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PORTLAND, THURSDAY, FEB. 20, 1908.

THE ALDRICH BILL NO REMEDY.

Day by day the debate on the Aldrich currency bill goes on in the Senate. But it adds nothing to the enlightenment of the country, nor contributes anything towards solution of the main problem of our currency and financial situation.

The reason is that men can't get over the old errors of our greenback system, and of our present National bank system, or system of bond-secured currency adopted as an emergency measure for the Civil War. Forty-five years ago these methods and expedients were adopted, because they then seemed the readiest means to meet an emergent need; and now people have come to regard legal tender Treasury notes, which are but mere promises to pay, as money, and the rigid and unscientific system of bank currency secured by bonds, as the only form of bank notes which the country can have—though in fact it is the very worst in the world, and so bad that there is no parallel to it. "In 1863," says Fowler of New Jersey, chairman of the House committee on banking and currency, "when Secretary Chase wanted to raise money to carry on the war, he devised this scheme of basing our currency upon Government bonds; and, by imposing a 10 per cent tax upon bank note circulation, compelled the bankers to buy the United States bonds and issue circulation based upon them. It was a bond-selling scheme in its inception, and it has never been anything else but a bond-speculating scheme."

Bank currency should be based on movable or current assets, on mercantile bills representing the great commodities of commerce. Such bank notes must keep moving, because the commodities keep moving, and the mercantile bills that represent the commodities must be paid at bank, either in notes or in gold; and sufficient gold reserve is kept by the banks for all accidents or emergencies.

It has been and is the custom every Fall, as Chairman Fowler explains, to send into the farming districts from the central cities, say three hundred millions of currency, for movement of the crops and general business. But last Fall, when this demand was urgent, there coincidentally happened a financial difficulty in New York that precipitated a run on the banks and probably from $125,000,000 to $150,000,000 of currency was seized, so that the Eastern bankers not only were utterly unable to send money to the West, but were even compelled to adopt clearing-house certificates. This was the panic in the East and the money stringency everywhere.

It came about through our stiff, fixed, rigid and inflexible system of currency based on bonds, instead of mercantile bills or bank credits. It was simply a freeze, stopping the flow. But if the resources of the banks could have been converted into current credits the flow would not have been interrupted. It is a certainty, says Mr. Fowler, that the banks in the central cities were owing the country banks more than $300,000,000. It was an absolute debt, but couldn't be converted into a current credit. A bond-secured currency was locked up. A proper bank currency could not have been. But the trust companies of the country took the entire issues of many of the great National banks and held them as reserve, and the banks had allowed it because there was an interest profit to them in the transaction.

The greater volume of bond-secured currency, proposed by the Aldrich bill, will not help matters in the long run, but in any emergency will aggravate the difficulty. What we need is a system having some approximation to that of France or to that of Germany. But probably the partisan spirit in our country, coupled with ignorance of money, is too strong to permit the country to obtain it.

STATE RATEMAKING POWER.

The primary reason for ordering in a joint rate on wheat by the Washington Railroad Commission was a desire on the part of a few Puget Sound millers to divert wheat from its natural route to market by way of Portland to the more distant markets of Puget Sound. That the somewhat questionable tactics of the interested parties behind the scheme were unsuccessful is matter of congratulation to both millers and producers in the territory involved, but there are even more important reasons for welcoming the decision. In deciding that the Railroad Commission can have no powers beyond those of a mere advisory board for the Legislature, Judge Hanford has shorn the Commission of authority which might have been used with very serious results, and has definitely explained that the ratemaking power rests with the Legislature.

The lesson has been a very expensive one for the State of Washington, for where an ordinary advisory board appointed for the purpose of gathering data, hearing complaints and attending to minor details would have cost but a few thousand dollars, the present board, which essayed to regulate every thing in connection with a railroad, has already used up about $100,000 of the state funds. All this might have been saved had the people recalled their past experience in ratemaking. The Anderson maximum rate bill, introduced in the Legislature by a Palouse farmer, brought the first large reduction in wheat freight rates, and another reduction was made by the McCroskey rate bill. These measures were passed by the Legislature after their merits had been thoroughly examined by a body of more than 100 men who had been elected by the people.

The opportunity for fair play for all concerned, when a law is made in this manner instead of by a commission of three men appointed for political purposes, is quite obvious. The framers of the Washingotn constitution provided for just such effective ratemaking legislation as the Anderson and McCroskey bills when they decreed that "the Legislature shall pass laws establishing reasonable maximum rates or charges for transportation of passengers and freight, and to correct abuses and to prevent discrimination and extortion in the rates of freight and passenger tariffs on the different railroads, and other common carriers in the state, and shall enforce such laws by adequate penalties."

