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PORTLAND, OREGON, THURSDAY, JANUARY 1, 1903.

NO. 13,122.

RUBBER GOODS OF EVERY DESCRIPTION
RUBBER AND OIL CLOTHINGBOOTS and SHOES Crack-Proof RUBBER BOOTS
- BELTING, PACKING AND HOSE -

Goodyear Rubber Company

R. H. PEASE, President.

21-25 First St., Portland, Oregon.

MORE CAMERA BARGAINS
TO CLOSE OUT BEFORE WE MOVE

We are offering bargains in all the best lines—

PREMO, POCO, CENTURY, IMPERIAL.
Double Extension Compact Montauk Camera 4x5, reg. \$32, close \$16.50
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Blumauer-Frank Drug Co. Wholesale and Importing Druggists

SHAW'S
PURE
MALT

BLUMAUER & HOCH
108 and 110 Fourth Street
Sole Distributors for Oregon and Washington.

AMERICA'S ORIGINAL
MALT
WHISKY
Without a Rival
Today

J. E. DAVIES, Pres. J. W. BLAIN, Sec. and Treas.

St. Charles Hotel

CO. (INCORPORATED).
FRONT AND MORRISON STREETS
PORTLAND, OREGON

American and European Plan.

American Plan\$1.25, \$1.50, \$1.75
European Plan50c, 75c, \$1.00

WHOLESALE SHOES

Wet Weather Shoes, Logging Shoes, Full Line of Felts
and Holiday Goods.Krausse & Prince 87-89 First St.
Portland, Or.

HOTEL PERKINS

Fifth and Washington Streets

PORTLAND, OREGON

EUROPEAN PLAN

First-Class Check Restaurant
Connected With Hotel.Rooms—SingleTo be \$1.50 per day
Rooms—Double\$1.50 to \$2.00 per day
Rooms—Family\$1.50 to \$3.00 per day

POLITICIANS

REQUIRING A STRONG PULL
SHOULD PATRONIZE OUR

Logging Engine Department

WILLAMETTE IRON & STEEL WORKS, PORTLAND, OREGON.

G. B. Cellars, Pres. and Treas.

A. M. Borland, Secy.

PORTLAND SAFE & LOCK CO.

Have Removed to—76 FIRST ST.—Have Removed to

BARNES' Patent Fire and Burglar Proof SAFES

Sole Agents for the Northwest. 76 FIRST ST., CORNER OAK.

Equitable Savings and Loan Association

240 Stark Street, corner Second.

GUARANTEED MATURITY CERTIFICATES
INTEREST-BEARING CERTIFICATES
INSTALLMENT LOANS

Chas. E. Ladd, Pres. Theo. B. Wilcox, Vice-Pres. F. McKerscher, Secy.

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TALK OF A FIGHT

Indulged in by Some of Hermann's Friends.

HITCHCOCK SEEMS WILLING

Secretary Can Produce Reasons for His Removal.

MCKINLEY WAS TIRED OF HIM

Hermann Let His Friends Work the Land Department and Defended Them When Caught—There Will Be a Clearing Out.

Some of Secretary Hitchcock's enemies are trying to stir up Land Commissioner Hermann to make a fight against his virtual removal. The Secretary is ready, for he has facts and documents to justify his action. Had President McKinley lived, Hermann would not have held on so long, for Richards had been selected to succeed him, and Finkle to succeed Richards, before McKinley's death. The gravest charge against Hermann is that he allowed his political friends to work the land office, and when they were found out defended them. For a long time Hitchcock has given his confidence to Richards, rather than Hermann, and when the change comes, in February, a general clearing out of Hermann's friends is predicted.

OREGONIAN NEWS BUREAU, Washington, Dec. 31.—Some of the men who do not like Secretary Hitchcock, and who are fond of Hermann, talk about making a fight against Hermann's removal. Although he has agreed to resign, they say that it will be much better if he absolutely refuses to resign, but makes the Administration remove him and give reasons why he is removed. The Interior Department will be perfectly willing to accept such an issue, as reasons for the change would be forthcoming very quickly if Hermann should make a demand for them. But he will make no such demand. He knows that President McKinley recognized that he should not remain in the office, and he has served more than six months beyond the time it was agreed he should remain when McKinley was alive. This extra time was because some Western men believed they could force Hitchcock out of the Cabinet and keep Hermann as Commissioner.

At one time Hermann had Cabinet aspirations. He was suggested first in the way of a joke, and, much to the surprise of a number of people, he took the suggestion seriously. It was at the beginning of the McKinley Administration, and many people thought he was fully as big timber for a Cabinet position as was McKenna, who became Attorney-General

and afterward Associate Justice of the Supreme Court.

