

TURN LIGHT ON PAPER COMBINE

Roosevelt Will Order Inquiry Made.

FAVORS REPEAL OF TARIFF

Publishers Tell of Extortionate Prices Asked.

COURT DECISIONS IGNORED

After Pretended Dissolution, Trust Reunites and Enormously Raises Prices—Sells Much Cheaper to Foreigners Than Americans.

WASHINGTON, Nov. 7.—President Roosevelt today indicated to members of the committee on paper of the American Newspaper Publishers' Association, that he will recommend to Congress the abolition of the tariff on press paper; also that he will make a recommendation to the Department of Justice that it take immediate steps to ascertain whether the anti-trust laws are being disobeyed by the manufacturers of paper.

The President's promise was obtained after he had listened to the committee and to a petition from the National organizations of printers, stereotypers, pressmen and etchers, setting forth the evidence of a combination of paper manufacturers for the purpose of controlling the output and increasing the price and otherwise making hindrance regulations governing the supply and delivery of paper.

The call upon the President was made in pursuance of resolutions by the American Newspaper Publishers' Association, instructing the committee:

That the authority of the existing statutes for repression of trade combinations may be invoked.
That the defiance of recent judicial action prohibiting participation in such combinations by certain Western mills may be punished.

The committee which called on the President by appointment today included John Norris, of the New York Times; Merrill McCormick, of the Chicago Tribune; George Thompson, of the Indianapolis News; Walter Page, of the World's Work; Dr. Albert Shaw, of the Review of Reviews; E. J. Ridgeway and president of the National organizations of allied printing trades. The history and facts were presented by Mr. McCormick. An investigation of the so-called paper trust has been in progress for some time by the Department of Justice. The President will call for the facts ascertained to the present time.

Conspiracy to Raise Prices.
The appreciation of the association was expressed to the President at the action taken by the Federal Government last year in ordering the dissolution of the General Paper Company. His attention was then called to what was termed a "conspiracy" by which it was alleged that the manufacturers of news print papers have arranged for an advance of 15 per cent upon the supply of that article for the current year and for an additional advance next year averaging 10 per cent. This, it was explained, means a burden imposed on the printing industry of the country of \$10,000,000 for the present and \$15,000,000 for the coming year.

The excuse for these advances on the part of the paper-makers is that the cost of wood and labor has increased. This excuse was met in the argument of the President by the statement that the published report of the largest manufacturer of news print paper gives the increased cost of material and manufacture, including the expense of administration and sales, as about 4 cents per ton.

First Got Tariff Raised.
The President was told that the present plan of increasing the price of paper had its inception 12 years ago in a proposition to unite the paper mills into one pool or corporation. The first step in the program was, it was stated, accomplished when the promoters induced Congress to fix a tariff duty of \$1 a ton for news print paper. It is this tariff, it is said, that the President has promised to urge Congress to repeal. The next step, which has encountered many delays, the President was told, has just been consummated by the combination to exhaust the surplus stock of paper, to cause a paper famine and to raise prices.

Working Around the Law.
The President was further informed that after abandonment by order of court of the General Paper Company, various meetings of Eastern and Western manufacturers have been held to stimulate prices and to limit the contract period. A conference of Eastern manufacturers was held for New York during the first week of September when the advance in price was decided upon. Since that time manufacturers who had previously solicited the business of various newspapers had withdrawn all quotations. Publishers who apply for quotations realize

that in some intangible way their supply has been pre-determined and the price they are to pay also arranged for them. In each case, the statement says, the publisher receives bids, but the paper is held at a prohibitory price. He also finds that he has no remedy against the supply of inferior paper. Publishers who make inquiry of one mill find that the others have been advised of that inquiry. New selling agencies representing an aggregation of previously independent mills have merged the output of those mills. The source of supply of numerous newspapers has been arbitrarily diverted from one mill to another without the consent of the publisher. Jobbers who apply to selling agents or to mills for quotations are forced to disclose the name of the customer and the purpose for which the paper is to be used. When this disclosure is made, jobbers find that satisfactory quotations can be obtained from but one in the country. Millmen and paper salesmen have admitted that an agreed scale had been adopted.

Profits Are Exorbitant.
It was reported that Canadian mills can and do pay the \$8 per ton duty and still find it profitable to sell in the United States. At the same time the American mills are selling abroad in competition with Canada, Great Britain, Germany and Norway. It was stated to the President that papermakers operating fairly-equipped mills have made large profits during the past ten years at prices averaging less than \$40 per ton, and that a selling price of between \$55 and \$60 per ton, as now proposed, would mean a daily tribute of \$45,000 paid by the paper-consumers to the combination. Evidence is obtainable in Government reports, it was alleged, that paper mills in the United States and Canada are making paper at a cost of less than \$25 per ton.

