

STEEL DIRECTOR REFUSES ANSWER

Perkins, Questioned About Campaign Payments, May Be in Contempt.

STANLEY GIVES WARNING

Partner of J. P. Morgan Confronted With Record of His Suggestion How to Make \$50,000,000 From Mere Nothing.

WASHINGTON, Aug. 8.—George W. Perkins, a director of the United States Steel Corporation and one of the nation's leading financiers, refused today to answer questions before the House committee on inquiry into the Steel Corporation, bearing on his personal campaign contributions and such contributions as made by the New York Life Insurance Company, or of being cited before the bar of the House of Representatives.

Should the House sustain the majority of the committee and order Mr. Perkins to answer and should he then still refuse, he may be adjudged in contempt of Congress and imprisoned. It is believed, however, that this crisis will not be reached.

Counsel Advise Refusals.

Mr. Perkins, though personally willing to talk about campaign contributions, refused on the advice of counsel to answer questions on that line put to him by chairman Stanley and Representative Bell, of New York. Richard L. Berry, counsel for the Steel Corporation, and Edgar A. Bancroft, who appeared for Mr. Perkins, insisted that the authority given the committee in this inquiry made it irrelevant any attempt to inquire into the private campaign contributions of the witness or his relations with corporations foreign to the Steel Corporation.

Chairman Stanley later today warned Mr. Perkins that it might be necessary to cite him to the House. The chairman later suggested that the New York financier appear before the House tomorrow to avoid being taken into custody by the sergeant-at-arms.

Witness Will Consider.

When matters reached this stage Mr. Perkins said the situation was serious and that he wished to consider. This was granted and the investigation proceeded along other lines.

At the outset of the hearing today Perkins was presented with a copy of the minutes of the United States Steel Corporation's executive committee, March 4, 1907, in which he proposed a plan to raise \$50,000,000 without its costing the corporation a cent. Perkins explained that when the separate company of the corporation was formed, it was intended that there were many contracts that had recently been made for extensions and improvements, aggregating something over \$10,000,000. The corporation had reduced them to \$20,000,000, being forced to carry the contracts along.

In addition, he told the executive committee that the purchase of the Rockefeller oil properties had caused the steel corporation to give Rockefeller notes maturing at year amounting to about \$10,000,000, leaving in all about \$30,000,000 that was not capitalized and that "we have been so bothered to know just what to do with it."

\$50,000,000 Obtained for Nothing.
"It was not fair to take it out of the earnings of the several companies, we thought," Perkins was quoted as having said to the executive committee, "after they were brought together, and we have given a good deal of thought as to how and what to do with it and not hurt the securities. And is brought about this idea of an attack of the company for second mortgage bonds and save enough in so doing so that we could get out an extra amount of bonds to cover these items."

"We think we can take up about 40 per cent of the preferred stock, or \$20,000,000, which now costs \$14,000,000 in dividends at 7 per cent, or \$9,800,000, and in place of that issue \$25,000,000 of second mortgage 5 per cent bonds. That would call for \$12,500,000 and then have \$12,500,000 of new money in addition to saving a million and a half a year, \$12,500,000 as against \$14,000,000. So we would get \$50,000,000 without costing us anything and save a million and a half a year besides."

Holders of Common Left Out.
Continuing, the record quoted Judge Gary as asking the option would be extended to all stockholders, and if the finance committee proposed to make an elastic bond "so you can, if necessary, issue bonds in place of preferred stock."

The record continued:
"Perkins—No, we think that would be dangerous. We figured 40 per cent because we believe that \$50,000,000 of second mortgage bonds would be considered very good, whereas the common stock, the universal criticism would be that the bonds are no better security than the stock, and if you pass the dividend on the preferred stock, you would not be in the hands of a receiver, and if you passed the interest on the bonds you would be."

"Roberts—Will the common stockholders be invited to subscribe to these bonds?"
"Perkins—No, we thought that we ought not be allowed to do that because we have tried to see where the justice was. The preferred stockholders are entitled to as fair treatment as can be given them for giving up their 40 per cent of the stock, and the common stockholder not to be allowed to take these bonds. Moreover, the common stockholders have benefited by the earnings capacity of the \$50,000,000 put into improvements."

"Gary—I think offhand it is a pretty good plan."

Forest Grove Scouts Organized.

