

INNER WORKINGS OF STEEL TRUST MADE PUBLIC

STEEL TRUST IS ON CARPET IN THE SENATE

GATES, PRINCIPAL WITNESS, WILL AFFECT MARKET IF IT IS POSSIBLE.

CARNEGIE IS TO TESTIFY

Hearing Commenced in Senate Today to Ascertain if Steel Trust Has Violated Laws—Gate, First Witness, Tells Inside Workings of the Big Corporation—Deals with Carnegie Are Pointed Out.

Washington, May 27.—With John Gates, the first witness, eight congressmen as a committee today began the investigation of the United States steel corporation to ascertain whether it is a trust or not.

I am expected Gates, who, as president of the Republic Iron Steel company, is fighting the corporation, will give testimony that will affect the market.

Inner Workings to Light.

It is expected that Gates will try to force a decline in the market. Following Gates, Judge Gray, head of the steel trust, Gustave Schwab, J. P. Morgan and Carnegie are also expected to reveal the inner workings of the steel trade.

Gates' testimony was principally regarding the absorption of the Tennessee Coal and Iron company by the trust. In 1907, he said, men in the syndicate which included himself and headed by L. C. Hanna, sold out to the trust on the basis of ten shares of Tennessee for one steel trust bond. They thereupon resigned as officers.

Gates then said the steel bonds represented only preferred stock of the steel corporation while the Tennessee stock represented the real values. He said the steel trust manipulators had bought Roosevelt with a fake statement that the absorption of the Tennessee company was necessary to avoid a panic.

Gates then describes how Carnegie finally was bought out for \$223,000,000 for his share, while the Carnegie Steel company, by Morgan, Frick and W. H. Moore and other interested, after Moore and Frick were sore over the loss of \$1,000,000 they put up for the option for the Carnegie plant at the sale price of \$160,000,000.

Birth of Trust Explained.

Gates said: "In 1897 the price of steel was demoralized and Carnegie was held responsible. Moore and Frick conceived the idea of buying out Carnegie. They put up a million dollar option on Carnegie's plant at the sale price of \$160,000,000. Later they were

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The Contest ends May 27. Subscriptions may be mailed in on that date in favor of any contestant. Every payment on subscription, whether from a new or old subscriber, counts in votes. This is the last chance to make money count for two purposes at one and the same time, both for subscription and votes. Pay your subscription and name your favorite. DO IT NOW!

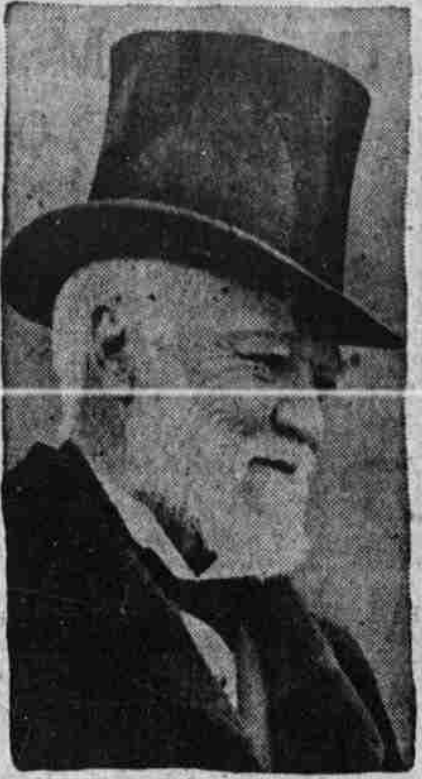
VALUE OF SUBSCRIPTIONS

Voting Power of Subscriptions for the Evening Observer.			
TIME	By Carrier in La Grande	By Mail in United States	VOTES ALLOWED
Three Months	1.75	1.00	900
One Week	.15		10
One Month	.65	.65	150
Six Months	3.50	2.00	2500
One year	7.00	4.00	6000
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Three years	21.00	12.00	24,000
Four years	28.00	16.00	33,000
Five years	35.00	20.00	42,000

Voting Power of Subscriptions for the Weekly Observer.			
TIME	By Carrier in La Grande	By Mail in United States	VOTES ALLOWED
Six Months	.75		400
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Three years	4.50		6,500
Four years	6.00		9,000
Five years	7.50		11,500

Votes at the above proportionate increase will be allowed on any additional payments made by any subscriber who has already paid one year during the present contest. This fact should be mentioned when extensions of subscription are sent to the Observer.

