

PACKERS' MOTIVE TO PREVENT GLUTS

Witness Who Denies Fixing of Prices Is Disappointment to Prosecution.

COST SHEETS EXCHANGED

Another Witness Admits That Price Was Discussed at Meetings of Pool and Business Was Allotted to Members.

CHICAGO, Jan. 3.—W. D. Miles, general manager for the Armour Packing Company of Kansas City from 1894 to 1897, testified today in the trial of the 19 Chicago packers charged with criminal violation of the Sherman law that the old packers' pools were organized to prevent the glutting of the market with fresh meat and that there always was active competition between the members in all parts of the country.

Although Miles has given testimony against the packers before Federal grand juries, he proved an unwilling witness today and counsel for the Government made a concerted effort to conceal their disappointment at his guarded answers.

Profit-Figuring System Explained. The witness gave an elaborate description of the uniform test system used by the packers and explained the method of figuring margin profits. He brought out for the first time that there was a "black test cost" and a "red test cost" used in the book-keeping of the Armour Packing Company, the former being used as the flat price of the animal, the latter including freight and other items of expense.

The Government contends that the "red" test cost was secretly used by the combination in the fixing of the price of meat.

Miles told of attending the meetings of the packers' pools in a downtown office building, but he would not admit that the members fixed the price of fresh meat at these sessions. He said that reports of shipments were expressed and the average price and margin profit earned for the previous week's business were received and shipments for the current week were regulated at the meeting of the pool.

Records Surprise Witness. Henry Veeder, who continued his testimony yesterday, explained his failure to produce documentary evidence by saying that all records of the old packers' pools had been destroyed, so far as he knows.

When conferring with letters sent out by the packers, referring to the shipment and price of fresh meat in periods in which, he said, there was no pool in existence, the witness expressed and the average price and margin profit earned for the previous week's business were received and shipments for the current week were regulated at the meeting of the pool.

The witness also gave from memory the percentages used in the distribution of business in territory under the packers' agreement of 1893, as follows: Armour & Co., 21.50; Armour Packing Company, 4.50; Cudahy, 12.50; C. H. Hammond & Co., 12.50; Morris & Co., 14; Schwarzschild & Sulzberger, 8.50; Swift & Co., 22.

He said other percentages were used in other territories. The basis on which this system of calculation was figured, he said, was known as the maximum weight method.

Free Train Denied. On cross-examination Veeder flatly denied the Government's contention that the old packers' pool between 1893 and 1897 attempted to fix the price of fresh meat or the price to be paid for livestock.

He declared the only object of the combination was to regulate the amount of fresh meat to be shipped into different markets. The witness said that each of the agreements made by the packers and the Government contained a provision that no effort should be made to fix prices.

The defense also brought out that under the agreements each member of the combination frequently over-shipped the maximum percentage allowed. The object of the operation of the combination had the effect of restraining the trade in fresh meat.

The witness said the meeting of the packers held on the sixth floor of the Counselman building after 1902 had nothing to do with the shipment of fresh meat to any part of the United States.

The witness said all the packers' agreements were for definite terms, with a provision for cancellation on 30 days' notice.

SOUTH BEND IS ROYAL HOST

Governor Hay and Party Enjoy Ball at Commercial Club.

SOUTH BEND, Wash., Jan. 3.—(Special.)—Governor and Mrs. Hay and Miss Mount, daughter of Supreme Judge Mount, of Olympia, were guests of honor at a brilliant New Year's reception and ball held in the new Commercial Club building here Monday night. The Governor's party arrived on the early afternoon train and was met by a reception committee of citizens and outdod over the newly-paved streets to the home of Mayor and Mrs. George R. Cartier, where they were dinner and house guests during their brief stay in this city.

In the evening the Governor's party, as guest of honor at the reception and ball, Governor Hay responded to the address of welcome delivered by ex-Senator John T. Weston, and lauded the South Bend Club home as the finest individual Commercial Club home in the state. He dwelt upon the future of this resourceful and progressive city, and predicted great progress for Willapa Harbor as soon as the Panama Canal is completed.

The clubhouse was brilliantly lighted and decorated for the occasion in the greenery of the holiday season. Fully 250 couples participated in the reception and ball. South Bend's clubhouse cost with the site \$115,000, and occupies a stately site.

An Event of Unequaled Importance—One That Will Give Every One of Artistic Taste an Opportunity to Satisfy Their Desire for the Beautiful and Exclusive—A Sale That Will Attract the Seeker After the Genuine and Artistic—Such Is

Our 10th Annual Clearance Sale

Saruk Carpets AT \$18.75

4.4x10.9, regular price is \$115, for 14.5x10.9, regular price is \$175, for 12.7x10.3, regular price is \$150, for 12.5x11.5, regular price is \$165, for 12.3x9, regular price is \$110, for 12.3x9, regular price is \$110, for

Mohal Carpets

13.10x10.7, regular price is \$120, for 12.8x11.4, regular price is \$135, for 12.8x10, regular price is \$125, for 11.10x9.5, regular price is \$125, for 11.6x9.8, regular price is \$125, for

At \$65 to \$118 Each

A large number of extremely beautiful Saruks, in varying sizes; regularly priced from \$85.00 to \$185.00 each; sale prices, \$65 to \$118.