FOREST GROVE, Or., Aug. 8.—(Special.)—A Boy Scout Club has been organized here under the name of the "Fox Patrol." Fred Knight, a 1911 graduate of Pacific University, was instrumental in bringing about the organization, and has been officially appointed scout master. The elected officers are President, Earl Wagner; secretary, Oliver Buxton; treasurer, Robert Snedden.

Carleton to Have Water System.

CARLETON, Wash., Aug. 8.—(Special.)—At a special election today to amend the charter to give the City Council power to borrow the city for a sum not to exceed \$40,000 for the purpose of installing a gravity water system, the amendment carried by a vote of 25 to 15.

SUMMER WEATHER APPEARANCE OF JURIST SURPRISES ACQUAINTANCES OF FORMER YEARS.



SNAPSHOT OF JUSTICE CHARLES E. HUGHES, MINUS HIS FAMILIAR WHISKERS, FOLLOWED BY NEWSPAPER PHOTOGRAPHERS AT NEW YORK'S POSTOFFICE, WHERE HE IS HEARING SECOND-CLASS MAIL DISPUTES.

FAMOUS BEARD LOST

Changes Upon Justice Hughes' Face Cause Comment.

POSTAL INQUIRY RESUMED

Mail Service Expert Declares Heavy Reductions Needed if Expenses Are to Be Cut as Desired.

NEW YORK, Aug. 8.—Still presided over by the much less bewhiskered Justice Charles E. Hughes, the Post Office commission on second-class mail matter today resumed its inquiry. As heretofore, the altered appearance of Justice Hughes' physiognomy attracted more attention and comment than did the testimony.

No longer was the familiar and lengthy beard in evidence, but instead his hirsute adornment was trimmed short and crescent-shaped. A seasonable desire to keep cool was assigned as the cause of this change.

Charles H. McBride, chief of the railway mail service, resumed his expert testimony. He was unwilling to admit that any more of this class of mail could be carried without additional men on the mail cars. If the amount of the second-class matter were 40 per cent less, he said, he believed the cost of the railway mail service would decrease about 25 per cent.

DIPLOMATS ARE NAMED

EX-SUCCESSOR TO AMBASSADOR AT GERMANY IS CHOSEN.

Leishman and O'Brien Transferred to Germany and Italy—Charles Page Bryan Promoted.

WASHINGTON, Aug. 8.—The long expected reorganization of the American Diplomatic Corps involved the appointment of successors to David Jayne Hill, as Ambassador to Germany, and to Charles S. Sherrill, as Minister to Argentina, both of whom resigned, was announced today when the nominations of three ambassadors and five ministers were sent to the Senate.

John G. A. Leishman, of Pittsburgh, Pa., now Ambassador to Italy, is transferred as Ambassador to Germany. Thomas J. O'Brien, of Grand Rapids, Mich., at present Ambassador to Japan, is transferred as Ambassador to Italy. Charles Page Bryan of Chicago, now Minister to Belgium, is promoted to be Ambassador to Japan.

John E. Jackson, of Newark, N. J., now Minister to Cuba, succeeds Mr. Carter as Minister to the Balkan States. Arthur M. Peapour, of Aurora, Ill., now Minister to The Netherlands becomes Minister to Cuba.

Lloyd Bryce, of New York, the only one of the nominees who is not now or has not been previously in the diplomatic service, is appointed Minister to The Netherlands.

Secretary of State Knox announced the resignation of Mr. Sherrill as Minister to the Argentine Republic after today's cabinet meeting. Mr. Sherrill was asked by President Taft to remain in the service, and it is said, an embassy was offered him. He declined on the ground that he had been in the service a long time and wished to retire with the idea of going into business.

SUMPTER TO CELEBRATE

Miners of Inter-Mountain Region to Have Big Time Labor Day.

SUMPTER, Or., Aug. 8.—(Special.)—According to the annual custom for several years, Sumpter is planning to have a big celebration on Labor day, September 4. This is even a bigger holiday among the miners than is the Fourth of July, and preparations are under way to make this year's celebration the greatest ever held in the inter-mountain region. Fully \$1000 dollars will be spent by the city.

The principal athletic feature, as usual, will be the rock-drilling contests. This is always a favorite amusement in every mining camp. Sumpter is the only place in the state where these contests are held, and to the layman who has never witnessed one, it is worth going far to see.

Probably in no other contest is the

combination of strength, skill and endurance needed so much as in a rock drilling contest.

