

OFFICIAL PAPER OF THE CITY OF PORTLAND

THE JOURNAL'S PLATFORM

A Trinty of Events Which Would Make of Portland the Mightiest City of the Pacific Coast.

- First—Deepen the Columbia river bar.
- Second—Open the Columbia river to unimpeded navigation at and above The Dalles.
- Third—Dig an Isthmian canal.

A GOOD YEAR PAST, A BETTER ONE HERE

MATERIALLY SPEAKING Portland and the whole Oregon country can bid good-bye to the year just past as the most notable in all their history. The whole story is summed up in the single word "progress," which marked its every day, which widened the horizon of accomplishment and which pointed the way to newer and greater things to be done.

The two most conspicuous and far-reaching events of the year were the beginning of work on the jetty at the mouth of the river and the appropriation of \$100,000 by the legislature to secure and turn over to the general government the right of way for The Dalles-Celilo canal. This pair of events marked the greatest forward movement that the state has ever made at any time in its whole history. The key to everything in the whole Oregon country is the Columbia river. That fact has long been recognized and deeply appreciated. But there were certain barriers in the way. At the mouth of the river it was the bar which needed deepening; at The Dalles it was a ship canal to get around the obstructions to upriver navigation. For over a quarter of a century desultory efforts had been made to get the general government to undertake that species of river and harbor improvement upon which it spends so many millions in other parts of the country. But for one reason or another little genuine progress has been made until very recently and therefore this vast section of country has been deprived of the quickening influence which will immediately follow the completed work.

If the year just closed marked no other events of magnitude these two would reasonably fill the measure of our expectation. Clearing the upper river to unobstructed navigation insures cheap transportation clear to the ocean; a deep outlet there means a stimulation to our commerce, a broadening of our commercial influence, an extension of our markets for the varied products of one of the very richest sections upon which the flag floats. Either one alone would fall short of realizing whatever hopes might be based upon them. If the upper river were cleared and nothing but a lake were left at its mouth, we are still left an empire within ourselves, but without the fullest means of expansion over the Pacific the destiny of the great Oregon country could never be realized. With deep water at the bar freedom of commerce is realized. This section has much to sell, but long as it has been occupied there is room and competence for thousands upon thousands more than are now here. Many have come during the year 1903, but many more will come during the year 1904.

With the river freely open to the commerce of the world, with the activity in railroad building now in sight and that which soon must come, forced by the changed conditions, the Oregon country almost at a leap will take its place in the very forefront of the greatest states of the American nation.

THE REAWAKENING OF CHINA.

MISS SCIDMORE, a brilliant and experienced correspondent who is revisiting the Oriental countries after an absence of four years, is now writing a series of letters for the Chicago Tribune, some of which The Journal has had the pleasure of reprinting.

From these letters it appears that the Boxer troubles have set in motion an extraordinary spirit of activity which has found vent in the modernization, almost beyond

belief of the Chinese capital. While the advancement of Japan has been a revelation to the world, it is evident that the same spirit which worked such marvels in the land of the Mikado is rapidly operating to produce the same astonishing results in the Flowery Kingdom. Before this spirit the barriers of custom are rapidly falling, the rulers of the country are coming in touch with and beginning to respond to the modern progressive impulse and the physical transformation already apparent is astonishing beyond measure to every returning traveler.

Measured for long centuries by itself, China in its profound egotism believed itself to be the most powerful nation on earth, abundantly able to hold its own and to wipe all the "foreign devils" off the face of the globe. But when its very capital was invaded, when its power faded away like the unsubstantial fabric of a dream before the allied armies, when its chattering empress and her court fled in dismay, China awakened from its long sleep by an electric shock which quivered through all its members. That object lesson was needed, but it was enough. Since that day the Chinese authorities have taken a truer measure of world-wide affairs and their own relations to them. A few years hence it will be a much more difficult matter than it is now for the European nations to carry out their plans of dismembering the great empire. Left with elbow room the Chinese would doubtless repeat the history of the Japanese in the next generation and add a new, unexpected but strikingly significant page to the history of human progress.

The burden of the coming onslaught between Russia and Japan must fall on Japan but in the outcome of the struggle China is even more deeply interested than its Mongolian neighbor. If that struggle goes against Japan, it almost necessarily must mean the annihilation of China, Russia will become an immutable and portentous fact in China, but will the other European nations rest content without their own spheres of influence being vastly extended? If China is the real prize will not all of them demand a share, as they did of the lot during the Boxer trouble, and will any of them be satisfied with anything short of the most it can secure? What, then, will be left of China as China?

If the struggle begins China in self defense must cast its fortunes with Japan, no matter what outward pretense of aloofness it may see fit to make for the sake of appearances.

