



## FEAR EFFECT OF NEW TAX BILL

### Glaring Errors, It Is Alleged, Are Found in Many of Its Provisions.

## FLAWS WHICH ARE FOUND

### Some of the Measures Which, It Is Asserted, Will Involve the Law, If It Becomes One, With Other Statutes.

That the tax bill proposed by the tax committee of the Farmers' and Shippers' Congress for enactment under the initiative contains many errors and inconsistencies and will involve the tax laws of the state in irreconcilable conflict if it should be adopted, is the assertion made by experts on tax legislation who have examined the proposed measure. The principal errors in the law are due to the fact that several sections of present laws were copied from the 1902 code and are to be re-enacted as they then stood, though they were amended by the Legislative sessions of 1903 and 1905. The inconsistencies arise from the plan of enacting new laws without expressly repealing old ones, thereby leaving a necessity for litigation in order to determine whether the new law repeals the old by implication or whether both the old and the new can stand side by side.

The bill was drafted by a committee of the league, the committee having been appointed last summer by President E. Hofer, and was adopted by the league at Woodburn, December 15. The measure is intended to provide a more equitable system of assessment and taxation, and to be enacted by the people at the polls next June independently of the Legislature. The drafting committee was made up of J. A. Carson, of Salem; G. W. Griffin, of Eugene; J. A. Aupperle, of Jefferson; E. F. Jones, of Independence, and G. A. Burley, of Vale.

One of the most glaring inconsistencies is that occasioned by section 194 of the printed bill, which provides that the Secretary of State, as insurance commissioner, shall be entitled to receive the fees and 40 per cent of the license prescribed by law as compensation for his services. This provision, if enacted subsequent to the passage of the flat salary law of the Legislature of 1905, would give the Secretary of State, in addition to his salary, fees like those which the Legislative act out off.

### Published in Pamphlet.

The bill for the proposed law has been published in pamphlet form and distributed to every portion of the state, with blank petitions for signatures, asking that the law be submitted to the people. An examination of the law shows that it must have been carelessly drawn, for its preamble misrepresents some of its provisions. Men who have taken an interest in the improvement of the tax laws of this state are alarmed over the situation, for they fear that this law may be adopted by the people because they favor one of its purposes—the extension of the policy of indirect taxation. Since the movement has gone this far before the errors were discovered, it is feared that the people, not taking the time to study its provisions, may adopt it in June without understanding its full effect.

The first flaw alleged to have been found in the proposed measure is in the title and general scope of the bill. It is asserted that the bill violates that section of the constitution which provides that a bill shall embrace but one subject, which subject must be expressed in the title. Furthermore, the bill deals with general property tax laws, license laws, and inheritance tax laws, which are essentially different in principle from property tax laws or license laws. It is, therefore, asserted that all these subjects cannot be covered in one measure.

### Second Defect Alleged.

A second defect is alleged to exist because of a conflict between the title and one of the important sections of the bill. The title declares that this is a bill for an act "to re-enact the assessment and taxation laws of the state of Oregon, including all existing amendments thereto," etc., with certain changes enumerated in the bill. In the effort to re-enact the present laws, one very important existing amendment was overlooked. The situation may be thus explained:

Prior to 1903 the tax laws provided that County Courts should levy for school purposes at least 5 mills on the dollar. This provision was contained in section 254 of the Bellinger and Cotton code. The revenue thus obtained was found in many counties to be insufficient, and the Legislature of 1903 amended the section by providing that County Courts shall levy a tax for school purposes which shall aggregate an amount which shall be at least 50 cents per capita for each and all the children of school age, etc. Instead of taking this amendment into consideration, the persons who drafted the proposed law in the title and in the section as it stood in the 1902 code.

It is asserted that if this law should be enacted, revenue for school purposes would be reduced in some counties, making it necessary to shorten the school year in some districts or reduce the salaries of teachers. The intention to return to the old method of fixing the amount of the school levy was not even hinted at in the title of the bill, and was not made known to the school authorities of the state. Superintendent of Public Instruction J. H. Ackerman was astonished when he read this section of the bill. He says that the per capita system is the

proper method of apportioning amount of school funds to be raised by the county levy.

