



## PANIC IS AVERTED BY TRUST'S ACTS

### Gary Tells Why Tennessee Iron Bought.

## CRASH WOULD HAVE BEEN GREAT

### Roosevelt Consulted Before Steel Trust Buys.

## FEDERAL CONTROL SOUGHT

### Head of Trust Relates Dramatic Story of Deal Which Saved Moore & Schley—Stock Bought for More Than It's Worth.

WASHINGTON, June 2.—Elliott H. Gary, chairman of the United States Steel Corporation, told the Stanley steel trust investigating committee today that his corporation stood behind J. P. Morgan in averting a disastrous financial upheaval in 1907.

He testified, challenging the statements of John W. Gates before the committee, that the purchase by the steel corporation of the Tennessee Coal & Iron Company at that time was made at a price more than it was worth for the express purpose of preventing the crash of the New York banking firm of Moore & Schley.

Mr. Gary related a dramatic story of the momentous events which preceded the absorption of the Tennessee concern. He described in detail how he and Henry C. Frick, at the instance of Mr. Morgan, had revealed the plan of buying the company at a price greater than its value to President Roosevelt and Eltha Root, then Secretary of State. He told how he had concluded, after their interview with Mr. Roosevelt, that any Government prosecution of their act would have been an "out-rage."

Mr. Gary made surprising statements during his eight hours' examination, but none more startling than his declaration that Government control and publicity of corporations in this country must come. He said that through the American Iron & Steel Institute, the heads of the steel industry are trying to steele a course between the Sherman anti-trust law, which he characterized as "archaic," on the one hand, and the old-time method of destructive competition of the other, in order to operate for public welfare.

Mr. Gary announced to the committee that he wanted everything known concerning the steel corporation, and more than all he pleaded for some responsible government source to which such a necessary great corporation should appeal for guidance in the conduct of its business. He agreed to furnish the committee so much that it wished to know that he will be recalled when it meets again Wednesday.

Others who have been summoned to appear are W. S. Dickson, of the Steel Corporation, and John Lambert, of the Republic Iron & Steel Company.

### Tennessee Offered Trust.

The acquisition of the Tennessee Coal & Iron Company by the United States Steel Corporation was taken up by the committee this afternoon. Representative Littleton conducted the inquiry for the committee. Mr. Gary was permitted to make a full statement regarding that transaction.

"Early in 1907 Mr. Morgan sent for me and said George Kessler, who had purchased stocks of the Tennessee Coal & Iron outside the grant to Flynn, had approached him with the statement that the Tennessee company could be purchased at 120. I told Mr. Morgan that it was not worth having at that price.

"I believe at that time Mr. Morgan said that Kessler represented only himself and not any of the members of the Schley syndicate. But about October 21, 1907, Mr. Morgan asked me to come to his bank and told me that Grant Selley, managing director of the Tennessee company, was much in need of money to use at the bank—the firm of Moore & Schley.

"I think I saw Mr. Selley then, but the business finally resulted in my accommodating Mr. Selley with a loan of \$1,200,000 per value of United States Steel second bonds, and taking from him an agreement to return these bonds, and I received as security for the fulfillment of that agreement \$2,000,000 par value, stock of the Tennessee Coal & Iron Company.

### Money Was Necessary.

"Mr. Selley said it was absolutely necessary to protect him from final trouble. That loan, you see, was taking the Tennessee Coal & Iron on the basis of \$2.

Mr. Gary referred to the possibility then of suspension of many banks and failure of many persons. He told of the conference between Mr. Morgan and Louis Case Lydard, counsel for Colonel Oliver Payne, of the syndicate that purchased the controlling interest in the Tennessee company.

"Mr. Morgan said to me, 'I don't know whether the United States Steel Corporation can afford to purchase this stock or not. You know best as to that. If it does not buy it, if the United States Steel Corporation or someone else does not furnish relief, no man can say what the effect will be.'"