Meshed Carpets

AT \$28.50

13.8x10.4, regular price is \$550, for 14.6x9.8, regular price is \$455, for 12.11x9.8, regular price is \$385, for 12x11, regular price is \$210, for

A lot of 60 fine Moussoons, regular prices from \$35 to as high as \$64, average size 4-6x7 feet. Choice for this sale \$28.50

Kerman Carpets

\$650 values, sale price, \$490 (Size, 14x10-2 feet, \$570 val., 12-10x8-10, \$380 \$410 val., 14-5x10-2, \$300 \$615 val., 14-5x9 feet, \$450 \$645 val., 13-9x9 feet, \$465 \$410 val., 6x9 feet, only \$290

Serapi Carpets

15-8x11-4, \$650 val., \$470 15-5x10-4, \$350 val., \$335 14-8x9-10, \$420 val., \$300

Largest Oriental Rug Merchants on Pacific Coast

10th and Alder Sts.



Laces and Embroideries at One-Fifth Less

The largest stock of Imported Laces and Embroideries on the Pacific Coast is carried here. We show only exclusive patterns in imported goods.

IN LACES Irish Crochet, Point de Venise, Venise, Maltese and Cluny, Dutchess, Maltese and Neckpieces, Collars and Cuff Sets, Table pieces and Laces by the yard.

EMBROIDERIES Baby Dresses, Habes, Pillows, Table Linens, Towels, Dresser Scarfs, Dress Patterns, Mattings, Swiss and Dresden in Madeira, Swiss and French Embroidery.

All One-Fifth Below Marked Price

Atiyeh Bros.

MANCHUS ORDERED TO QUELL MUTINY

Rebellious Imperials to Be Attacked Promptly Unless They Surrender.

SIZE-CHUEN IN DISORDER

Republican Commander Apologizes for Breaking of Armistice, and Dismisses Colonels — Cash Aids Imperial Cause.

REFUGEE FOR IMPERIAL FAMILY TO BE PREPARED

HAREN, Jan. 3.—The commander of the imperial troops at Zekho, Mongolia, has received 100,000 taels and instructions to prepare a residence for the Emperor and other members of the royal family and to organize a Mongolian bodyguard.

PEKIN, Jan. 3.—Three thousand imperial Manchur troops, drawn from the barracks of Two Ting Pu and Shih Wang Tao, have been ordered to Chin-wang-tao and Lanchow to attack the mutineers there if they do not submit.

Imperial Colonels Dismissed

General Li Yuen Heng, commander of the rebel troops, who has been made vice-president of the provisional republic, has apologized to the imperial authorities for the violation of the armistice at Hankow and has dismissed two colonels who were responsible for it.

Money Revives Confidence

Confidence continues to revive among adherents of the imperial court, largely owing to the transfer of 80,000 ounces of gold bars from the imperial purse into the hands of Premier Yuan Shih Kai yesterday.

Wright's Sample Shoe Shop

has moved from the Oregonian bldg. to the ground floor at 244 Washington street, between Second and Third. Same old prices prevail.

LOVE BETRAYS LAD

Waiting to Meet Sweetheart, Youth Is Arrested.

SUITOR BREAKS PAROLE

Frank Catton Braves Officers of Law and Wrath of Socialist Mayor of Berkeley to Woo Latter's Daughter.

BANK SYSTEM SUCCESS

POSTAL DEPOSITS OF FIFTY MILLIONS PREDICTED. Hitchcock Thinks Government Will Profit—Extension to 40,000 Offices Is Planned.

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Postmaster-General Hitchcock predicted today that before the end of the current fiscal year the postal savings deposits would exceed \$50,000,000 and that the system not only would be self-sustaining, but a source of profit to the Government. Already the deposits exceed \$15,000,000. This sum is distributed among 4000 National and state banks, where it is protected by bonds deposited with the Treasurer of the United States. On January 1 the postal savings bonds issued in lieu of deposits amounted to \$41,629.

Of the four important offices that opened for business on August 1, Chicago, on November 29, the date of the last available statistics, had deposits of \$37,842. New York was second with \$411,739; Boston third, with \$162,464, and St. Louis fourth, with \$118,006.

The system has proved so noteworthy a success and is so cordially endorsed by commercial interests that preparations are now being made to establish it in about 40,000 fourth-class postoffices that do a money order business.

Rolling Stock Condition Good.

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