### Another Variation in Assessments.

Another variation in the existing assessment laws not hinted at in the title of the act is shown in sections 6 and 7 of the proposed bill. An act of the Legislature of 1903 provides that "shares of stock of National banks shall be assessed to the individual stockholders, at the place where the bank is located. Shares of stock of private banks, and loan and trust companies, shall be assessed to such bank, loan or trust company at the place where such bank, loan or trust company is located, and not to the individual stockholders."

The proposed law drops the second sentence of that act and covers the same subject by providing that shares of stock in banks, loan and trust companies shall be assessed at par value to the owners where they reside, but if they reside out of the state they shall be assessed where the bank, loan or trust company is located. This provision is neither a re-enactment of the law as it stood in 1902, nor as it was amended in 1903, for in 1902 the law required that bank stock be assessed at its value, while the proposed bill says "par value," which is often much less than its actual value. It differs from the law of 1903 in regard to the place of assessment.

### Find an Inconsistency.

There seems to be an inconsistency in section 46 of the proposed law, providing the manner of fixing a basis for the apportionment of state taxes in 1910. The bill changes the present law regarding the items of expense that shall be reported by County Clerks, by excepting expenditures for public buildings and improvements thereon. Beginning with 1907, therefore, there would be a new form of report, and in January, 1910, there would be a change in the reports of the new form, namely, for the years 1906, 1907, 1908 and 1909. But the bill provides that in 1910 the Governor, Secretary and Treasurer shall complete a new rate of apportionment by averaging the amounts of expenditure for a period of five years, it, therefore, appears that in making the rate of apportionment the State Board must use four reports of the new form and one of the old form, and those counties that have had large expenditures of new buildings or repairs in 1905 would be at somewhat of a disadvantage as compared with those that left their new buildings until 1906 for construction.

The bill also provides that the reports of County Clerks must be filed by January 15, and the State Board must make its apportionment during January. Another section requires County Courts to make their reports at the January term. If County Courts act as early in the month in 1910 as they do this year, many of them will have their levies made before the 15th of the month, when the new rate of apportionment will be adopted.

The re-enactment of the old law relating to disposition of insurance license fees is likely to prove one of the most perplexing features of the proposed law. As already stated, the bill makes it the duty of the Secretary of State, as insurance commissioner, to collect certain fees from insurance companies, and it is provided that he shall be entitled to receive the fees and 40 per cent of the license prescribed by law, as compensation for his services. Fines and penalties and taxes on premiums are to be paid into the state school fund and 60 per cent of the license collected are to be paid into the general fund.

### Flat Salary Law.

The flat salary law of 1905 provides that the Secretary of State shall receive a salary of \$4500 per annum, which shall be in lieu of all fees and commissions received by him for services performed by him in his office, and that he shall not receive any other salary or fee of any kind so collected by him. But the services performed as insurance commissioner are entirely separate from his services as Secretary of State. The constitution provides that the state officers named in the salary clause shall receive no fees or perquisites whatever for the performance of any duties connected with their respective offices, yet they all receive fees and perquisites upon the theory that they perform services not connected with their offices. The adoption of the proposed law would give the Secretary of State just as valid a claim upon this income as he has now.

Objection is made to section 106 of the proposed law, relating to telephone, telephone and express companies, upon several grounds. It is not a license measure, as the insurance company law now in force, but levies direct tax of a certain rate per cent on gross earnings without requiring the issuance of license. Doubt is expressed whether this can be done. Question is also raised why the rate levied upon telephone and express companies was fixed at 2 per cent, while the rate upon telephone companies is only 1 per cent.

### Another Objection Raised.

Objection is made to the portion of the law governing the assessment and taxation of railroads because it provides a new system without repealing the old laws, leaving the courts to decide whether the old law or any portion of it remains in force.

If this bill should be filed in the office of the Secretary of State, with the required number of signatures attached, the state must print about 100,000 copies at a cost of \$5000. Another bill, covering a part of the same subjects, is under preparation by representatives of the Grange. If both measures should be submitted to a vote of the people and both be adopted, which might happen, there would unquestionably be an irreconcilable conflict, for they would in some features cover the same ground. Because this measure is so comprehensive that few people can read it and ascertain all its bearings, it is arousing some opposition from men who have given extensive study to tax laws.

### Spotted Fever Among Young Teachers.

NEWPORT, R. I., Jan. 11.—Seven deaths from spotted fever have occurred among the 350 naval apprentices who were brought to the training station here last November. Quarantine regulations which have hitherto affected the November draft of apprentices were extended today to all the 1400 apprentices.