ANDREW CARNEGIE.
Portrait of Philanthropist Made Recently in New York.



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The man whose activities originated the steel trust, now under senatorial probe and who will be a witness in the trial commenced today.

CONEY ISLAND IS RAZED BY BIG FIRE TODAY

LUNA PARK ONLY INSTITUTION STANDING.

Maddened Horses Create Terrible Fright—Loss \$3,000,000.

New York, May 27.—Roaring and screaming while they charged madly through the streets, a horde of wild animals gave Coney Island such a sensation as never before has been seen this morning while flames licked up \$3,000,000 worth of flimsy buildings of Dreamland. Nearly 150 animals freed from Rotock's show were cremated.

The fire started in the Hell Gate scenic railway. Six babies in the incubator building were rescued.

Fifteen acres were burned over and Dreamland 20 other shows destroyed, though Luna park was not damaged.

CORN BOUND OVER.

Parch (Parks) Corn, the North Powder man accused of killing a fellow townsman, Ed Luis, with a beer bottle this week, waived examination this morning before Justice Williams and was bound over to the grand jury on \$2,000 bonds. He will likely produce the bond money.

A. P. Lyman, the restaurant man who is accused of attempting to kill Chief of Police Walden by making efforts to shoot him during a conversation a few days since, was held to the grand jury by Justice Williams, also, this morning and gave \$500 bonds.

HEAT STILL TERRIFIC.

Fifteen Deaths in 24 Hours Show Humidity in Chicago.

Chicago, May 27.—With 15 deaths from heat within 24 hours, six of which occurred between midnight and 10 o'clock this morning, Chicago is sweltering today as never before with no relief in sight. The humidity is most oppressive. It is reported that the infant mortality is the highest in the city's history. Thousands slept in the parks last night.

PROMINENT PREACHER ON TRIAL

Charges of Committing Fraud Through Mails Being Aired.

Boston, May 27.—Arrangements have been practically completed for the trial next week before Judge Dodge in the United States district court in this city of the Rev. Norman Plass former President Charles H. Brooks, treasurer and John L. Traphagen, assistant treasurer of the Redeemable Investment company, upon the charge of using the mails in a scheme to defraud. United States District Attorney Asa P. French will have charge of the prosecution in person, and the defendants will be represented by the Hon. Samuel J. Elder as senior counsel, John P. Feeney and Francis M. Carroll.

The Redeemable Investment company, which is said to have been a "get-rich-quick" concern with many victims principally in the east, was organized about four years ago by the Rev. Mr. Plass and several Boston promoters and business men. In the literature which the company sent out liberally throughout the country it was stated that it controlled, as a holding company mining, farm and timber properties in the northwest of the United States and in British Columbia.

After the federal authorities had received several complaints from alleged victims of the company, an investigation was made and on October 13th, 1910, federal officials made a raid upon the elegantly furnished offices of the concern, confiscated the books and papers of the company and arrested Charles H. Brooks, treasurer and manager. At that time the Rev. Mr. Plass was on his way to British Columbia, and it was not until three weeks later that he returned voluntarily and surrendered to the United States marshal. Upon his arrival in Boston he stated that he had resigned as president of the company about two months before and at the preliminary hearing he pleaded not guilty to the charge of fraudulently using the mails.

The unusual interest in this case, not only in this city but throughout the country, is due to the fact that the principal defendant, the Rev. Norman Plass, is well known in widest circles as a clergyman and educator. He was born at Claverack, New York, May 4, 1860, and came from Dutch stock. He studied at the Hudson, N. Y., academy; graduated from Williams college with the degree of A. B. in 1882 and with the degree of A. M. in 1885. In the following year he graduated from Yale Divinity school as a B. D. and obtained his degree of D. D. from Williams College in 1904. In June, 1884, he married Jessie Charlotte Wheeler and two years later he was ordained to the Congregational ministry. He held important pastorates at Detroit, Mich., Lincoln, Neb., Medina and Cincinnati, O. He was state superintendent of the anti-Saloon league of Rhode Island and New York from 1897 to 1899, and agent of the Congregational National Home Missionary society in 1900. Then he became professor of theism and christian evidence at Washburn college, Topeka, Kas. and in 1902 he was elected president of that college, a position which he held until 1908, when he resigned and embarked in business, organizing the Redeemable Investment company. Rev. Plass enjoyed quite a reputation as a preacher and educator, was for many years a member of numerous scientific, religious, educational and economic societies and won some distinction as the author of several books and a number of sermons and addresses.