AUTO HITS HIDDEN BANK

W. S. Baker's Skull Fractured, Two Others Are Hurt.

W. S. Baker, the insurance man whose skull was fractured in an automobile accident near Bertha Saturday night, has excellent chances of recovery, according to a bulletin issued last night said that Mr. Baker's condition is favorable, considering the seriousness of his injury.

In the automobile at the time of the accident were W. F. Crittenden, real estate man; W. C. Seachrist, agent of the New York Central, and Frank Carey. Carey was driving. The party was returning to Portland from a business trip to McMinnville.

"We were creeping along slowly when the accident occurred," said Mr. Seachrist last night. "The lights on the auto had gone out and it was impossible to see far ahead. We ran into the bank on a sharp curve and the machine turned on its side. Mr. Baker was thrown over the front of the car and landed on his head. I received only a few minor internal injuries. Mr. Carey was not hurt. Mr. Crittenden, I understand, suffered a fracture of the kneecap and will probably be lame, says the doctor."

"Mr. Baker was hurried to the hospital with all possible speed. We gave him the assistance we could."

A. C. Morgan, another real estate man, was left at his farm near Bertha a few minutes before the accident happened.

ROAD BONDS TO BE VOTED

Jackson County to Decide on Improvement of \$1,500,000.

MEDFORD, Or., Aug. 8.—(Special.)—To decide whether a \$1,500,000 bond issue will be authorized for road building in Jackson County, the County Court has called an election for September 30. If the issue carries, Commissioners George S. Davis and James Owens will go to California and there make a study of road building. They will select the kind of road best suited to local conditions and the work of laying such a highway will be pushed rapidly.

The legality of the issue is no longer in question and the sale of the entire \$1,500,000 worth of bonds is assured.

BROTHER SHOTS SISTER

While Hunting Rabbits Gun Held by Boy Accidentally Is Discharged.

KILMATH FAIR, Or., Aug. 8.—(Special.)—Minnie Copie, aged 11, was shot and killed by her brother, Ralph, aged 13, Saturday, the shooting occurring at the home place of the family, 20 miles below this city. Word of the accident had reached here.

The children were hunting rabbits with a shotgun. The gun which the boy held was suddenly discharged, the charge striking his sister in the head and killing her instantly.

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ROADS ASK RELIEF

Traffic Officials Discuss Recent Order of Board.

REVOLT MAY BE ESSAYED

Commercial Bodies Reported as Opposed to Adoption of New Rates to Inland Freight Distributing Center.

CHICAGO, Aug. 8.—Traffic officers of transcontinental lines in session here today discussed methods of offsetting the deficit which will result from the recent interstate Commerce Commission ruling on intermediate rates. Those at the meeting discussed the advisability of an appeal to the new commerce court. After sub-committees had been appointed adjournment was taken until tomorrow.

It was announced at the meeting that the Atlantic and Pacific seaboard will urge the railroads to fight the new rates. The old rate amounted to \$100 per ton plus the rate back to destination.

The rate ordered by the commission is the Pacific Coast rate plus 7 per cent on Chicago shipments and plus 25 per cent on Atlantic Coast shipments.

Eastern shippers say this will give Middle Western merchants a great advantage in shipping to mountain points.

BANKER TELLS OF BRIBE

HOLTSLOW AGAIN WITNESS IN LORIMER INQUIRY.

Frank Admission That He Confessed Chiefly to Gain Immunity Is Elicited.

WASHINGTON, Aug. 8.—Ex-State Senator Holtslow, the 53-year-old Illinois banker and church leader, today retold the Senate Lorimer committee his story of being paid for voting for Lorimer for Senator. Incidentally he told of asking, and of being promised, \$500 for buying furniture for the state from a certain firm. Many humiliating questions were asked.

"You were looking for the best interests of the state when you demanded \$500 for the furniture deal?" asked Senator Kenyon.

"I felt honestly that I was not taking anything from the state, but was getting part of the agent's commission," the witness replied.

"You were worth \$100,000 and didn't need the money?"
"No, I did not need it."

"Did you intend to turn it over to some charity fund?" suggested Attorney Marble.

"Oh, no; I intended to keep every cent of it."

He did not get the money because he told the grand jury about it, he said. He declared it was mostly to get immunity for his part in the furniture deal that he told the grand jury of receiving money for voting for Lorimer. He said the campaign of the state to correct his testimony in regard to the furniture deal and avoid prosecution for perjury.

"The State's Attorney Burr had said that if we were allowed to go back and correct my statement unless I told all I knew about the Lorimer deal."

Wagon Crushes Babe to Death.