SOME HARRIMAN DEALS.

According to figures published by the New York World, the Harriman clique has pocketed more than $29,000,000 profit from its shady stock deals with the Union Pacific Railroad. Having this road by the throat, the clique was able to plunder it deliberately and without limit. The only wonder is that the freebooters stopped where they did. The general principle of their deals was to get hold of a large block of stock in some other railroad company at a low price, use this to wreck the road, water it, squeeze it and bedevil it according to the approved methods of high finance, and finally, when it had been drained of its last cent of incidental profit, sell it to the Union Pacific for twice its value.

The advantage of being at the same time a man and a railroad is amply demonstrated by these transactions. The members of the Harriman clique could buy the shares for themselves as men for almost nothing, then turn round and sell to themselves as the Union Pacific Railroad at any price they chose to set, making the Union Pacific investors pay the bills. The total amount of squeezed and exhausted stock which they thus unloaded upon their unhappy constituents was more than $139,000,000. Naturally, as soon as the financial stringency occurred the water began to drip from these holdings, whose values shrank to something like their actual figure. In the process the stockholders of the Union Pacific lost about $42,000,000. It may comfort the souls of Oregonians to remember that $13,000,000 of this loss belonged to them if every one had his dues.

It is well enough to cite one or two examples of these Harriman transactions in order to initiate the laity somewhat more deeply into that sort of "business" which many of our great moralists denounce us for not admiring. Take the purchase of Illinois Central shares. Harriman bought 281,231 of them in the name of the Union Pacific, enough to control the company. Later he discovered that the laws of Illinois forbid a foreign corporation to own a railroad in that state. To evade the difficulty which thus appeared he caused 15,000 shares of Illinois Central stock to vanish from the Union Pacific treasury, leaving not a wrack behind. What he did with it heaven alone knows. Of course he did not steal it, being a great financier; but if an ordinary citizen should do the same thing, we are apprehensive that he would have to go to jail. No wonder Mr. Harriman did not wish to answer the inquiries the Interstate Commerce Commission put to him concerning this and other shady performances. A Federal judge has ordered him to answer the questions, after a long delay, but of course an appeal has been taken and the cause has still to drag its sinuous length through court after court before it is settled. Meanwhile Mr. Harriman can pose as an honest citizen and rail at those who would punish his misdeeds.

For another example, take the Alton deal, which has been so much discussed. Harriman and his pals bought this road in 1899 for $39,000,000. They at once got back six and a half millions by declaring a dividend out of funds which ought to have been used for repairs, for the road was a wreck. They next reorganized the company, took a cash bonus of ten millions and traded their old stock for 400,000 shares of new stock at $5 a share. The cost of the road now stood them at about $20,000,000. The rest had been swindled out of the old owners and the confiding public. To get back this $20,000,000 they bonded the battered property for $62,000,000 and of these bonds sold themselves $32,000,000 at 65 cents, which they immediately resold to the convenient Equitable and New York Life Insurance Companies at over 90 cents. The profit was a very pretty one. The same bonds could not be sold in the open market at the same time for more than 86 cents on the dollar. This shows how convenient it is for a king of finance to have a fat insurance company under his thumb at certain crises.

The result of the Alton deal was that Harriman got the road for nothing and received a bonus for taking it. This was perhaps the most flagrant of all his plundering schemes, but the others differed from it only in degree. He has robbed the Union Pacific shareholders on the one hand and the public tributary to that road and its connections on the other, everything that he could squeeze from either victim going into the treasury of Standard Oil and his own pocket in equitable shares. That is the kind of a person Mr. Harriman is, and yet he exercises more actual control over the fortunes and happiness of the American people than any other individual in the country. If we must have an industrial despot, it would seem wise to find some way of choosing a better man.

UNCLE JOE'S POSE.

Very likely politicians have to exercise their imaginations just as public utility magnates have to bribe and swindle. Without these devices neither franchise-grabbing nor office-getting could be carried on without serious shrinkage in magnitude and profits. Still there is a point beyond which fiction becomes indistinguishable from impudence, and this point the Illinois State Central Committee seems to have passed in its resolutions glorifying Mr. Cannon. This unblushing committee invites "the attention of the country to the well-known fact" that without Mr. Cannon's "earnest and constant support" the President could not have carried his measures, like the rate bill and the pure-food law, through Congress. The committee goes on to express the extraordinary opinion that Mr. Roosevelt's policies "cannot be better carried out and continued" than by intrusting them to Mr. Cannon as his successor. In other words, the best way to protect the sheep is to set the wolf to guard them.