## UPHEAVAL PUTS FREAKS IN OFFICE

### Queer Results of Municipal Ownership Uprising in New York.

## BURGLAR BROWN DEPARTS

### Sheriff Flaherty a Practical Joke. Hungarian Band in Clerk's Office. Sweetshop-Worker Wants War With Russia.

NEW YORK, Jan. 11.—(Special.)—The Municipal Ownership League, or, as it is now called, the Independence League, is finding itself greatly embarrassed by the men it has elected to office, and some of the field-marshals are sorry that they had any successful candidates, and believe they would have been much happier without them. The persons who were put upon the ticket were, in the majority of cases, men who could hardly be called representative of anything except enthusiasm. Nobody thought there was any chance of victory, so consequently the nominees were men who could be flattered by a little worthless notoriety, and naturally they were not men of high culture.

But they were swept in on the crest of the municipal ownership wave, and now the men who elected them are wondering why in the world they ever did it. I wrote you some time ago about the walking delegation of the Musicians' Union, who were elected Sheriff of Kings County, which comprises the territory in the Borough of Brooklyn. Sheriff Flaherty has already succeeded in covering himself with glory, and leads his colleagues as a unique officeholder. When Flaherty took charge, he promptly ousted all the old employees, and installed strong municipal ownership men.

Prisoner Politely Departs. One of the first prisoners to arrive to test Flaherty's hospitality, was Frank Brown, a Chicago burglar, who had robbed many prominent people in Brooklyn. Brown was captured out West, and brought to Brooklyn after a hard legal fight. He was committed to jail, but only remained there 29 minutes.

How did he leave? Did he dig a tunnel like the Count of Monte Cristo, blow down the walls with dynamite, or disguise himself as William Randolph Hearst? No, Brown followed none of these methods. He walked up and down the corridor for a few minutes, then walked into his cell, and put on his overcoat, hat and gloves, after which he approached the keeper of the grated door, smiled pleasantly, and said: "Well, I guess I will go now."

"All right, sir," said the keeper, as he unlocked the door. Then Brown strolled leisurely down the corridor, told the keeper at the main entrance that he was going away, and was permitted to walk out unmolested.

The whole affair was so funny that the people have not been able to get angry about it. The generally-accepted opinion is that Brown objected because it was an "open shop," that is to say, nonunion prisoners were confined in the same tiers with union men, so he refused to associate with them. Mr. Flaherty has been busy trying to recover Brown, but has received little assistance and not a bit of sympathy. In fact one blunt police captain told him he had been far luckier than he deserved.

"Brown was a kid-hearted man," he commented, "to go away in such a gentlemanly manner. Why, if he had wanted to, he could have looted your blamed old jail and picked the pockets of every attendant and none of that anti-trust gang of yours would ever have been the wiser."

### Delegation from Hungary.

County Clerk Hartzheim, who is a retired grocer, has also aroused interest in the vicinity of the Brooklyn City Hall. The German-American Union, of which he is one of five members, is unanimously represented among his appointees. Bela Tokaji, president of the union, is Deputy County Clerk at \$5000 a year. Arpad Tokaji, his 19-year-old son, has an \$1800 job. Mokalj Tokaji, Kousuth Tokaji and Vespo Tokaji are also on the list, while Mr. Hartzheim's private secretary is his niece, who lives with him.

"He has turned the tribunal of the people into Hungarian goulash," angrily declared one good Municipal Ownership man, who has vainly endeavored to secure a position under Hartzheim.

Ordinary citizens who have business with the County Clerk's office declare that the new appointees are the worst they ever saw in their lives. "Half of them cannot speak English," was the comment of a downtown banker, "and those who can do not appear to be in their right minds."

They tell a story of a man who called to have a deed recorded, and, on expressing his wishes, received the following reply: "I do not think we deeds record here, do we? Perhaps it were better you again came when Mr. Hartzheim is from lunch returned."

### Can Be Trusted to Make 'Breads.'

Although County Register Alfred J. Boulton is a union stereotyper, he has not made any serious breaks in the conduct of his office up to date, but his enemies declare that they have hopes that he will be the Flaherty's record before long. "Of course, though," they admit de-

spondently, "it is a fact that Flaherty has more chance to make a damned fool of himself than have the other fellows. But never fear, Boulton is an ingenious fellow, and he will certainly be heard from some day, and before very long."

