side of the washout, but about half way across the track gave way and the caboose and three cars tumbled over. Occupants of the derailed cars were thrown into the water, but escaped injury. They were transferred to other cars and brought on to New Roads.

When the first section of the relief special sped through the water, which was running over the tracks just north of Morganza, scores of people were seen standing waist deep in water near the railroad waiting the train to stop. The water was rising so rapidly that those in charge of the train decided it would imperil the lives of all those on board to delay the train. The train was not stopped.

Railroad Track Washed Out.
BACHELOR, La., May 6.—The last link binding this town with the outside world by rail was severed late last night, when the swift waters from the Torras crevasse.

In the heat of summer because they do not have airy rooms and apartments. If you are going to move—now is the time, before the sizzling hot weather comes.

The Bee contains a list of the finest rooms, houses and apartments, for rent and sale, that there are in the city. Look in the classified section and you will find the places that you are seeking.

If you have rooms, or houses for rent, let The Bee readers know and you will soon have them filled with the kind of tenants you want.

Tyler 1000