The character of Mr. Cannon presents many fascinating aspects to the charmed observer, but fidelity to Mr. Roosevelt and his policies is not one of them. Uncle Joe is a back number, a standpatter rooted fathoms deep in the mire of tradition, formalism and special privilege. Upon the abuses of the tariff and class legislation he has grown rich and all his relatives have waxed fat. His heartstrings are so intimately interwoven with Dingleyism and trust favoritism that it would cose his life to sever the connection. Since the period of his blooming and buoyant entrance into Congress, some thirty-six years ago, Mr. Cannon has sedulously devoted himself to talking on behalf of the people and acting on behalf of the plunderers of the people. He has triumphantly illustrated the great truth that, in spite of holy writ, a man can serve two masters. He has done it by keeping one of them befuddled with promises and the other beslobbered with favors. It is needless to add that it is not to the people that the favors have gone.

When Uncle Joe did not dare to hinder Mr. Roosevelt he has either stood neutral or damned his policies with faint praise. When the mutterings of the country became so terrifying that Mr. Cannon grew timorous for the consequences, he moved out of the way and permitted the President's policies to be enacted into law; but he has never lost a chance to clip and pare away whatever he could, and if there was an opportunity for a secret stab at the heart he has always used it. Such is the kind of fidelity which Uncle Joe has shown to Mr. Roosevelt, and he now asks to be made his trustee and successor on the score of it. If this is not impudence, what is it? Mr. Cannon's admirers in Illinois must hold the intelligence of the American people in deep disesteem.

DRAWING THE STATE TOGETHER.

The approaching completion of the North Bank road, the early construction in this city of the largest packing plant west of the Mississippi River, together with a number of other great enterprises well under way, had momentarily, perhaps, diverted our attention from completion of the electric line between this city and Salem. The enthusiastic celebration of the opening of this most important transportation enterprise has served to remind us that the two chief cities of the state have suddenly, without any blare of trumpets, been brought into the closest possible touch with each other. The locomotive has been termed the great American civilizer, and, while the term may be highly appropriate, it would be equally appropriate to term the electric car the great American developer.

There was something more than gentle sarcasm in the remarks of General Manager O'Brien, of the Harriman system, who at the reception at Salem said that he welcomed the coming of the electric roads because they worked up traffic in small lots and assembled it at points where it could be turned over to the steam roads. If the freight and passenger traffic between Portland and Salem were to show no changes in volume, it would, of course, be a certainty that the coming of the Oregon Electric cars, with their frequent service and fine equipment, would cut into the business and reduce the revenues of the Southern Pacific, which prior to this time has been alone in its glory on the route. But the electric line, figuratively and actually, goes out of the beaten path and opens up new territory and makes possible intensified and diversified farming, which eventually will double and treble, and double and treble again, the traffic of the Willamette Valley.

It is from this increased traffic that the Southern Pacific and other lines reaching from the Atlantic to the Pacific will increase their revenues with the long haul eastward on Willamette Valley products assembled by the electric lines and the increased tonnage of westbound merchandise which will be distributed by the local lines. On both sides of the track for the entire distance between Portland and Salem there are thousands of acres of rich land that has never produced anything but brush and trees, and there are more thousands of acres which have been cropped to death with wheat, and must now be restored by a course of diversified farming to replenish the soil. The electric line has brought all of this rich country in easy access of Portland and Salem, and in a very few years five-acre tracts will be adding more to the wealth of the people than is now secured from quarter sections and half sections. Portland has much to be thankful for this year, but near the head of the list of her many commercial blessings must stand the new electric line which has drawn together the two chief cities of the state.

Labor, the last marketable commodity to feel the advance when good times sends prices skyward, is, as usual, the first to feel the cut when a financial stringency begins. Since the beginning of the row between the Wall-street gamblers there have been steady additions to the ranks of the unemployed, and even the departure for Europe of many thousands has not served to help matters very much. All over the land are heard complaints from idle men, and, in almost every line of industry, shorter hours and lower wages are the rule. It is merely another phase of the old law of supply and demand. Last week the firemen on Puget Sound tugs all struck against a reduction of $5 per month in their wages, and the company was immediately overwhelmed with applicants for the work at the lower rate. Every one suffers to a greater or lesser extent by these periodical spells of depression, and all will accordingly rejoice when good times and a restoration of wages appear.