Much mystification had been attempted, it was asserted, to show that the cost of labor had greatly increased, but this was refuted by the statement that the entire cost of labor in the manufacture of a ton of paper amounted to less than \$2.40. Not one-twentieth of the advance in news print paper, it was stated, would go to labor.

Methods Not Progressive.
The lack of progressive methods of manufacture by the International Paper Company, which furnishes the bulk of the paper and fixes the price in the Eastern market, was pointed out. The export of 60,000 tons of print paper during the past season and the claim of the manufacturer that the domestic stock is practically exhausted, coupled with the shutting down of the mills on various pretexts, leads the publishers to the belief that an attempt is being made to create a paper famine. Many newspaper proprietors, it is alleged, are unable to obtain any quotations for paper for next year, and do not know where to obtain a supply.

Evidence Is Ready.
The committee on leaving the White House seemed highly gratified by the assurances from the President. Evidence, it was said, for the action of the Department of Justice is being supplied, and it is believed that the methods of the paper combine may soon be tested in the courts.

ONLY SEVENTY SURVIVE
Loss of Life by Karatagh Earthquake Totals 3400.

ST. PETERSBURG, Nov. 7.—A dispatch received today from Samark and by the official telegraph agencies says that a special representative of a local newspaper, who was sent to Karatagh in the Hissar district of Bokhara, which was destroyed by a landslide following the earthquake of October 21, reports that 3400 persons perished and only 70 escaped.

Petition Against Big Firm.
PROVIDENCE, R. I., Nov. 7.—A petition in bankruptcy against the O'Gorman Company, proprietors of one of the largest department stores in the city, was filed in the United States Circuit Court here today by the Boston Dry Goods Company, Farley, Harvey & Co., and Jacob Dreyfus & Sons, all of Boston, and all representing themselves to be creditors of the O'Gorman Company.

WHOLE OF EUROPE HUGGING ITS GOLD

Discount Rates Reach Record Figures.

BUT AMERICA MUST BE PAID

Wheat and Cotton Exports Call for More Gold.

SCRIP CURRENCY UNTAXED

Question Decided by Olney in 1893. Conservatives Sit on Manipulators to Prevent Speculative Rise in Stocks.

LONDON—Bank of England raises discount rate to 7 per cent, highest since 1873. France and Belgium advance rates and Germany will follow.

NEW YORK—High discount rates in Europe cannot prevent gold shipments to pay for wheat and cotton exports.
Stock market declines, conservatives discouraging rise to prevent pressure on money market and speculation.

WASHINGTON—Senator Heyburn protests against Government deposits in New York banks until they pay "Western banks" reserves in cash.
Treasury Department rapidly issues more bank currency and says worst of crisis over.

NEW YORK, Nov. 7.—The contest of the European money markets to retain their gold resources was indicated by the simultaneous action today of three of the large central banks of Europe and a call for a meeting tomorrow of the governing board of a fourth. The Bank of England advanced its rate of discounts to 7 per cent, a rate which has not before been reached since 1873. The Bank of France advanced its regular discount rate from 3 1/2 per cent to 4 per cent, and fixed the rate for loans on securities at 4 1/2 per cent. The National Bank of Belgium advanced its rate of discount from 5 1/2 per cent to 6 per cent, and its rate on drafts to 6 1/2 per cent, and Dr. Koch, governor of the Imperial Bank of Germany called a meeting of the governing board for tomorrow, which is expected to advance the discount rate from 6 to 7 per cent. These movements in Europe are regarded as an indication of the ability of New York to command gold and the efforts of the European banks to protect themselves against this demand.

Can't Keep Gold in Europe.
Even these high rates of discount, however, are regarded as insufficient to prevent the further importation of gold into this country, in view of the large credits which are being created by the shipment of wheat and cotton. The high rate fixed by the English bank is not expected to arrest entirely exports from London to New York, but is

counted upon in London to equalize the distribution of the yellow metal among European money centers, so as to offset losses to America by imports of gold from other places. The fact that the Bank of France had advanced its rate, although only to 4 per cent, is considered a recognition of the severity of the pressure upon the bank's great gold resources. This action is of special significance, because it is the consistent policy of the Bank of France to afford the commerce the benefit of a low and uniform rate of discount, and even to buy gold at a loss unless conditions in the international money market make it necessary to protect the reserve.