The Municipal Ownership delegation in the Board of Aldermen includes some strange and wonderful representatives. One of them, it was discovered, served time in the penitentiary years ago for larceny, but, as he was pardoned just before his term expired, there was no legal record to be had, although, had his record been known, the probabilities are that he would never have been elected.

### Talks Weber and Fields' English.

Another chap, chosen from Brownsville (the Jewish section of Brooklyn) has only been a citizen six months. He accepted a seemingly hopeless nomination, but out his way Hearst received more votes than did his Republican and Democratic opponents combined, and, of course, the immigrant had a wonderful majority.

This Alderman speaks "Weber and Fields English," and not a great deal at that. He is employed as a tailor in a sweatshop, making about \$7 a week, and almost fainted with joy when told, after election, that an Alderman's pay was \$1000 a year, and that the term lasts for two glorious, consecutive years.

The first work he did was to draw up a resolution providing that unless the Carer "abandons massacres of Jews," to quote the resolution, "the Board of Aldermen shall declare that a state of war exists between the two great municipalities."

Unfortunately for civic joy, he proudly showed this unique document to a colleague, and the Municipal Ownership League promptly squelched it and informed the city father that he must never, never introduce any bill unless it had first been approved by the leaders of his party.

Another Alderman from the Harlem section had to be forcibly prevented from introducing a resolution calling upon the traction companies to furnish free transportation for "all Aldermen, their families and friends." He had never heard that the state constitution prohibits passes of any and all descriptions to officeholders.

### Speech of Jeffersonian Barber.

One of the few remaining perquisites of the Board of Aldermen is the privilege of granting permits for news-stands, and by an unwritten law, each Alderman disposes of the requests in his own district, without interference or advice from his colleagues. One of these applications went through the other day, but before it was passed a Municipal Ownership Alderman, who was formerly a barber, immortalized himself by the following speech, which is quoted from a stenographic report:

"I'm not from me to impute motives in any way affecting the high caliber of the gentleman from the Third District. But I would like to ask why it is necessary for any man to cringe and pander to any official to gain the right to earn his daily bread?"

"Is this a monarchy, or an empire, or is it a city in the great Empire State which we are all so proud to rule?"

"Gentlemen, this custom which prevails here makes it plain to you and me and to everybody that government is no longer a thing of the past."

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## LEADERS SPEAK IN TARIFF DEBATE

### Philippine Bill Causes Grosvenor to Begin Crossfire With Clark.

## TAUNTS ABOUT INSURGENTS

### Missourian Says Bill Can't Win Without Votes of Democrats. Williams Outlines Party Policy on Tariff Revision.

WASHINGTON, Jan. 11.—The Philippine tariff debate in the House today consisted more of party maneuvering for advantage than of campaign material than of discussion of the question at issue. The tariff was the text of a speech by Grosvenor of Ohio, who began the debate, and of an extended reply by Williams, the minority leader. The speech of Grosvenor was speeded with witticisms and enlivened with interruptions from Champ Clark, at whom Grosvenor aimed most of his arguments.

Williams outlined the specific tariff doctrine of the Democratic party and held that the Republican tariff was not, as so often claimed, responsible for the prosperity of the country. To prove this he cited the prosperity of Canada, Mexico and other countries at the present time, and the business depression of these countries during the hard times of 1893.

Adams of Wisconsin opposed the bill, but advocated a readjustment of the tariff on business principles. McKinley of California delivered his first speech in the House in favor of the measure and pointed a finger of warning toward the growing industries of Japan.

The debate on the bill undoubtedly will close with the session of Saturday and the measure be put on its passage Monday.

### Grosvenor and Champ Clark Argue.

Grosvenor of Ohio took the floor in favor of the bill. He reviewed the causes of the Spanish War, and declared the American people could not then shirk their duty. No more can they now shirk the consequences of that war. Grosvenor recounted the influence of Mr. Bryan in securing the ratification of the treaty of peace.

"The spirit of Bryan," he said, "permeated the Democratic party as no Democrat has permeated the spirit of that party since the day of Andrew Jackson."

However, Grosvenor repudiated Democratic votes for the pending bill. He did not want such votes, especially when they were given on the ground that it was a step in the direction of free trade.

"It is not that impelling force the machinery of the organization of this House," asked Champ Clark.

"Oh, no," declared Grosvenor. "I said those who were to vote against the bill. The gentleman has got his impelling force at the wrong end of the rope."