The Diario Espanol, a Spanish newspaper printed at Havana, editorially makes the charge that it was the Americans, and not the Spaniards, who blew up the Maine. The paper alleges that the crime was committed by the Americans "under direct orders from the War Department for the purpose of justification in the plan to despoil Spain of Cuba." The charge, of course, is ridiculous, but were it true, it is quite plain that the result of that explosion has not lessened the liberties of the fire-eating editor who prints such rot. Imagine a newspaper printing such serious charges in a country ruled by Spain. The editor of Diario Espanol should feel grateful indeed for the change that has taken place in his beloved Cuba, for under the old regime such language as he is guilty of would have landed him in jail in short order.

A Necanicum correspondent quite truthfully remarks that protection for the elk means an addition to the supply of cougar meat, and that the cougar usually kills 100 deer a year. These facts should not influence legislators to relent in their efforts to provide proper laws for the protection of these game animals against the hunters who would, if unmolested, kill these vanishing animals in season and out of season. The suggestion of the Necanicum correspondent that a large bounty be paid for cougar and gray wolf scalps is a good one. If it is liberal enough to make it an object for hunters to go out and trail these destructive marauders, the supply of game would in due season show a noticeable increase.

As one distinguished statesmen after another gets upon his legs in the House of Representatives and delivers himself of a stump speech in favor of Cannon or Fairbanks or Bryan or some other immortal hero, the Nation rubs its eyes and wonders what these lofty patriots are paid for. Are they paid to spellbind for their respective bosses, or to legislate for the country? There is one consolation in their present conduct. They do not spellbind very well, but they do it a good deal better than they could legislate. As long as they devote themselves to spouting hot air they are at least out of mischief, which is saying a great deal for the average Congressman.

Apparent devotion to the cause of religion has always been a favorite cloak with which some crooked bankers shield themselves from the rude gaze of the public. But religion is not to blame for all of the crimes that are committed in its name or under its banner. For example, down in wicked Tonopah, Nev., the State Bank & Trust Company has just succeeded in making a failure fully as complete as that of some others, and nothing in the news dispatches intimates that the promoters were unduly religious. It has been pretty clearly demonstrated that a thief is a thief irrespective of his religious pretensions.

Probably no one regrets the circumstances that prevented Mayor Lane from attending the Salem banquet more than Mayor Lane himself.

Except for the automobile race and the Cincinnati bowlers, the sporting page would be as lifeless as the Fairbanks campaign.

Why ask? Of course, no one enjoys the climate of Chicago. The people there simply endure it until it proves fatal.

How's that? John Minto's place of business open for the sale of stamps till midnight? And in a town with the lid on?

Of the 5000 big buyers reported now in New York, none are likely to purchase their wares through Wall-street brokers.

Over $27,000,000 worth of horses in the commonwealth of Oregon. Who now dare call us a one-horse state?

Why should Mayor Lane go to Salem? Can't he get all the chaffing he needs right here at home?

If Taft and Hughes were not asleep they must have heard the Cannon boom.

Begins Smoking in Ninety-Sixth Year.

Kansas City Journal.

Frank Seyk, Sr., celebrated his 104th birthday at the home of his son at Keyaunee, Wis., by playing a clarinet solo and singing a song to demonstrate that, notwithstanding his advanced years, his ears had not lost their sense of harmony. Mr. Seyk is the most unique character in that section of the state. His memory is still keen and he is able to recall incidents of many years back with a vividness that arouses surprise. He is free from all bodily ailments and attributes his longevity to dieting and regular habits. He did not take up smoking until his 96th year, though he has been an inveterate user of snuff all his life.

Fancy Bag Stays Lover's Bullet.

Pittsburg Dispatch.

The life of Miss Naomi Johnston, of Baldwin, Pa., who was fired at by a rejected lover, was saved by a silver chatelaine bag hanging at her waist, the bag being cut in two by the bullet.

NARROWED TO TAFT OR HUGHES.

Appeal That Presidential Contest Should Be Between Them Alone.

Springfield (Mass.) Republican, Ind.-Dem.

It would be great and good fortune for the Republican party if the struggle for its Presidential nomination could now be narrowed into a friendly contest between Mr. Taft and Mr. Hughes, each of whom is a high type of public man. In so far as there are signs of such a development, the Republican party is to be cordially congratulated.

It is an exceptional privilege that is offered. In personal character and in fitness to discharge the duties of the Presidential office, the two men are both highly attractive. It is easy to appreciate how Republicans of ideals and unselfish love of country may hesitate between them, for both are personally free from plutocratic alliances inimical to the interests of the people, and both have a sobriety of mind and a stability of temperament engaging to contemplate. The selection of one or the other would bring into the campaign the strong appeal to the American voter which the best traditions of the Republican party embody, however vulnerable either might be on account of special issues or because of general conditions adverse to the party in power.