## BERNHARDT RIDES IN CAB OF ENGINE

### ACTRESS WHISKED ALONG AT RATE OF 70 MILES AN HOUR.

### Following Exciting Trip to Chicago, Divine One Has to Pacify Her Chef, So Day Is Trying One.

CHICAGO, June 2.—(Special.)—Disdainful of grime and cinders and terrific speed, Mme. Sarah Bernhardt clung to the fireman's seat in the cab of the locomotive of a special train which brought her to Chicago from Milwaukee today.

At times the engineer, in response to a nod from the "divine Sarah," put on more speed, and the great actress was whisked through Southern Wisconsin at the rate of 70 miles an hour. At Waukegan she retired to the privacy of her car after shaking hands with the engineer and fireman and thanking them in her sweetest manner.

Fatigued as a result of her playing in Milwaukee and thrilling ride afterward, she spent most of the day quietly. She was compelled, in the presence of her guests, to pacify M. Henri, her chef, who was in a rage as the result of an encounter with M. Piarot, chef at the Congress Hotel, where Mme. Bernhardt is staying.

### BOY HURT RESCUING BABE

### 12-Year-Old Snatches Toddler From Car's Path to Be Hit by Cycle.

### SPOKANE, Wash., June 2.—(Special.)—Dashing across the East Sprague avenue carline at Madison and Olive streets, Wednesday evening, Sylvester Otis, aged 12, sustained severe injuries and risked his life in a successful attempt to save Walter Wellar, aged 4, from death under the wheels of an approaching car.

The toddler had managed to get out on the tracks to cross the street, heedless of a streetcar which was bearing down upon him. Sylvester, also playing in the street, took to the situation at a glance and unhesitatingly ran for the child. He got the baby in his arms and cleared the rails, grazed by the streetcar fender as he passed, but the effort made him lose his balance on the other side and he fell in a heap with his head right in front of a speeding motor-cycle. The rider was unable to prevent a collision and all three were knocked down.

The 4-year-old was unhurt, but when Juvenile Officer Parker got to the scene Sylvester was taking stock of several injuries. He was removed to his home, where it was found that his right kneecap had been twisted and both his arms torn severely.

## SMALL BOY ELECTROCUTED

### Astoria Child Playing in Grove Near Home Touches Live Wire.

ASTORIA, Or., June 2.—(Special.)—John McMullen, the 13-year-old son of Mr. and Mrs. Walter McMullen, was accidentally electrocuted while at play today in a small grove near the family home, where it was found that his right kneecap had been twisted and both his arms torn severely.

A small copper wire, which boys in the neighborhood had been using as a telegraph line, had broken and some one, a few days ago, attached a stone to it and threw one end over an electric light wire carrying 2200 volts.

The McMullen boy, while running about, came in contact with the small wire and was instantly killed.

While the boy had been missing since he came home from school at noon, his body was not found until about 6 o'clock tonight.

## CINCINNATI HOTEL AFIRE

### Man Reported Trapped by Blaze That Seems to Doom Hostelry.

CINCINNATI, O., June 2.—The Hotel Walton, at Sixth and Walnut streets, in the downtown district, is burning and appears doomed.

The blaze is in a district in which are located a half dozen other hotels and theaters, and other buildings are threatened.

A second alarm has been turned in, ordering out all of the fighting apparatus in the central city district. It is reported that at least one man has been trapped in the hotel and so far has not been rescued.

## SCHOOL AGE IS 8 TO 15

### Attorney-General Defines Limits for Compulsion of Attendance.

SALEM, Or., June 2.—(Special.)—Children in this state are compelled to attend school when they are between the ages of 8 and 15 years.

The time of compulsory attendance starts on their 8th birthday and ends on their 15th.

This is the substance of an opinion handed down by the Attorney-General today.