### Quality of Manila Cigars.

Philippine tobacco was characterized as "poor, miserable stuff" by Grosvenor, and, although his state raised tobacco, he did not fear competition from the Philippines, which would not sell in the Cincinnati market for anything.

"The gentleman send a box of the average Manila cigars to a constituent whose vote he wanted?" asked Longworth of Ohio.

"Well, I don't smoke myself, but I would not send them to my interrogator," laughingly replied Grosvenor.

Reviewing some of the things which have been said against the Philippines in the debate, Grosvenor said none of them equaled the things said by Daniel Webster against the inhabitants of the 14 states and territories acquired by the Louisiana Purchase.

"I believe," he continued, "the Philippine Islands will become one of the greatest jewels in the crown of American achievement."

that on sugar, leaving it high that it might be used in securing reciprocity treaties with Spain.

Massachusetts was the next subject of Grosvenor's remarks. He went on to show that, notwithstanding the cry for free raw material, there was now in Massachusetts a floodtide of prosperity.

### Bay State Brought Up by Hand.

Sullivan of Massachusetts interrupted to mention a number of iron and glass works which he said had gone out of business under the Dingley tariff.

"There were plenty of these works which had grown immensely wealthy under that tariff along the Monongahela River, replied Grosvenor. Massachusetts, he said, should remember the adage, 'Never go back on them that brought you up by hand.'"

"What hand?" interjected Williams. "The hand of God and the Republican party," was the quick reply. When the laughter died, Williams said:

"I want to recognize the unusual magnanimity of the gentleman in naming God just once as the senior member of the firm." (Laughter.)

In answer to the reference of Clark to President Roosevelt's eulogy of Thomas H. Benton for his fight to put salt on the free list, Grosvenor claimed that Benton was hitting only at Adam Smith. A general colloquy followed in which Clark and other Democrats claimed that New England fishermen got a rebate on foreign salt with which they cure their fish, whereas Western meatpackers have to use "protected" salt.

### Williams Defines Principles.

Williams followed Grosvenor. Under the pending bill he welcomed to the Democratic party the Republican devotees, Payne, Ulysses, Grosvenor, and the young Achilles, Dalzell. Discussing his presence in the Philippines, Williams exclaimed:

"I am sure the hypocrisy of the fellow who tells me that God put us in the Philippines. Nobody but a hypocrite would say it, and nobody but a fool would believe it. American gold, American credit, for the purpose of conquest and to become a world-power went there," he added.

Williams asserted that it did not need a prophet to see that the Republican party was not going to revise the tariff. The Republican party, in its present decadent condition, has neither the brains nor the courage to remedy the tariff, and that is the reason why we are going to have a Democratic House of Representatives at the next election," he said.

"Oh, you standpatters," he continued, "with your absolute contempt for public opinion and absolute trust in the committee on rules and the committee on ways and means and your little coteries here in Washington—you imagine that there is no outside world, but there is an outside world, every one knows it, which the gentleman from Ohio said was bought up by hand on the tariff—there was a bottle of pap given her early, and all that she had to do was to suck."

### How He Would Fix Tariff.

Asserting ironically that he would show the Dingley tariff had produced record-breaking prosperity in Canada, Mexico and Argentina, as well as in the United States, Williams reviewed the greatly increased production and commerce of these countries. The Democratic tariff, he said, would be levied on a few necessities of life.

"First, a tariff is a tax, second, it is a tax on the consumer; third, all taxes ought as nearly as possible to be equal in proportion to the burden-bearing capacity of the tax payers. The generally ideal Democratic tariff would put all sorts of imports into three general classes—necessities, comforts and luxuries. On necessities, a very low tariff would be levied; perhaps some of the necessities of life would be on the free list. Luxuries—diamonds, wines and the like—would be taxed to the smugling point, upon commodities, an intermediate tax would be levied."

"It is necessary first to find how much money is necessary to run the Government honestly and economically, and levy the tax to meet that sum. Then, in this question of settling right, until it is settled right it will still be agitated."

Just before Williams concluded, he "poured out a thunder storm," as Grosvenor put it, in paralleling the panic of 1893 in this country, which Republicans had laid to free trade, to similar conditions in Canada and the countries of Europe, all of which, he said, must be due to "anticipatory Democratic victory in the election of Mr. Cleveland."