The President himself could do much to promote a friendly contest between the two most promising candidates, as they now appear, by severely neutralizing himself and his office.

Is this a fine-spun criticism? It may seem so to Mr. Taft; it will seem so to Mr. Roosevelt. Yet it cannot be, broadly speaking, if it remains the business of the people to elect their own rulers; nor can it be, even from the more narrow viewpoint of a party, if the party is to be strong with the people and unhampered by unnecessary factional divisions. One can think of nothing more advantageous to the Republican party, during the time intervening between the present and the Chicago convention, than such a contest between the Secretary of War and Governor Hughes that the outcome, whatever it might be, could never be ascribed to the use of executive power in whatever form. To insure such a contest between candidates eminently worthy in themselves, the President needs only to supplement his promised refutation of the charge that he has been using placeholders to Mr. Taft's advantage with a declaration of his own neutrality and the neutrality of his own office that will carry conviction to every mind.

Watterson Disbelieves.

Henry Watterson, who is sojourning for the Winter on the gulf shore of Florida, writes now and again elaborate articles for the Louisville Courier-Journal, the latest of which deals with the President's recent message and denies the conclusions of those who assert that the message is noticed that the President is, in spite of all his renunciations, an expectant candidate. Here is a passage:

> Nothing could so disparage the President, as nothing could so show the slight consequence which is attached to his plighted word. It is not too much to say of it that, uttered privately, it would constitute an affront.
>
> Yet, a person by the name of Bourne, or O'Bourne, who seems to be a Senator in Congress from somewhere out West, and is described as a great friend and admirer of Mr. Roosevelt, is credited with this yawp: "The message is the greatest public document since the Declaration of Independence, and it means the renomination of President Roosevelt beyond all question." The President, in the doubtful event that he saw fit to dignify such an individual with any notice at all, might send for him and address him somewhat in the following style and language, to wit: "Mr. Bourne, or Mr. O'Bourne," as the case may be, "my word and honor are pledged that I shall not be a candidate. He who intimates that I may be is not my friend, and I shall consider him my enemy. Unless you cease talk which is offensive to me, oblige me by keeping away from the White House."

Bryan Getting Rich, but His Party—

New York Times, Dem.

Mr. Bryan makes money by being a leader and by being a candidate. It keeps him before the people and creates a demand for his paid lectures. He confesses that he has made a fortune—enough to keep him in comfort the rest of his life. He visited New York a week or two ago, and spoke many times here and in this vicinity. What word did he say, what thought did he utter, that any human being was the better or the wiser for having heard? Mr. Bryan is better off, for he got a good price for the lecture he delivered. He makes a business of political leadership. It pays him. But it is death to the Democratic party. He is probably the most conspicuous example now before the American people of commercialism in politics.

He is so empty, shallow and devoid of ideas that he spends much of his time in approving, applauding and repeating what Mr. Roosevelt says. It is idiotic to suppose that the Democrats can advance to victory under a leader who is but a copy and echo of the other party's much more capable leader. In such a condition an opposition party is obviously superfluous.

Fine Bottles Made by Machine.

Salem (N. J.) Dispatch in Philadelphia Record.

A glass-blowing machine that will make a narrow-neck bottle is an invention of Timothy Kelly, in this city. While jar machines have been in use for several months, the hand-blowers and manufacturers were sure that a machine to form a narrow neck would never be perfected, as it requires a varying pressure, while the workman watched the formation of the glass in the mold. Kelly has been secretly working on the machine for over a year in a closed room at the Salem Glass Works, in this city, and today produced the first perfect bottles ever shown from a machine.

Law of Squatter and Renter.

St. Louis (Mo.) Dispatch.

Joseph Custer, a shoemaker in St. Louis, occupies a streetcar in the suburbs as a dwelling, and objects to paying $4 a year rent for it, and back rent amounting to $12, on the ground that he is a squatter and not a renter. The court has reserved decision.

This Virginia Editor "All In."

London (Va.) Mirror.

The editor is all in, down and out this week from the effects of a heavy cold, and the work of getting out this issue of the Mirror has been a hard undertaking to one who has a feeling of being 300 years old and who has a constant desire to want to sleep it off.

Orchard Lands of Long Ago.

By James Whitcomb Riley.