Hermann was a dead duck at the beginning of McKinley's term, and the Oregon delegation "took care of him" by making him Commissioner. That McKinley expected Hermann to retire is shown by the fact that he promised Mr. Richards the Commissionership, and J. S. Finkle the Assistant Commissioner in place of Richards. Finkle was selected for the place at this time absolutely on his merits, and because he had been offered the position by President McKinley. No one in Ohio knew he was to be chosen, not even the Senators or Finkle himself, no political influence being behind him. When he was first suggested to President McKinley and his friends offered to file indorsements the President replied:

"I do not want any indorsements; I know Mr. Finkle."

There will be entire harmony between the new Commissioner and his assistant. In the late administration the relations have been very strained, and the assistant, rather than the Commissioner, enjoyed the confidence of the Secretary.

One serious thing about the career of Hermann in the Land Office has been his fondness for his friends. He has never had the nerve to refuse to do anything for a friend if that friend could aid him politically. He has carried out in nearly every instance the policy embodied in the telegram he sent to the manager of his Senatorial campaign the last time, which was that he would make good any promises made in his interest as a Senatorial candidate. Under such a policy he has gathered around him a great many men who have systematically "worked" the Land Department. Whenever these men have been caught they have found Hermann ready to defend them and to excuse shortcomings. This system has grown intolerable to the Secretary, and he has determined to have around him men that he can trust and men who will see that the laws are vigorously enforced. Both Richards and Finkle are believed to be that kind of men. The Hermannites, whether in the Land Office in Oregon or in the field force, whose records will not bear close scrutiny had better stand from under, as every man who has subjected himself to any suspicion is going to be thoroughly investigated. These investigations will not be conducted by men in the interest of Hermann and his friends, but in the interest of proper administration of the land laws.

RICHARDSON AS PROPHET.
Democratic House Leader Forecasts Contest for Presidency.

OREGONIAN NEWS BUREAU, Washington, Dec. 31.—Representative Richardson, of Tennessee, who for some time past has been the minority leader in the House of Representatives, says that the contest in the next Democratic convention will be between Gorman of Maryland, Parker of New York, and Olney, of Massachusetts. He says also that he can see a leaning towards Olney and Bryan. Richardson discusses the several candidates, and then declares that the tariff will be the issue in the next campaign.

Richardson is practically discredited now because already there is opposition to giving him the empty honor of heading the minority in the House of Representatives. Still, he was permanent chairman of the last National convention, and has considerable influence in his party.

FOR TEMPORARY POSTOFFICE.
Rent Asked Considered Exorbitant—Improvement Finished This Year.
OREGONIAN NEWS BUREAU, Washington, Dec. 31.—Representative Moody has been endeavoring today to hasten work on the plans for the enlargement of the Portland Postoffice. He finds the work well under way, but was told that, in

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CANNOT PAY GOLD

China Makes Trouble About Indemnity.

POWERS REJECT SILVER

United States Alone Willing to Accept the Offer.

THE MINISTERS MAKE THREATS

Peking Government Warned of Grave Consequences, but Believes Powers Cannot Agree—Tung Fuh Siang's Rebellion.

A new storm cloud overshadows China. She has refused to pay the installment of the Boxer indemnity, due today, on a gold basis, and offers silver. All the powers except the United States refuse silver, and their Ministers at Peking warn China that the consequences will be grave if gold is not forthcoming. The attitude of the United States stands in the way of concerted action to coerce China, and that country relies on dissensions among the powers to escape armed pressure. The Chinese Government says the rebellion of Tung Fuh Siang, the exiled General, is not serious, and that the imperial forces can cope with them; but this is discredited, and popular sympathy is with Tung.

PEKING, Dec. 31.—The Ministers here of the foreign powers have telegraphed their governments the refusal of China to pay the international indemnity in gold notes, and have discussed the matter among themselves. It is proposed to inform the Chinese government that failure to fulfill the obligations provided in the protocol will entail grave consequences. The policy of the United States presents an obstacle in the way of settling a joint note to China on the matter, and the present difficulty is generally attributed to the encouragement given to China by the American Government's indorsement of her arguments. The Chinese are content to await developments, believing that the powers will find it so difficult to agree on a course of action that the present deadlock will be prolonged indefinitely.

The monument to Baron von Kettler, the German Minister, who was killed in Pekin shortly after the outbreak of the Boxer trouble, will be dedicated January 13. Chinese and German officers participating. The monument is a white marble arch spanning the principal business street at the spot where Baron von Kettler was assassinated.

Replying to inquiries from the Legations, the Foreign Office today admitted that there was some truth in the reports of warlike preparations on the part of Tung Fuh Siang, although it characterized

the stories of his movements as exaggerated. The Foreign Office says the Viceroy of the northern provinces have sufficient troops to subdue him. This latter statement, however, is disbelieved. It is expected that government troops will join Tung Fuh Siang in the event of his undertaking a rebellion.