## OFFICIAL DECLINES FEAST

### City Commissioner Refuses to Attend Because of "Open Shop."

SPOKANE, Wash., June 2.—(Special.)—R. C. Coates, City Commissioner, has declined to attend the coming banquet of the Rotary Club, composed of Spokane's most prominent business men, because "open shop" prevails at the restaurant where the dinner is to take place.

## HAY ROAD POLICY ASSAILED BY HILL

### Calling-in of Convicts Is Criticised.

## PEACE RULES AT CHEHALIS

### Resolutions First Modified and Then Withheld.

## LEGISLATORS ARE BLAMED

### Accusing Finger, Pointed Toward Olympia, Evokes Applause When Southwestern Washington Discusses Good Roads.

CHEHALIS, Wash., June 2.—(Special.)—The semi-political clouds that gathered on the horizon yesterday with an apparent possibility of darkening the blue of co-operative good fellowship for which the Southwestern Washington Development Association's three days' meeting was to have been noteworthy, seem to have dissipated. For today began the first of the programme dealing with real development questions, divorced from the possibility of political carping and free from any unpleasant memories of bygone wrongs sustained by Southwestern Washington.

The dove of peace, which seemed about to alight at the close of Thursday afternoon's session, was still fluttering warily at the opening of the evening meeting, however, despite the skillful efforts of the representatives of the Puget Sound cities to place upon its tail-feathers the proverbial salt, in this instance a preparation of oratorical expressions of good fellowship and desires for co-operation.

### Hay's Policy Attacked.

Samuel Hill, of Maryhill, furnished both the sensations of the evening and what apparently was the last broadside that will disturb the amiable course of events, when he bitterly attacked the course pursued by Governor Hay in abolishing the employment of convict labor on the roads of the state.

Mr. Hill had made no secret of the fact that he intended to place before the gathering a series of resolutions calculated to "start something" with a vengeance. So positive was he, in fact, in his declaration that he would ask for action upon these resolutions that in the afternoon the text was given to the representatives of the newspapers. After a conference with some of those at the head of affairs in the Development Association the most drastic of the number, which would have placed the association on record as "unqualifiedly disapproving" Governor Hay's action in putting himself at the head of the highway commission and which characterized it as "an insult to the state," was eliminated.

The general character of the remaining nine resolutions was that of indorsement.

(Continued on Page 3.)

## INDEX TO TODAY'S NEWS

The Weather. YESTERDAY—Maximum temperature, 59 degrees; minimum, 45 degrees. TODAY'S—Fair; northwesterly winds.

Foreign. De la Barra calls election for President of Mexico. Page 2.

National. Taft and Knox come in conflict with House committee on discussing secret records. Page 2.

Gary tells House committee about steel trust deal with Tennessee Company and invites Federal control. Page 1.

Idaho irrigation projects add \$130,000,000 to wealth of state. Page 7.

Keaton for North Dakota. Masonia Temple held in New York for duty. Page 2.

Domestic. Detectives seek three oil company promoters whom widow charges with swindling her out of \$40,000 fortune. Page 2.

Bernhardt riding in cab of locomotive, speeds along 70 miles an hour. Page 1.

Chief of Police Seymour, of San Francisco, dismissed, acting Chief appointed, court enjoins action, both men hold office. Page 1.

Follies. Socialist candidate may receive more votes for Mayor than Thomas. Page 14.

Rushlight partners fail to break up Simon meetings. Page 8.

Pacific Northwest. Five indicted for plot to swindle Puget Sound Navy-yard on supply contracts. Page 2.

Court gives Bachelors' Club permanent restraining order against City of Woodburn. Page 2.

Samuel Hill at Chehalis criticizes withdrawal of convicts from road work. Page 1.

Tupper insists on paying graft money to Chief of Police. Page 1.

Miss Ella Clark, of Coburg, drowns in Willamette River; Miss Edna Riddell saved, when boat sprang. Page 1.

Additional census enumerators arrested at Tacoma. Page 2.

Addison Bennett finds boundaries energy in new City of Merriam. Page 1.