The orchard lands of long ago!
O drowsy winds, awake and blow
The snowy blossoms back to me,
And all the buds that used to be!
Blow back again the grassy ways
Of truant feet and lift the haze
Of happy Summer from the trees
That trail their tresses in the seas
Of grain that float and overflow
The orchard lands of long ago!

Blow back the melody that slips
In lazy laughter from the lips
That marvel much that any kiss
Is sweeter than the apple is.
Blow back the twitter of the birds;
The lisp, the thrills, and the words
Of merriment that found the shine
Of Summer time a glorious wine,
That drenched the leaves that loved it so
In orchard lands of long ago.

O Memory! alight and sing
Where rosy-bellied pippins cling,
And golden sunsets glint and gleam
As in that old Arabian dream—
The fruits of that enchanted tree
The glad, Aladdin robbed for me!
And drowsy winds, awake and fan
My blood as when it overran
A heart, ripe as the apples grow,
In orchard lands of long ago!

Harriman's Personal Profits in U.P. Jugglery

Amazing Record of Frenzied Stock-Jobbing Finance—Millions into the Private Pockets of the "Little Wizard's" Clique—Answers to Questions Not Answered Before Interstate Commerce Commission.

New York World.

IN report No. 943 issued by the Interstate Commerce Commission appears a summary of the stocks in other railroads bought by the Union Pacific by Mr. Harriman's direction. Omitting minor matters, like the Pacific Fruit Express, the Fresno City Railway and installment subscriptions, the stocks bought with the money and credit of the Union Pacific stockholders and their prices were:

Cost to Union Pacific Stockholders.

Stock.	Shares.	Cost.
Atch., Top. & Santa Fe...	100,000	$10,395,000
Baltimore & Ohio	395,406	45,466,960
Chicago & Alton pf.	103,431	8,946,781
Chic., Milw. & St. Paul...	36,900	5,997,750
Chic. & Northwestern.....	25,720	5,303,673
Illinois Central	281,231	41,442,028
New York Central	142,857	19,634,324
St. Joseph & Grand Island.	50,822	2,022,540
Total cost		$139,209,056

These facts were brought out by the Interstate Commerce Commission from the testimony of the Union Pacific officials. But both Edward H. Harriman and Kuhn, Loeb & Co., who were his bankers and brokers in these transactions, refused to tell who the sellers to the Union Pacific were, the price at which the sellers bought and the profit that the sellers made.

A comparison of the past week's market values of these stocks with the prices paid for them shows a loss by depreciation to the Union Pacific stockholders as follows:

Loss to Union Pacific Stockholders.

Atchison, Topeka & Santa Fe	$ 1,745,000
Baltimore & Ohio	12,972,604
Chicago & Alton pf.	3,877,662
Chicago, Milwaukee & St. Paul	1,896,600
Chicago & Northwestern	1,623,504
Illinois Central	13,659,703
New York Central	5,812,851
St. Joseph & Grand Island	486,000
Total loss	$42,034,984

But nowhere in the testimony does the individual profit of Edward H. Harriman and his partners appear. Questions on this point by the counsel of the Interstate Commerce Commission were not answered either by Harriman or by the members of Kuhn, Loeb & Co. After a delay of many months a motion to compel them to answer was made before Judge Hough of the United States Court for this district.

"One Who Had Stolen."

Judge Hough decided that these questions must be answered, saying significantly in reply to the plea of Kuhn, Loeb & Co. that their transactions with Harriman were privileged:

"It would be a singular extension of the rule concerning privileged communications that permitted the identity of one depositing securities with a bank to be concealed by that merchant. The principle, if acknowledged, would screen one who had stolen what he so desposited."

Both Edward H. Harriman and Kuhn, Loeb & Co. have taken an appeal from the order of Judge Hough compelling them to answer these questions, and their personal profit has not yet become a matter of official record.

The Harriman Profits.

The World is able to anticipate in part the answers which Harriman would make to these questions if he would tell the truth. It is able to disclose in advance of his testimony the profits which he and his partners made. How these profits were divided, what was Harriman's share, what was Kuhn, Loeb & Co.'s share, and how much Henry H. Rogers and James Stillman, who shared in certain of the profits, respectively took, the World is unable to state, as the manner of division is not contained in the same records as those from which this information has been obtained.

Illinois Central.

Of the 281,231 shares of Illinois Central stock for which the stockholders paid $175 a share, 106,000 shares were sold by Kuhn, Loeb & Co, as agents for a syndicate, 80,000 shares belonged to the Railroad Securities Company, 30,000 came from E. H. Harriman as an individual, 30,000 from H. H. Rogers and 30,000 from James Stillman. The Railroad Securities Company was a Harriman holding corporation. The average price which this Illinois Central stock cost Harriman and his partners was 130. It was sold to the Union Pacific at 175. The profit of $45 a share on 275,000 shares amounted to $12,375,000.