Popular sympathy is with Tung Fuh Siang, who was exiled and degraded for obeying the orders of his superior and attacking the foreign legations here.

UNITED STATES TAKES SILVER.

Will Not Drive China to Wall—Exorbitant Claims of Missionaries.

WASHINGTON, Dec. 31.—The State Department has been officially advised through its fiscal agents in China that the second installment of the Chinese indemnity fund, which falls due tomorrow, must be paid in silver, or rather on a silver basis. The result has been anticipated, and the department more than a month ago was advised unofficially of what would happen. The first installment of the indemnity, which was due July 1, last, was likewise paid on a silver basis, the nations receiving the money reserving the right to reclaim the difference between the silver and gold basis. Therefore, tomorrow the department will have placed to its credit \$26,000, for it has without hesitation decided to accept the payment on the basis proposed.

Some idea of the extra charge that would be imposed upon China, did she yield to the demands of the powers for payment of these indemnities on a gold basis, may be gathered from the fact that, whereas the Chinese tael, which is the basis of the calculation of the debt, was worth 74 cents at the time the agreement was signed in Peking, it is now worth only 67 cents. The impression prevails among the persons who have taken part in these settlements that the indemnities demanded by the powers are far beyond China's ability. She may for a year or two borrow money from various international sources to pay the installments falling due every six months, but in a short time the powers will be compelled, at the risk of losing everything, to come to a readjustment of the whole debt, either by submitting the case to arbitration at The Hague, which China ardently desires, or by a mutual agreement among the creditor nations. Most of the first installment paid to the United States last July, and amounting to nearly \$200,000, was in payment of missionary claims for damages arising from the Boxer outbreak. The department adopted the plan of paying out 25 per cent of each large claim. This amounts nearly all of the first installment. By this method something like two years will be required for the settlement of the claims.

It is said at the State Department, where many of these cases were handled, and the records of the American commission, composed of Minister Conger, Secretary Bainbridge and Consul Ragsdale, show that the same statement was true as to the claims presented in China—that probably never in the history of the department have there been so many heavy claims presented to the attention of a settlement commission as these coming from missionaries as a result of the Boxer uprising. The commission has cut into these with a ruthless hand. The claims were common to organizations and individuals. In one case a claim was submitted amounting to \$250,000 for mission property destroyed. Reliable affidavits show that \$200,000 was a generous estimate for the property. In individual cases missionaries put in claims for jewelry and articles of luxury.

By a curious adjustment the commission, while allowing some of these claims with liberality, has placed a very low valuation on human life. Assuming a murdered missionary of the age of 50 to be capable of ten years work at the rate of \$400 per year, it would award an indemnity of \$4,000 to his or her heirs. The State Department, which is the reviewing authority in these cases, probably will raise the allowance, but it may still further cut down the claims for personal property losses.

Beet Sugar Men Busy.

DETROIT, Dec. 31.—A delegation from the Michigan Beet Sugar Association was in conference this afternoon with Senator Alger, discussing the effect of the Cuban reciprocity treaty on Michigan sugar factories, and a capitalization of \$15,000,000.

LINKS OF GOLD

To Hold Employees of the Steel Trust.

ALL WILL SHARE IN PROFITS

Elaborate Plan to Make Them Stockholders.

THERE ARE 168,000 OF THEM

Every Employee From Highest to Humblest May Buy Stock—In Addition Salaries Will Be Raised in Proportion to Earnings.