Mass for Veterans.

Washington, May 27.—Cardinal Gibbons will conduct the military mass for the civil and Spanish war veterans on the White House ellipse tomorrow. President Taft and members of the cabinet will be in attendance and will review the parade of veterans.

12 O'CLOCK TO-NIGHT

Will End the Race For The Observer Prizes

Subscription Money Serves Two Purposes Just Now--Pays for Your Newspaper and Helps a Worthy Girl to an Educational Trip or Scholarship--Act Before it is Too Late.

THE RACE FOR THE FINISH. The race for the Observer prizes will end at midnight, Saturday, May 27. The Observer office will remain open until that time to receive subscriptions from the hands of candidates and their friends.

From outside points subscriptions may be sent in by mail and will apply in the contest so long as envelopes containing such subscriptions bear postmark of May 27. In addition the following statement signed by two witnesses may be written on the back of the envelope: "This envelope was mailed in our presence May 27." This plan is intended to give to out of town candidates and their friends the same chance to gather subscriptions right up to the last minute as to the La Grande city contestants. All such subscriptions, to apply in this contest, must reach the Observer by 6 p. m., May 29. As a precaution, La Grande candidates may call up the Observer at 4 p. m., May 29, and ask whether their Saturday remittances have been received.

The prizes will be announced in the Observer as soon as the subscriptions are checked over and the votes counted out.

THE END IS NEAR. VIGILANCE AND HUSTLE ARE THE PRICE OF VICTORY.

LINE-UP OF CANDIDATES

CONTEST DISTRICT NO. 1. This district comprises the city of La Grande. The two ladies residing in La Grande who at the end of the contest have received the most votes will be the guests of the Observer at the Portland Rose Festival.

HUFF, RUBY, Seventh and L streets	43,281
COTNER, EVA, 2,008 Oak street	39,257
STEPHENSON, MILDRED, Care Star Theatre	32,886
MARTIN, IRMA, 1201 Fourth street	24,015
COMBS, FRANKIE, 1201 D avenue	16,323
NUTTER, MRS. B. B., 1708 1-2 Sixth St	10,178
WILLIAMS, MRS. Fred W., Box 804	1,174
DAVIS, ADA, 1313 X avenue	1,001
SNOW, ALICE, 1410 Z avenue	1,001

CONTEST DISTRICT NO. 2.

This district comprises all of Union county except La Grande. The four ladies of this district who, at the end of the contest, have received the most votes will be the guests of the Observer at the Portland Rose Festival.

ROBERTSON, ZELLA, R. F. D. No. 2	92,590
WILSON, EVA, Union	91,849
HANSEN, AGNES, Perry	81,276
VAN HOUTEN, HAZEL, Allice	80,565
CHATTIN, VIOLET, Summerville	62,801
PEEBLER, FRANKIE, R. F. D. No. 2	39,364
CONRAD, NELLIE, R. F. D. No. 1 La Grande	13,301
RUSSELL, BETHEL, Elgin	14,441
ARNOLD, MABEL, Elgin	7,035
WEEKS, BIRNIE, North Powder	7,000
KEEFER, STELLA, Imbler	1,151
WOODELL, ETTA, R. F. D. No. 1, Summerville	1,001

CONTEST DISTRICT NO. 3.

This district comprises all of Wallowa county and Pine and Eagle valleys. The three ladies of this district who, at the end of the contest, have received the most votes will be the guests of the Observer at the Portland Rose Festival.

EAMES, EDNA, Joseph	189,566
ROUP, MARGARET, Joseph	173,513
BOSWELL, CECIL, Minam	31,030
EVANS, MINNIE L., Wallowa	17,185
LYRENMAN, ANNA, Enterprise	16,022
WISDOM, BESSIE, Lostine	7,518
MAVOR, ALICE, Enterprise	6,000
WILEY, GLADYS, Wallowa	5,571
BROCK, NETTIE, Flora	3,001

PRIZES REGARDLESS OF DISTRICTS.