The profit was really more than this, because the Railroad Securities Company did not own these 80,000 shares of stock free and clear, but had issued $8,000,000 of 4 per cent gold bonds with the 80,000 shares of Illinois Central stock pledged as security. These bonds had been sold and had reduced by that much the cost to Harriman and his associates.

15,000 Shares Vanish.

How this Illinois Central stock was used at the Union Pacific stockholders' expense in the recent Illinois Central election is in part disclosed by the report of the Union Pacific Railroad Company, as printed in the London Times' financial and commercial supplement on January 3, where it occupies two pages. According to this report 15,000 shares of the Illinois Central stock vanished from the Union Pacific treasury without one penny being received in exchange therefor.

Interstate Commerce Commission report No. 943 states on page 20 that between June 30, 1906, and February 28, 1907, the Union Pacific acquired 281,231 shares of Illinois Central stock, 80,000 shares of which belonged to the Railroad Securities Company and were represented by the purchase of the Railroad Securities Company stock.

It appears from the London Times' report that on June 30, 1907, the Union Pacific had, including the Railroad Securities Company's holdings, **only 266,231 shares of Illinois Central stock, which cost, according to the tabular statement on page 213 of the London Times, $41,442,028, which are the identical figures given on page 20 of the Interstate Commerce report as being the cost of 281,231 shares of Illinois Central.**

It would seem from this that for the purpose of evading the laws of the State of Illinois against foreign corporations controlling Illinois railroads 15,000 shares of this stock were taken from the Union Pacific treasury without one penny of payment.

Of the Baltimore & Ohio stock 77,000 shares of common stock were put in by Harriman and partners, the remaining shares having been bought from the Pennsylvania Railroad direct. The Harriman stock cost an average of a little less than 85. It was sold to the Union Pacific at 120. The profit of $35 on 77,000 shares amounted to $2,695,000.

Atchison, Topeka & Santa Fe stock cost an average of 90 and was sold for an average of 103.95, making a profit of $1,300,000.

On the St. Paul stock there was profit of $565,000, on Chicago & Northwestern a profit of $600,000 and on the New York Central a profit of $1,500,000.

The St. Joseph stock was admittedly bought from Edward H. Harriman at a cost of $2,022,540, on which Harriman made a profit of $950,000.

The Champion Profit-Maker.

Chicago & Alton, however, was the champion profit-maker in the list.

In 1899 Harriman, Schiff, Stillman and Gould bought the old Chicago & Alton Railroad Company for $39,006,600. They at once declared a dividend of 30 per cent, and repaid themselves $6,538,380. They then transferred their stock to a dummy named Louis L. Stanton, who organized the Chicago & Alton Railway Company, which paid $10,000,000 and 390,318 shares of new stock for the old stock, thus reducing the cost of the road to $22,470,220 and making the shares of new stock cost $5 apiece. This trifling cost was more than recouped by the issue of $62,000,000 of bonds, of which they first sold to themselves $32,000,000 at 65 cents on the dollar, and then resold, through the syndicate managers, Kuhn, Loeb & Co., in part to the New York Life at 96 and to the Equitable at 92. The last $22,000,000 of bonds were nominally sold to Kuhn, Loeb & Co. for 60 cents on the dollar, and resold through the Stock Exchange at 76½ to 86¼.

Including these bond transactions the new stock cost Harriman and associates nothing. They not only got the Chicago & Alton Railroad without paying anything for it, but received a cash bonus for taking it.

After all this had been done they sold to the Union Pacific stockholders, at $86.50 a share, 103,431 shares of the new Chicago & Alton Railway stock, which, disregarding the bonds, had cost not more than $5 a share. The Union Pacific paid $8,946,781 for what at the most liberal estimate, had not cost Harriman, Stillman and Kuhn, Loeb & Co. more than half a million dollars.

Disregarding the $8,000,000 received from the hypothecation of the Railroad Securities 80,000 shares of Illinois Central stock and the profits from selling Chicago & Alton bonds to themselves at 60 and 65 and reselling them to life insurance companies and others at 78 to 96, the direct and indisputable profits which Harriman and his associates made out of the Union Pacific stockholders by buying stocks at a low price and selling them to the company of which they are trustees at a high price were as follows:

The Harriman Personal Profits.

