

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 Catawissa, 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.

The association, he said, was organized for the purpose of fixing the price of horseshoes and was composed of nine firms, among them the American Steel and Wire and his own concern. There, he asserted, was a pool agreement, a copy of which he produced, which provided penalties of not less than \$500 nor more than \$1,000 for the failure of any member to abide by it. The agreement was continued, he said, down to March 1909, when the American Steel and Wire company withdrew.

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 he knew.

"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.

During the existence of the formal agreement, Holton testified, it was Jackson's duty to name the concern which should accept the bids of the United States government.

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 employes 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.

The Senate.
Resumed consideration of workmen's compensation bill, with agreement to vote by 4 p. m.

The House.
Considered miscellaneous legislation on regular calendar.

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, and 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 \$24,000 more than accepted.

That Omaha bonds are in demand is shown by the fact that the renewal bonds sold in Omaha on Monday at 100.0168 sold in Boston Friday at 100.0088. The premium paid on the water bond issue makes the price a shade over 100.0033.

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 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 hereinbefore 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. 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.

It may be of interest here to note that this latest bond issue raises the daily interest charge to be met by the taxpayers of Omaha to \$2,131; the \$1,200 is paid on city, county and school bonds and \$932 will be paid on water bonds.

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 bill was necessitated by disputes which arose over the width of the Union Pacific's right-of-way. The railroad claimed a stretch through the disputed territory varying in width from 200 to 400 feet on each side of the track.

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.

Early primary returns indicate that Roosevelt and Clark have carried all four legislative districts in Baltimore city, giving them twenty-eight delegates to the state convention.

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.

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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.

Results of Saturday's precinct primaries today showed Wilson strength that surprised the Harmon leaders, making him the favorite for the county conventions tomorrow on the face of the returns. The Harmon people point out, however, that the full result of the primary voting will not be known until the county conventions meet, and they claim that it is likely to take the state conventions to render a final choice.

The race between Taft and Roosevelt is left in even more doubt. The republicans have their county conventions tomorrow simultaneously with the democrats.

Cecil A. Lyon, republican national committeeman from Texas and Roosevelt leader for this state, issued a statement today claiming two out of the sixteen congressional districts for Roosevelt, and declared that Roosevelt probably would carry all the districts.

Contest in Arkansas.
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.

The Roosevelt republican league of Arkansas and the republican state central committee will have meetings tonight in advance of the state convention, which will take place tomorrow. Whether the Roosevelt workers will enter county primaries for this state out of the sixteen for tomorrow's convention has not been determined. Both sides express confidence in the outcome of the state convention.

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.

The Minia met much heavy weather during its trip and covered a large area, the bodies being found widely separated, the last two picked up being forty-five miles apart. The Minia will carry every passing stranger daily inquiring about bodies. Among the bodies brought ashore was that of Charles M. Hayes, president of the Grand Trunk railway. Officials of the railway took charge of the body and it was taken to his home on a special train.



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.

CO-OPERATION IS SUCCESSFUL
Societies of Workers Own Groceries, Bakeries, Factories and Furnish Insurance and Medical Services at Cost.

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.

It appears from the information collected, the acting secretary says, that the rising cost of living has directed attention to and augmented the membership of the co-operative societies more especially in France and Belgium. The French co-operative associations are in the main arranged upon the same system as those in the United Kingdom. The tendency is toward small societies and the great majority of the associations represent groceries and bakeries. The most successful distributive societies are in the manufacturing cities of northeastern and central France. Among these societies relief funds are administered and insurance against illness and forced non-employment is supplied. Arrangements are made with dentists, doctors and artisans for their services by members on a commission basis.

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 surpluses 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.

In regard to industrial co-operative production it appears that plants owned and operated by the operatives are not uncommon in France. In Lyons, for example, the enterprise is conducted by societies composed of their own operatives, including printing and engraving, building, plumbing, tailoring, weaving, tanning, carpentering, paper hanging, the making of pasteboard boxes and the making of metallic furniture.

The consular reports state that the French co-operative societies usually sell at prices which are neither higher nor lower than those of private stores and that they have a tendency to keep prices throughout the district where they are located down to a fair level as well as to enhance the purity and quality of the goods. The degree of reduction in the cost of living is almost wholly contingent upon the capability and the altruism of the management of the respective districts.

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

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-point piece, having a money value of \$12 in United States money, were discovered in a local jewelry store, where 300 of them had been plated with gold.

W. H. Johnson of Waterville is under arrest. Saturday Agent McManus seized more than 2,000 of the coins in Johnson's possession.

DALLAM IS HELD BLAMELESS

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

STORY OF THE FATALITY TOLD
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.

The foregoing verdict was reached by a coroner's jury yesterday afternoon in the inquiry into the death of Barclay, that occurred Friday night at the Chatham hotel. Philip H. Dallam, who was with Barclay when he was killed, was absolved from all blame and ordered released from custody.

That the story upon which the officers worked Saturday that Barclay was murdered was without foundation became clear to everyone at the inquest while Dallam was telling what happened before and after the killing.

Although suffering considerable pain from the self-inflicted wound in his left breast, Dallam appeared composed and gave clear answers to the questions of County Attorney English and explained

(Continued on Second Page.)

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.

A body of men entered the boiler house at Indian Ridge Washery at Shenandoah and ordered the men to quit work. The same thing was done at the site of the stripping operations at Lost Creek. One foreigner, who made a third attempt to go to work after being turned back twice at Shenandoah, was set upon and badly beaten.

Captain Withelm of Troop C, state police, has details of his command scattered throughout the region and says he thinks his present force will be sufficient to cope with the situation, unless it should grow much worse. It is not thought that there will be any further disturbances.

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.

NELSONVILLE, O., May 6.—In his speech today here the president explained why he came to Ohio. "I am not asking a favor because I am a son of Ohio, but I ask for simple justice," he said.

Mr. Taft again attacked Colonel Roosevelt and said he had been forced against his will to enter the present campaign by Mr. Roosevelt's misrepresentations.

"First, Mr. Roosevelt said he would not accept the nomination; then he said he wouldn't be a candidate. Now he is a candidate for sure," said Mr. Taft, "but he was not content with an ordinary campaign. He found it necessary to attack my administration and me personally.

"The less I said, the more he said, and he attacked me with unfounded charges in every way. I waited a month, and then, because of the cause I represent, I decided to reply to him. I had to fight and I am here to do it."

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.

"So far as I am aware," said the president, "I have done nothing in office for which I can justly be condemned. I have not been perfect and I have made mistakes, but I have been striving to carry out the pledges of the republican party. I have gone hastily over the list of achievements in order to show that we have been doing business in the administration, although we have not had that kind of publicity bureau, or that kind of fair treatment, with reference to publicity, which would enable you to know the benefits thus far."

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.

Owing to the rain and the muddy roads 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.

CORSET MAKERS' STRIKE WILL BE SETTLED SOON

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.

Reports of life loss were received at several concentration camps today. While these have not been specifically verified, it is conceded that many persons perished as the flood waters pushed on their homes.

Loss of Life in Heavy.
NEW ROADS, 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 torrent. 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 Coupee 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