Commercial and Marine. Higher prices paid for wool in Oregon. Page 21.

New York stock market broad and active. Page 21.

Wheat higher at Chicago on crop damage reports. Page 21.

Better sentiment prevails in business circles. Page 21.

Boverman fight closing of bridge draws. Page 20.

Sports. Pacific Coast League results yesterday: Oakland & Portland 2; Sacramento & Vidor 1; San Francisco & Los Angeles 5. Page 8.

Northwestern League results yesterday: Tacoma & Portland 2; Spokane & Vancouver 1; Seattle & Victoria 4. Page 8.

Washington High defeats Jefferson, 6 to 0, and Lincoln wins interscholastic championship. Page 12.

Portland and Victor. United Railways gets warehouse site and terminals in Bay City. Page 20.

Divorce refused in Virginia; husband and wife both held at fault. Page 12.

Portland on alert for arrival of Rex Oreganus. Page 12.

Advocates of harbor bill say city should control terminals. Page 16.

## PORTLAND FIRST ON COAST

### Bank Clearings Show Advance of 16.7 Per Cent—Sound Losses.

Less than a dozen cities in the United States showed an increase in bank clearings in the week just closed over the corresponding week of last year, but among these Portland takes second rank, with a percentage of advance of 16.7. Galveston, Tex., with an increase of 24.9 per cent, alone outranked Portland.

Nearly all the Coast cities reduced the size of their clearings this week, San Francisco showing a decline of 4.8, Seattle 7.9, Tacoma 28.3 and Spokane 28.2.

On account of the holiday this week the volume of clearings was comparatively lighter, but Portland maintained a good position in comparison with other places of equal size and importance. For comparison, while this city cleared \$5,950,000, St. Paul and Denver, cities of approximately the same population, cleared \$8,357,000 and \$6,520,000, respectively.

## KNOX WITHHOLDS SECRET RECORDS

### Conflict With House Is Result of Action.

## TAFT TELLS HIM NOT TO YIELD

### Mystery Surrounds Expenditure of \$1600 Fund.

## ROOSEVELT IS INVOLVED

### Ex-President First Ordered Facts About Balance of Portrait Appropriation Kept Secret. House Makes Demand.

WASHINGTON, June 2.—A controversy over the executive right to withhold confidential papers from a Congressional probing committee was precipitated in the capital today by the refusal of Secretary of State Knox, on instructions by President Taft, to place before the House committee on expenditures books showing the record of the payment for the portrait of ex-Secretary of State Hay. The committee is seeking to find what became of the \$1600 balance of the \$2500 appropriation for the artist.

Mr. Knox said he was directed to complete his investigation into what became of the money and to report to the President.

### Roosevelt Enjoined Secrecy.

Chairman Hamlin, of Missouri, threatened to take the matter to the floor of the House. A colloquy between Hamlin and the Secretary finally resulted in the suggestion that the chairman might be allowed personally to inspect the particular record. This course probably will be followed.

Mr. Knox, in his letter to the President, dated today, said:

"This expenditure was covered by a regular certificate issued under and pursuant to the authorization of section 291 of the revised statutes. Inasmuch as a compliance with this summons in the matter of producing the records containing statements regarding the voucher would be to place before the committee accounts which have been certified by one of your predecessors, President Roosevelt, as not proper under section 291 to be made public, I have to request your direction as to what my action in obedience to the summons shall be."

### Taft Says Don't Show It.

The President, in his reply, said that in view of the facts and circumstances and that the emergency fund expenditures for this period have, under the express authority of Congress, been certified by Secretary Hay "for my predecessor, President Roosevelt, as being of such a character as ought not to be made public, I feel that nothing but some extraordinary circumstances would justify me in directing you to show it."

(Concluded on Page 2.)