Hold Down Speculators.
The stock market reflected the pressure for money by considerable declines today, but these declines generally were expected by bankers, who looked upon the rapid advance in quotations of yesterday as hardly justified by the situation. There is a strong determination among conservative interests that there should not be a large speculation for the rise at the present time. They believe that such a movement would not only be artificial and likely to lead to disappointments, but that it would make worse the money market which cannot well be met under present conditions. There are, no doubt, powerful speculators who would like to undertake manipulation in the market, but the influences arrayed against them are so strong that if will require hardihood on their part to take any course which is opposed to conservative banking opinion.

Gold Imports \$40,425,000.
The engagement of gold today brought up the total importation on the present movement to \$40,425,000, an amount which would permit a loan expansion of more than \$10,000,000 if the legal reserves had not been already impaired.

The continuous arrivals of gold, which were swelled by \$1,000,000 coming on the Teutonic today, are rapidly replenishing bank reserves and affording the basis for protecting credit. It is not anticipated that it will be necessary to issue small scrip here, as is being done in other cities, although wages in many cases will be paid in checks.

The situation in regard to the trust companies is gradually becoming normal. The committee of trust company presidents is satisfied that their assets are ample to meet all of their obligations, and will give them all the aid offered in case demands on them should continue. Plans for regarding their old volume of business are under discussion, but will require some time for definite conclusions.

No Tax on Scrip Issues.
The temporary scarcity of currency is being met very generally, according to reports reaching New York, by the issue of printed certified checks or temporary interest-bearing notes and in some cases by scrip issued by manufacturing and other non-banking corporations.

This resource was very generally resorted to in the panic of 1893, and practically no trouble arose from any such issues. Most of the scrip issued at that time was payable after a specified period, as 90 days or six months, but where issued by the banks with support of the Clearing-House usually specified that the paper would be received on deposit at Clearing-House banks. Some question arose at that time as to whether this paper would be subject to the tax of 10 per cent imposed upon the issue of notes to circulate as money by individuals or institutions other than National banks.

The question was settled by Attorney-General Olney after the panic was practically over, in an opinion of November 21, 1893. The captions of that opinion pretty well express its text that "the tax on state banks imposed by the act of February 5, 1875, chapter 35, section 19, applies only to promissory notes and not to other negotiable or quasi-negotiable papers." The test case was on a certificate of the Clearing-House of Albany, Ga., which stated that there had been a deposit of securities to double the amount of the obligation to the bank which was responsible for the note, and that these securities were deposited for the payment to the bank or bearer in lawful money of the United States at six months from date or earlier at the option of said bank. The Attorney-General not only laid down a rule that such paper was not subject to the 10 per cent tax, but he also cited the general rule of law, which will undoubtedly afford adequate protection for all such use in the present case, "that, if there is any doubt as to the meaning

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PUTS QUIETUS ON THIRD TERM TALK

Visit to White House Works Great Change.

PRESIDENT IS EVIDENTLY FIRM

Exponents of Re-election Assume New Attitude.

SENATOR SCOTT EXAMPLE

After Consultation With Roosevelt, West Virginia Solon No Longer Predicts Renomination of Executive by Acclamation.

OREGONIAN NEWS BUREAU, Washington, Nov. 7.—It is rather significant that a number of public men, after talking with the President since his return from his bear hunt, have left the White House with some remark which would indicate that Mr. Roosevelt had impressed upon them his intention of retiring from the Presidency in 1909, in accordance with his statement made four years ago. Not one of the men have said in so many words that the President told him that he would not accept another nomination, but the fact that so many, who had positive views before they had seen the President, came away in a very unsettled frame of mind, seems to indicate that something was said.

A month ago Senator Scott of West Virginia, who is anything but the mouthpiece of the Administration, stated that the country had gone Roosevelt crazy, and he declared that the President would be renominated by acclamation. Senator Scott then went to Mexico on a business trip, and when he returned to Washington went to see the President. As he emerged from the White House he made the following statement:

"If Secretary Root were to be presented by his own state he would be a formidable candidate for the Republican nomination for President."

Scott Advocates Delay.
He then added that "so far as my own state is concerned I hope the people will not commit themselves to any candidate for many months. Of course the President stands first with us out here, but if he is not in the race, then we had better wait."

This statement coming at this time from a man who only a month ago predicted Roosevelt's renomination by acclamation is looked upon as having more than unusual significance. What the President may have said to Senator Scott to make him change his mind has not been divulged, but the President must have said something, and if he did say it, he must have done so knowing that Senator Scott would have something to say for publication, for Scott is a man who never hesitates to speak his entire mind about matters, whatever the consequences may be.