### Adams for Revision.

Scoring the Democratic tariff doctrine, all of which, he said, was old and worn, Adams of Wisconsin followed Williams. He said the Republicans of his state, while protectionists, believed a revision and readjustment of existing tariff conditions should be made at this time. As to the tariff he declared it to be a business question, and said he saw signs of its being treated as such by both parties.

McKinley, a new member from California who was with the Taft expedition to the Philippines, favored the bill. The only criticism of American administration in the Philippines that could be made, he declared, was that we had some machinery a little faster than the people of the islands were capable of going.

McKinley pictured Japan on the verge of a general industrial career, and predicted that he would see the machinery of Japan as astonishing as those on the battlefields of Manchuria. All of her manufacturing, he said, were being equipped with the latest American and European machinery. However, only one machine of a kind is bought, the Japanese themselves making others from these models at much less cost than the original machine.

## GREAT COPPER MINE BURNS

MILWAUKEE, Jan. 11.—A special to the Sentinel from Calumet, Mich., says: The Tamarack copper mine, the deepest in the world, is on fire, with three men missing and almost certain to have met death in a horrible form half to three-quarters of a mile below the earth's surface.

Shaft No. 2, where the fire was discovered, has been sealed over at the surface with heavy timbers jammed with clay, and also shaft No. 3. It may become necessary to cool shaft No. 5 also to another shaft.

## FORGED BONDS CAUSED SUICIDE

### Prior Sought Death to Escape Consequences of His Great Crime.

## ALL ASSETS WORTHLESS

### Bankers Find Wholesale Forgery of Municipal Bonds Explains Cleveland Tragedy—Prior's Threat to Creditors.

CLEVELAND, Jan. 11.—The bankers committee, which is investigating the affairs of the banking and brokerage firm of Denison, Prior & Co., which closed its doors following the suicide of L. W. Prior on Tuesday, made the following authorized statement late this afternoon: "The examination of the books of the firm has not yet proceeded far enough to make any complete statement possible. Enough has been learned, however, to warrant the committee in stating that it is forced to believe that the firm of Denison, Prior & Co. is insolvent, but to what extent we cannot say."

### Prior's Ominous Threat.

The fact that the firm had been using spurious securities was made known several days before Prior committed suicide. Those who had a right to demand a statement of the facts from Prior made the demand. To their surprise they were refused point blank, one word of information, and without a tremor. It is said Mr. Prior told them, if they persisted, he would take the secret where no power could wrest it from him. The discovery of the spurious securities was made by Cleveland men last week and was promptly put before Mr. Prior Monday when he returned from New York.

The only spurious bonds yet found are among the municipal issues, and thus far they are among the securities from smaller Ohio cities.

### All Assets Vanished.

Among the former patrons of the firm the belief is growing that practically the whole list of available assets has disappeared, and nothing will remain of the once flourishing business save the large debts due to the patrons. The equities in the collateral loans, the seats owned at the various stock exchanges and other things may well be the assets somewhat, but the traders stand to suffer severe losses, according to the present outlook.

### Rockefeller Not Involved.

Frank Rockefeller, referring to reports persistently circulated during the past two days to the effect that he is one of the heaviest creditors of Denison, Prior & Co., said today: "For over a year I have not paid to or received a dollar from the firm of Denison, Prior & Co. The various sensational stories indicating that I am heavily involved with the firm are absolutely without foundation."

## BOSTON'S JEROME ACTS

### ASKS GOVERNOR TO REMOVE SAVINGS BANK BOARD.

### Moran Holds Them Responsible for Robbery of Depositors in Provident Security Bank.

BOSTON, Jan. 11.—As a result of an investigation today of the suspension of the Provident Security & Banking Company of this city, District Attorney John B. Moran today sent a letter to Governor Gould, asking that the Massachusetts Savings Bank Commissioners be removed from office. In his letter Mr. Moran charges that the Commissioners—James Otis, of Malden; Frederick B. Washburn, of Wellesley Hills, and Warren E. Locks, of Norwood, were "grossly careless and willfully negligent," in connection with the affairs of the Providence company and other institutions.

Mr. Moran maintains that the Commissioners had full power under the law of 1902 to inquire into the affairs of the company, and that, if they had done so, they would have uncovered the condition of affairs which has been revealed by the suspension, and thus have prevented possible losses affecting over 8000 depositors, the majority of whom are laborers and women and children.

## RELATIONS BROKEN OFF

### France Has No Diplomatic Dealings With Venezuela.