## GIRL DROWNS AS RESCUER ARRIVES

### MISS ELLA CLARK, OF COBURG, VICTIM OF UPSET BOAT.

### Snag Breaks Just as Youth Riddell Pole to Save—Edna Riddell Reaches Shore.

EUGENE, Or., June 2.—(Special.)—Thrown into the swirling waters of the Willamette River when her boat struck a snag, and swept to her death from a fragile branch as she reached for a life-saving pole, after a rescue boat had been swamped, was the fate this afternoon of Miss Ella Clark, 20-year-old daughter of William Clark, of Coburg.

The accident happened at 3 o'clock after Miss Clark and a companion, Miss Edna Riddell, had spent several hours with sisters along the banks of the river, two miles north of Eugene. The two girls entered a boat in a spirit of fun and it at once began to float rapidly with the helpless girls. When the boat was overturned, Miss Riddell caught hold of the rope and held on until she had drifted near enough to some willows to be helped out.

Miss Clark secured a precarious hold on a dead snag, while a youth, intent on her rescue, launched a skiff. This capsized and the youth had hard work to get ashore, but shouting encouragement to the imperiled girl, he strove to reach her with a long pole. In her attempts to gain safety the dead branch broke, and the girl sank. The body did not rise.

## RICHEST WIDOW COMING

### West Attracts Mrs. Harriman, Who Will Spend Summer in Idaho.

BOISE, Idaho, June 2.—(Special.)—Idaho will have the honor of entertaining Mrs. E. H. Harriman, widow of the late railroad magnate, during the heat of the Summer months, according to an announcement made today in Boise by local Oregon Short Line officials, who declare it is definitely settled that Mrs. Harriman will arrive at Island Park, Fremont County, June 10. She will be entertained on a ranch there owned by Short Line officials.

Plans made for her reception and entertainment have been completed by W. H. Bancroft, general manager of the Oregon Short Line; D. E. Burley, general passenger agent, and other Harriman railroad officials. Mrs. Harriman is now closing her business affairs in New York preparatory to coming West.

The Eastern Idaho ranch on which Mrs. Harriman will spend the Summer is nine miles from Eccles. It borders on the Yellowstone National Park and consists of some 700 acres, ideally located.

## DEATH COMES IN WRECK

### Soo Train Ditched, Catches Afire and Several Persons Perish.

ALEXANDRIA, Minn., June 2.—Minneapolis, St. Paul & Sault Ste. Marie passenger train No. 109, northbound, was wrecked at 11:30 tonight at Vergas, near Detroit, Minn., and several persons killed. Many are reported to have been injured.

The train went into the ditch as the result of a washout and one of the coaches is reported as burning. The train was returning from Lenwood.

DETROIT, Minn., June 2.—Five cars are said to be burning, and it is reported two passengers were killed and four badly injured.

## MOFFAT LEFT \$9,767,114

### Denver Man's Wealth Was Chiefly in Bank and Railroad.

DENVER, June 2.—David H. Moffat's estate, according to an inventory filed today, amounts to \$9,767,114.13, not including mining stocks and mining property in this and other states, estimated to be worth from \$5,000,000 to \$6,000,000. A supplementary inventory will be filed.

The value of the Moffat stock in the First National Bank of Denver is appraised at \$1,464,000 and that of his interest in the Moffat road and the Utah-Colorado Construction Company at \$6,844,862.

## POSTAL BANK IS COMING

### Portland to Have One After July 1, With Other Big Cities.

OREGONIAN NEWS BUREAU, Washington, June 2.—The Postoffice Department announced today that beginning July 1 postal savings banks will be opened in the large cities of the country and that in all probability one of the first of these big banks will be opened at Portland.

Plans have not yet been perfected, but it is also probable that postal banks will be opened this Summer or Fall in Seattle, Tacoma and Spokane also.

## STEAMER AMUR IS ASHORE

### Vessel Reported in Peril in Wrangel Narrows.

WASHINGTON, June 2.—The British steamer Amur, heavily laden, is ashore in the Wrangel Narrows of the Alaskan Coast, and according to reports received by the revenue cutter service, is in a perilous position.