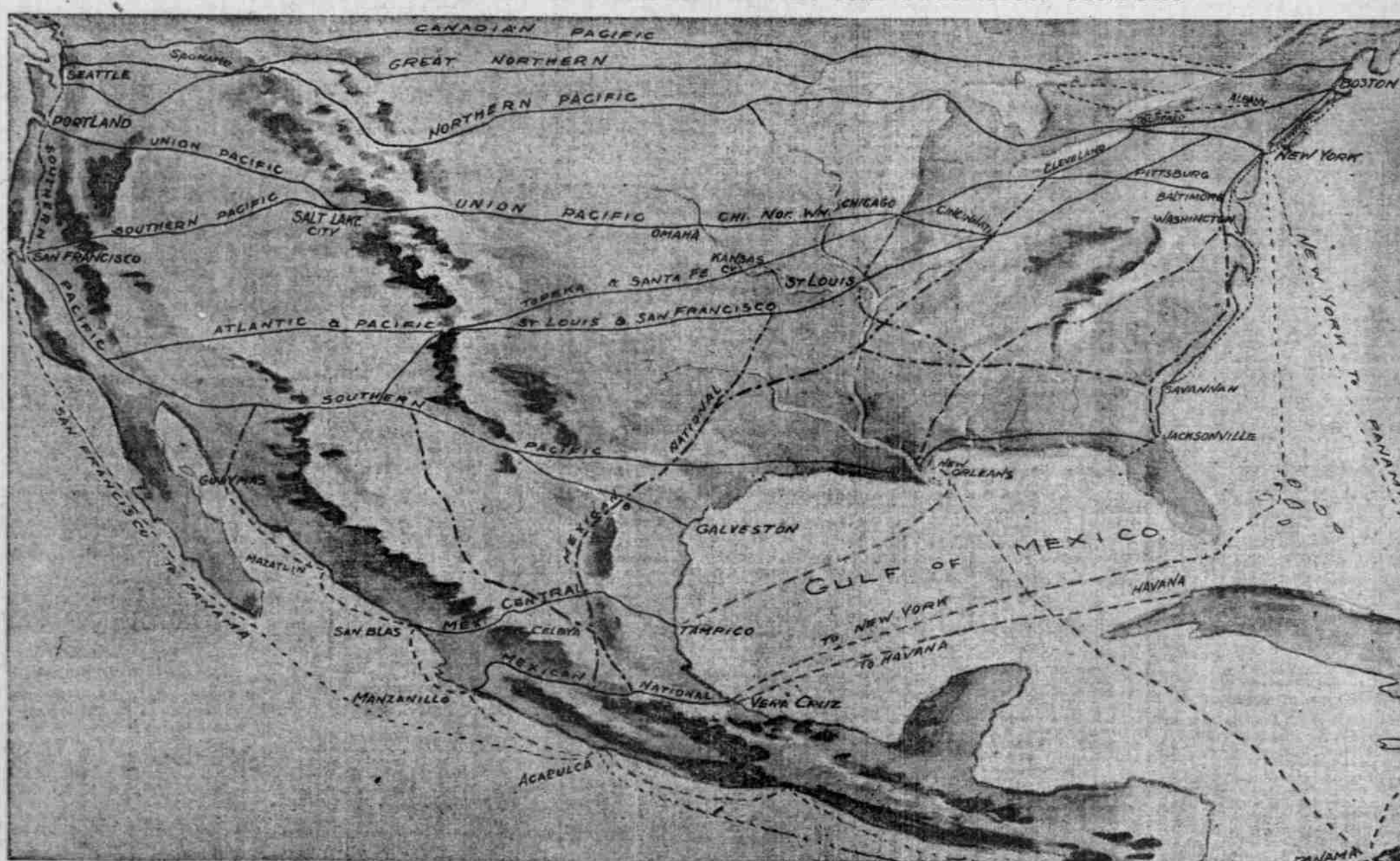
The United States Steel Corporation takes in the new year by the adoption of the most extensive scheme of profit-sharing an employer ever offered his employees. All the employees, from the highest-salaried manager to the humblest workman, are offered the option of buying a certain amount of preferred stock at the market price. It is also provided that a certain proportion of the net profits over a certain amount shall be set aside to be added to the salaries of employees. As the aggregate amount increases the percentage is raised. One of the conditions of this scheme is continuance in the service of the corporation, an employee not sharing fully in the benefits until he has been in their employ for five years from today.

NEW YORK, Dec. 31.—In a double circular, one to the stockholders and one to the officers and employees, the United States Steel Corporation announces its intention to inaugurate a system whereby the humblest workman on its rolls may, if he desires, become a permanent stockholder and share in the profits of the corporation. The scheme is the result of months of preparation by the finance committee of the corporation, and the circulars are signed by George W. Perkins, chairman. The plan is said to have originated with Mr. Perkins.

The circular to the stockholders points out the apparent advantage of the plan, which was devised "with equal fairness to every man, from the president of the corporation to the man with the pick and shovel working for one of the subsidiary companies." The circular goes on to say that at this time there are about 168,000 stockholders, who, it is believed, would feel a greater sense of security in the corporation's earning power if they knew that officers and managers generally were willing to enter into a contract by which part of their compensation for services rendered shall be paid only after the realization of \$50,000,000 of profits. This represents interest on bonds, dividends on stocks and reserves for sinking funds. The plan inviting officers and employees to participate is divided into two parts. Part I prescribes that from the earnings of the

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THE DEVELOPMENT OF TRANSPORTATION IN THE TWENTIETH CENTURY



During the eighteenth and nineteenth centuries the cry was "Westward Ho!" Transportation all over the world grew from East to West, and especially in the United States. Now, however, as shown in this drawing, the transcontinental railroads have covered the country on latitudinal lines, and it seems certain that the twentieth century is to see the development moving North and South. On the drawing

the new and proposed canals connecting the Mississippi, Missouri and the Lakes, the canal making an inland passage from Boston to New Orleans, the railway from San Francisco to Siberia, by way of Alaska, and the more recent railways running north and south connecting the interior with Gulf ports and the Panama Canal water system, all illustrate this.

From Harper's Weekly.