The three candidate who, at the end of the contest have more votes than any of their rivals, may, at the expense of the Observer, extend their trips on to San Francisco.

The four candidates who range next in standing, regardless of districts, will be entertained at the Hotel Gearhart, Gearhart Park, By-the-Sea.

All winning candidates will be given side trips to all points of interest in and about Portland; and will be taken to the leading places of amusement and recreation.

Instead of taking a trip, any winning candidate may have music lessons to the value of \$50 or a scholarship in Whitman college; in the Baker City business college or choice of several other colleges. In lieu of the San Francisco trips scholarships valued at \$100 will be arranged for, in case exchange is desired.

At any time on Saturday, the last day, subscriptions may be turned in privately. On Saturday no candidate will be permitted to know how many votes rivals are receiving. The voting will be entirely secret. This is intended to prevent the bidding off of the prizes by candidates watching one another.

All candidates who wish may turn in their reports on the last day in sealed envelopes so that their contents will not be known even to the contest manager himself except when all reports are finally in and opened in the presence of several disinterested persons.

DEPOSED DIAZ

SAILS FROM COUNTRY

WILL RETURN SHORTLY BEFORE LEAVING FINALLY FOR FUTURE HOME.

WILL LIVE IN MADRID

Madero Expects No One to Run Against Him in the Fall Elections—Will Attempt to Pacify the Disgruntled Sections Before Going to Mexico City—Diaz Not Making Plans Public at This Time.

Vera Cruz, May 27.—Foregoing forever the country which he absolutely dictated for 40 years, former President Diaz today sailed from here for Coahuila aboard the Hamburg liner *Vendram*. He will return here Wednesday and then sail for Spain, his future home. It is expected Diaz will stop at Havana to confer with Reyes. His attendants refused to discuss his plans but it is generally believed Madrid will be his home.

Madero Discourages Others.

Juarez, May 27.—Madero said today: "I shall start for Mexico City next week and no doubt will make several stops to pacify dissatisfied people. The insurrection against the present government must be put down. In November the national convention will nominate me for the presidency. I hope there will be no other candidates and a square contest. I will abide by the people's decision."

Madero gained his first victory in politics today when the Coahuila legislature, acting under De La Barra's orders, elected Carranza governor. De La Barra instructed the officials to recognize Jose Marie, Conora; Abram Gonzales, of Matorena and Chihuahua. They will be installed this evening or Monday succeeding Diaz's governors.

BAND LEADER IS KILLED BY AN ACCIDENT

UNION'S BUGLER FALLS FROM A HORSE LAST NIGHT.

Knocked Unconscious and Died Soon Afterwards—Funeral Tomorrow.

Union May 27.—(Special)—Herman E. Perregaux, leader of the Union band and the bugler in the recent horseback campaign of Union county was thrown from a horse last evening and died at 4:30 o'clock this morning as a result of the injuries received in the fall. The young man, about 23 years of age, had gone riding with some friends at the race track and when his horse stumbled, he fell, striking his head on a rock. He was knocked unconscious and did not recover his mentalities before death overtook him. The band is to have charge of the funeral which takes place tomorrow some time and there is grief throughout the city.

The unfortunate affair brings to an end a pleasant connection between the citizens of Union and the Swiss band leader. Aside from his capabilities as a musician he had a winning disposition and made himself popular over the entire county by his incessant and untiring bugling during the recent ride over the county.

His relatives reside in Switzerland and arrangements for notifying them have been taken.

Accident Peculiar.

It appears that his horse had all but stopped running when he stumbled, some believing that the horse did not stumble at all but that Mr. Perregaux dismounted in an awkward way and the fall resulted.

Funeral at 1 O'Clock.

The funeral will be held at 1 o'clock tomorrow. The deceased was a member of the K. of P. lodge, of the Pythian Sisters and these two orders will assist the Union Concert band in the funeral services.

Opens a New Grocery Store.

George E. Stansfield today opened a new grocery store at the corner of Fourth and Y, north of the railroad tracks. He believes the location is a good one for it is convenient to a large and he intends to carry a general grocery line.