CORVALLIS, Or., Aug. 8.—(Special.)—The 3-year-old daughter of R. McAllister was killed on the state road three miles south of here today. With his family Mr. McAllister was on his way from California to Summit in this county, where he was to give a lecture. The child was in a wagon. Missing the little girl they drove back a short distance and found her crushed, though living. She had fallen from the wagon and the wheels had run over her. A passing automobile truck conveyed the child and mother to the hospital here, but the babe died en route.

Terrible Suffering

Eczema All Over Baby's Body.
"When my baby was four months old his face broke out with eczema, and at sixteen months of age his face, hands and arms were in a dreadful state. The eczema spread all over his body. We had to put a mask or cloth over his face and he was unable to see. Finally he was cured. Today he is a healthy boy." Mrs. Ines Lewis, Baring, Maine.

"Wood's Sarsaparilla cures blood diseases and builds up the system. Get it today in usual liquid form or chocolate tablets called Sarsatabs."

Taft Made Secure BY TARIFF STAND

Insurgent, Prestige Fades as Stirring Session Draws to Close.

WOOL VETO IS ADVANTAGE

President Determined to Wait Report of Investigating Board Before Taking Final Action on Bill—Political Gain Marked.

OREGONIAN NEWS BUREAU, Washington, Aug. 8.—Throughout the special session of Congress, now drawing to a close, President Taft has refused absolutely to pay politics with tariff legislation. His opponents have played politics with every tariff bill that has been under consideration. The session will close with just one tariff bill written on the statute books, the Canadian reciprocity bill, and that is the only tariff measure advocated by the President.

It would appear from a review of the session that while the President has never undertaken to play politics with the tariff, he comes out of the fray occupying a better political position than do those who arrayed themselves against him. His course is the more easily defended, and his consistency is easily established. On the part of the opposition there is no consistency, and those who undertook as they themselves say, to "put the President in a hole," and themselves on the defensive, where they must explain.

Taking the session as a whole, there is but one element that opposed the President at all times and on all measures affecting the tariff, that opposition is the insurgent Republican faction in the Senate, and even that faction has not held together as a unit on all tariff votes, nor has it pursued a thoroughly consistent course in fighting the President. The Democrats supported the President on Canadian reciprocity, and made possible the final passage of that measure which was responsible for the extra session. But when the Democrats undertook to accomplish in the special session more than the President intended should be accomplished, they turned themselves against the Executive, and invited his opposition to their partisan bills.

The Canadian reciprocity bill received Democratic support because Democratic Senators and Representatives believed it to be to their political advantage to support the measure. President Taft submitted and urged the Canadian reciprocity bill because he believed in it. The President doubtless will be widely criticized for his position on the tariff, but the measure will be denounced as an act of cowardice; it will be charged that the President has been inconsistent, and that he has several times denounced, when given the opportunity by Congress, but the President's reasons for not approving the compromise bill will be called in question. Satisfy fair-minded men that he was justified in his course.

A tariff board was created by the last Congress, and directed to investigate the wool industry, and determine all essential facts that should be known by Congress in framing future legislation on the wool schedule. Democrats and Republican insurgents voted for the tariff board, and on March 3 last, the Democrats and insurgents voted to direct the tariff board to submit its report on wool by December 1, 1911. Yet, after creating the tariff board and directing it to report next December, the Democrats and insurgents have combined to pass a wool bill, framed without authentic information. His refusal to sign such a bill is easily defended, and for the veto such a bill he will get much more political advantage than will either the Democrats or the insurgents, who combined to send a half-baked wool bill to the President, and who would do so far as the alleged farmers' free list bill is concerned, that bill would never have passed the Senate had it been opposed by all Senators who have denounced it as pure buncombe. Yet half a dozen or more Republican insurgents during debates tool occasion to ridicule the free list bill as a measure that would accomplish no good; a bill brought forward in the hope of fooling the farmer, and on top of such denunciation, they turned in and voted for the bill, with the Kern amendment.

And so it will be with the cotton bill and with the tariff bills that may be submitted before adjournment.

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NEW YORK... \$108.50
PHILADELPHIA... \$108.50
BOSTON... \$110.00
BALTIMORE... \$107.50
WASHINGTON... \$107.50

ST. PAUL... \$60.00
MINNEAPOLIS... \$60.00
DULUTH... \$60.00
OMAHA... \$60.00
KANSAS CITY... \$60.00
WINNIPEG... \$60.00
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