As to the Presidential prospects of Secretary Root that is another question. No one doubts but that if Root was elected he would make an ideal President. He has all the necessary attainments and is as competent a man as ever filled the Presidential office, but Root is not of the popular type that must be recognized by the Republicans next year if they are to win. The President himself has said more than once that Root would make a splendid President but a very poor candidate. And this sentence explains Mr. Root's position more fully than would a two-column discourse. In a word, Root is not a vote-getter; he does not appeal to the common people.

As a matter of fact Secretary Root recognized some time ago that he was out

of the Presidential race, and his intimate friends who have talked with him on the subject, know that he has no intention of being a candidate for the nomination because he is confident that he could not secure it. It is also to be remembered in connection with Secretary Root that his law practice has been with the corporations. The Secretary of State is not a corporation man, and if he should be elected President, he would probably be as firm as President Roosevelt in restraining corporations. But the average voter would remember that Mr. Root had been a corporation lawyer and would be prejudiced to him on that account.

It may be true, as contended by some, that the President prefers Root to Hughes. Perhaps from a point of ability he would regard Secretary Root as a better man, but the success with which the Governor of New York has met with in his state, and the public approval which he has won leaves no doubt in the public mind that Governor Hughes is far the superior candidate and would stand a better show of election if nominated by the Republican National Convention.

There is no reason to believe that the Root boom will assume serious proportions. The Secretary does not look for such a change and nothing has happened recently to intimate that any such change will take place.

GIVE VIEWS ON THIRD TERM Positions Taken by Public Men Differ Widely.
OREGONIAN NEWS BUREAU, Washington, Nov. 6.—As Senators and Representatives drift into Washington they are asked what they think of the political outlook. It is notable that a great many men, regardless of their personal relations with President Roosevelt, report a strong sentiment in favor of his renomination. Sentiment, however, is far from unanimous. The following statements taken from recent interviews give some idea of the way opinions differ:

Governor Frederick M. Warner, of Michigan—I should say that fully 75 (Concluded on Page 5.)

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PORTLAND'S FIRST HORSE SHOW OPENS

Big Attendance Marks Initial Day.

SOCIETY TURNS OUT IN FORCE

Fashionably Dressed Thousands Witness Judging.

SPLENDID EXHIBIT MADE

Portland and Seattle Vie for Honors. Local Owners Carry Off Many Firsts—Praise for the Hunt Club.

Portland may well be proud of its first horse show, which opened yesterday afternoon. Without question there has never been an event in the history of the city in which citizens of every rank were more keenly interested, and they showed it by the splendid attendance yesterday afternoon and night. Never during the Lewis and Clark Fair did the big Oriental building have pass through its wide portals a larger or a more smartly-dressed crowd, and from men and women who have attended horse shows at the Great Madison Square Garden in New York, and at the Coliseum in Chicago, were heard expressions of surprise and congratulation for the marvelous showing the members of the Hunt Club have made in their initial attempt to give a show of this character.

Big Crowd at Matinee.
The bright sunshine took to the Oriental building a remarkably large crowd for the opening matinee, and at night the smart gowns of the women who filled the boxes, and all the reserved seats, made a sight dazzling and beautiful. While society was out in force, with handsome gowns, jewels and flowers, the horses too were on parade and the show ring from the beginning of the judging in the afternoon until the close of the night programme, which ended with some spectacular hurdle jumping, was a sight that will live long in the memories of all who watched the difficult task that was performed by W. A. Dobson, and Dr. James Withycombe, the judges.

When the hour for the opening of the show came, not a detail making for the success of the affair had been overlooked, and though the judging seemed to drag at times, and the showing time of the classes went beyond the time limit, it was due to the fact that the competition between the rivals in most all of the classes was so close that it was an almost impossible task to pick the winners.

Judging a Difficult Task.
In the harness classes and in the saddle class no show ring anywhere can boast of better horses or better appointments than the present Portland show, and all this made the task of awarding the ribbons a difficult one. Though some may criticize because each class was not judged according to the schedule, it must be remembered that the officials were judging each class according to the horses and appointments that were shown, and not by the clock.

Beginning with the spectacular exhibition given by Mountain Batteries A and B of the Regular Army, from Vancouver, there was something doing in the ring every minute.

Portland exhibitors came in for their share of the blue ribbons. In the breeding class, A. C. Ruby, of Portland, and E. L. Martin, of Turner, Or., were the winners. Both of these men, who are devoting their time and money to the practical side of the business, made a splendid showing and one that Oregon may well be proud of.