Stock.	Profits.
Atchison, Topeka & Santa Fe......	$ 1,300,000
Baltimore & Ohio	2,695,000
Chicago & Alton	8,446,781
Chicago & Northwestern	600,000
Chicago, Milwaukee & St. Paul.....	1,500,000
Illinois Central	12,375,000
New York Central	1,500,000
St. Joseph & Grand Island	950,000
Total Harriman profits...............	$23,360,781

As it happens, the loss to the Union Pacific stockholders is some $12,000,000 more than the personal profits of Harriman and his associates, which is the result of general stock values being lower now than they were when Harriman bought or manufactured the stocks which he sold at high prices afterward to the Union Pacific.

ROOSEVELT A "READY-MADE" MAN

Merchant Tailor Says Chief Executive Is a Poor Dresser.

New York World.

"President Roosevelt is a poor dresser. His clothes have a 'no-more-no-less, from-mills-to-man' look."

"Secretary Taft dresses very well for a fat man, but he should avoid the dinner jacket. His enormous girth makes his dress vest look like a belt."

"Speaker Cannon is a total loss as far as clothes are concerned. Once in a while he looks pretty good, but the most of the time he looks like h——!"

"Vice-President Fairbanks is a difficult man to drape correctly. His clothing is of costly material, but in full dress he looks as comfortable as a man hanging from a tree."

"Senator Beveridge is a swell dresser."

"'Tim' Woodruff looks like a cozy corner."

Now you know what the chief sartorial scout of the Merchant Tailors' National Exchange thinks of these prominent statesmen as far as clothes are concerned. "Hughey" Ardleigh, official handicapper of the organization, is the man who discovered the weak spots in Washington's wardrobe. He has made his report at the final try-on of the clothing carpenters, who have been in session at the Park-Avenue Hotel.

"I attended the President's reception in Washington, D. C., a few weeks ago," said "Hughey," "and the clothing discords I saw there made me yearn for a pair of overalls. I had all I could do to keep my chalk in my pocket. And the tailor that has to make the alterations in that bunch will need more than one piece of chalk."

Thought President Was Looking.

Washington (D. C.) Dispatch in New York Herald.

Deputy Clerk James D. Maher of the United States Supreme Court was the innocent cause of a flurry in the House of Representatives. Mr. Maher, having a few spare moments, wandered over to the House side of the Capitol for relaxation. Whether the joke was perpetrated by the doorkeepers on the House side or by sombody else, Mr. Maher suddenly found himself alone in the executive gallery of the House, which is especially reserved for the President and his family. Mr. Maher bears a striking resemblance to the President in stature, coloring and facial expression, and his presence in the gallery roused the House in a most astonishing manner until it was definitely ascertained that the President himself was not watching the proceedings.

TWO MILLION "SHINES" PAY RENT.

Bootblacking Corporation's Lease in New York City Buildings.

New York World.

Spaces in the new Hudson Terminal Buildings have been rented to a bootblacking corporation for a long term of years at rates aggregating $124,000. It will take 2,480,000 five-cent "shines" to pay the rent.

This arrangement expresses in its terms the important development which has come to bootblacking as an occupation in New York.

Years ago the business was found to be worth the attention of syndicates, which with the padrone now have the industry pretty much their own way. Almost completely vanished is the type of boy bootblack that was common in the city when Horatio Alger wrote his "Ragged Dick" and "Tattered Tom" books. The plucky little chap with his box slung over his shoulder has given way to the more or less mature Italian with a chair and stand which may have cost anything from $4 to $25, and for whose location a rental may be paid equal to that of a fairly good suite in an apartment-house.

In the late agitation over stands in City Hall Park, it was found that forty bootblacks there were making approximately $120,000 a year.

Women have gone into bootblacking in New York, but not permanently. A Chinese who tried the trade in Amsterdam avenue some years ago was forced out by the neighborhood. When the "Shiners" organized against the oppressions of "Signor Rosevelto," Police Commissioner, in 1895, there were about 2500 of them. Presumably there are now many more.

The trade of blacking boots may have had a classical origin. If it had, the trail is lost. Nowhere else has the business risen to such dignity as in New York, and there are reasons. For instance, a recent observer in London found that out of 80 men passing him in Piccadilly Circus the boots of 60 looked as if they had not been polished for a week. The Manhattan hustle, even as exemplified by the commuter, always permits of time for a "shine."

Life-Saver Prefers Work to Money.

Trenton (N. J.) Dispatch.

A tramp saved a child of John Schuyler, near Lakewood, N. J., from icy water, and surprised Schuyler by accepting work rather than money as his reward.