The Surveyor of Customs at Seattle has been instructed by the Treasury Department to allow the landing of such of the Amur's cargo as may be saved.

## BAY CITY POLICE HAVE TWO CHIEFS

### McCarthy Names New Man; Is Blocked.

## COURT KEEPS SEYMOUR IN JOB

### White, Chum of Redlight King, Named Acting Chief.

## LID TO BE THROWN AWAY

### Seymour Is Dismissed on New Charges, but Court Forbids Action—Seymour and White Both Hold Office at Same Time.

SAN FRANCISCO, June 2.—(Special.)—Judge James M. Seawell at 2 o'clock this afternoon issued a writ of review ordering the Police Commission to bring all its proceedings in the Seymour case before him and continuing Seymour in the office of Chief of Police until the case comes up for hearing on June 8. The court orders the Police Commissioners not to interfere with Seymour's discharge of his duties as Chief of Police.

Gus White, intimate friend and constant companion of Jerome Bassity, chief of the maqueureaux, was sworn in as acting Chief of Police of San Francisco at noon by Mayor McCarthy's reorganized police board.

Gus White, aside from being closely identified with Jerome Bassity, is an outside man for the San Francisco Gas Company. The appointment of White is the fulfillment of Bassity's boast that he would run the San Francisco police department and that the lid would be removed and thrown away.

### Change Is Quickly Made.

San Francisco is agast at this latest move by the Mayor. This sudden change came after Chief Seymour was suspended this morning on charges sworn to by Captain Harry O'Dea, Joseph Sullivan, until 11 o'clock president of the police board, resigned. He would make no statement other than to say:

"I've quit. I'm through with the whole mess."

J. Frank Jewel, secretary of the former grand jury, was appointed to Sullivan's position.

McCarthy's plan to put Bassity's man at the head of the Police Department was quickly executed. Jewel's appointment arrived at the board with Sullivan's resignation. The new appointees went into session with Fishery and Goldberg, and they proceeded to carry out the Mayor's wishes. Commissioner Spiro opposed the other three. After the board had been organized, the old charge by Secretary Skelly, on which an effort was made to remove Chief Seymour was dismissed. This movement was made to evade, if possible, being brought in contempt of Judge Seawell's order enjoining the board from proceeding with the trial and dismissal of Seymour. New charges were read and a resolution passed suspending Seymour and appointing White, Commissioners Fishery, Goldberg and Jewel voting for it.

### Seymour Resists Change.

Seymour's attorneys immediately sought Judge Seawell and applied for a new injunction to restrain the suspension of the Chief and to prevent White taking charge of the department.

"My attorneys will proceed in this case," said Seymour, "exactly as they did in the original case. I can say nothing further about the matter at this time."

Seymour refused to recognize the appointment of White and declined to surrender the office of Chief of Police. After the commissioners had administered the oath to White, the would-be Bassity chief proceeded to the Chief's office and told Seymour he had come to take charge as Acting Chief.

"There is no such office," said Chief Seymour firmly. "I am the Chief of Police. I am here and I am going to stay here."

### Two Chiefs Hold Office.

White grinned rather foolishly and said:

"Well, all I can do now is to go to the County Clerk and file my appointment."

"Go ahead. Go where you please," retorted the Chief. "And when you return you'll find me right here."

Two Chiefs of Police were for a time keeping headquarters in the Hall of Justice on Eddy street. Seymour holds his accustomed office and refuses to surrender it to the man whom the commission has attempted to put in his place, while Acting Chief White, under the appointment of the board, has established headquarters in an adjoining room.

For a time both chiefs were occupying the same office in the Hall of Justice, with their chief clerks in an adjoining room.

The two chiefs engaged in friendly conversation, apparently satisfied with their status, but neither one willing to leave the office. The two chiefs are exercising their joint authority over the department. Neither has been compelled to issue any important order and there has been no conflict of judgment between them.