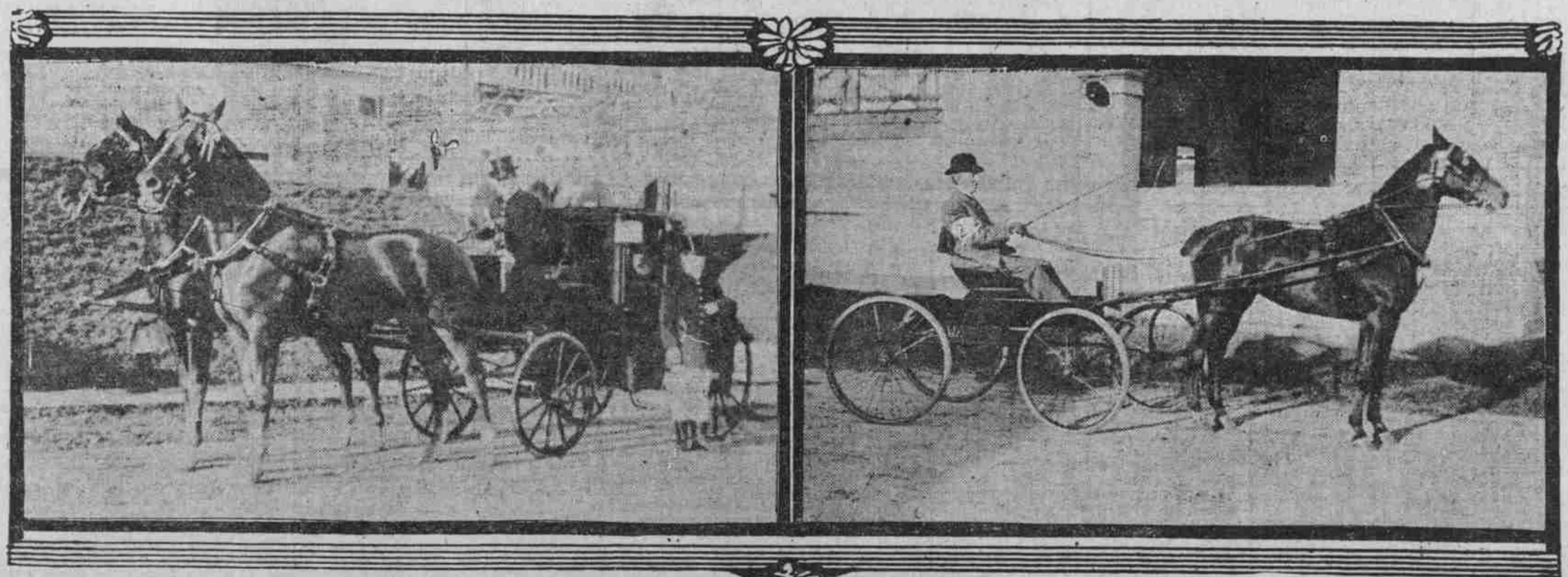
Treat Pair Gets First.
In the harness classes the judges hid their work out for them, for the contest between the appointments owned in Portland and those of H. W. Treat and John W. Conditine, of Seattle, was keen. In the class for pairs to be shown to a brougham, the blue ribbon award was to Mr. Treat's handsome team. Five appointments as handsome as could be shown in any ring were brought into the ring and it took the judges some time before they decided upon the winners. Mr. Conditine's handsome pair of chestnuts was given the red ribbon, and E. L. Thompson, of Portland, who sent into the ring a pair of bays that were bred in Oregon, was third. Perhaps no owner who was awarded a ribbon was prouder of the recognition than Mr. Thompson.

Seattle Horse Defeated.
Dr. A. C. Froom's fine high-stepper Conundrum took the blue over Busy Bee, owned by A. S. Kerry, of Seattle, in the runabout class, and the verdict of the judges was freely applauded. In the Saddle class, Kenneth Bartlett won with his 4-year-old stallion, and E. L. Thompson's miniature yearling was also given a blue ribbon. James H. Reid's blue-ribbon pair of Saddlebred mares were given a blue ribbon.

In the light harness class Portland lowered the colors of Seattle and the blue ribbon went to a pair of black horses as handsome as ever looked through a bri-

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THREE OF THE WINNERS AT THE PORTLAND HORSE SHOW



CITIZEN AND CIVILIAN, OWNED BY H. W. TREAT, OF SEATTLE; WINNERS IN CLASS 102. PAIR OF HORSES DRIVEN TO BROUGHAM. CONUNDRUM, OWNED BY A. C. FROOM; WINNER IN CLASS 98.