A MANIFEST DUTY.

WHILE a horror like that of the Iroquois theatre fire in Chicago may suggest new ways through which such calamities may be averted in the future it is a remarkable fact that in nearly every case on record some responsibility for such accidents may always be traced to the non-enforcement of the laws that already exist. Whatever shortcomings there may have been in the Iroquois theatre, whatever in the way of preventives that were neglected, may be directly traceable to the laxity of the officers charged with the duty of seeing that the work in every respect came up to the rigid requirements of the ordinances.

While it is well, as Mayor Harrison suggests, not to grow hysterical even in the face of this awful calamity, nevertheless the public duty is plain to rigidly probe the matter to the very bottom, if for no other reason than for its practical bearing on the general subject of theatres now in existence and the enforcement of such new rules as common sense, experience and genuine investigation, quickened by the horror of this disaster, may suggest and intelligent public opinion approve.

The world never learns in the easiest way; it is only the lessons learned in the hard school of experience and adversity which leave a lasting impression. The price paid in Chicago is an awful one but if it shall lead to a thorough municipal house cleaning all over the country, if each community will bring the awful lesson home to itself and take such steps as will lessen the chances of such calamities in the future, the unfortunate victims will not have died in vain and out of the evil and horror of their death may yet come good.

MOW M'ADOO HELPED ROOSEVELT.

Overcame Long's Objections, It Is Said, and Obtained Place for Him.

From the New York World.

How William McAdoo, the new police commissioner, practically made Theodore Roosevelt president of the United States was one of the stories told yesterday at city hall by an official. He said that the facts came from a justice of the supreme court.

THE DEUTSCHLAND'S NEW MASTER.

From the New York World.

Capt. Karl Kaempff, now of the steamship Fuerst Bismarck, who is to succeed Capt. Heinrich Barends, retired, as commander of the Deutschland, will probably be the youngest commander of the Atlantic. The command of this ship carries the title with it as a courtesy. The Deutschland will next sail from Hamburg under his command on January 5, and on January 11 will sail from New York on a trip to Italy, her maiden journey to the Mediterranean.

Captain Kaempff is a Mecklenburger. He was a boy of 14 when he shipped on the brig Gazette to knock about the North sea. Then he became mate on the English ship Oswald. Taking command of a German merchantman, and a Japanese prince having bought her for a school ship, Captain Kaempff taught Japanese middies for a year. He then entered the service of the Hamburg-American line as fourth officer. While at St. Thomas he sprang overboard among the sharks and saved a woman's life. While chief officer of the Gellert he dived from the rail at Hamburg and saved the life of another woman.

In 1893 the Gellert caught fire in mid-ocean. There were 600 passengers. For two days Captain Kaempff tried to smother the fire, but things got worse, and he then opened the hatches and battled with the flames with hose, the passengers assisting. After a hard fight of 54 hours the captain won.

HOW A MAN FAINED.

From the Chicago Journal.

He took life too seriously. He saved his money, but starved his mind. He thought he could not be happy without wealth. He did not develop his manhood at the same time as his business. He murdered his capacity for happiness in getting ready for it. He sacrificed the friends of his youth and had no time to make new ones. He never learned the art of extracting enjoyment from common things. He had developed a colossal power for receiving, but had never learned to give. He was a victim of habit and routine; he never could rise above his vocation.

The Prosperous Northwest Seen by Eastern Eyes

Walter Wellman's Washington Letter.

In Chicago Record-Herald.

What is the state of public opinion in the great Northwest? During a recent tour of that region, embracing Michigan, Indiana, Illinois, Wisconsin, Iowa and Minnesota, your correspondent enjoyed excellent opportunities to see the people who are thinking and talking about the future of the Northwest with business and professional men in many cities and towns and meeting a large number of travelers on the trains.

The most noticeable of all conclusions at the present time in the Northwest is the almost undiminished continuance of the high tide of prosperity. Broadly speaking, there has been no falling off in the volume of business, the farmers are getting more money than ever before, the employes are all at work and for good wages. Railroad earnings throughout the West average higher than a year ago at this time by from 5 to 12 per cent, though many good judges thought last year's earnings were the highest yet possible mark. The amounts of money which the people of the West have on hand representing their surplus, their savings, their accumulations through these recent years of unexampled prosperity, simply amazing when one considers the fact that the bankers tell me they do not know what to do with the money that is offered them for deposit. In many instances they have been compelled to further deposits because of the difficulty of using the money profitably. It is surprising to be told that in an average western county of perhaps 25,000 population, embracing probably 2,500 farms, the aggregate sums on deposit in the local banks reach as high as \$2,000,000 or \$3,000,000, and the average of approximately \$1,000 per farm. As no one individual has very large deposits, it follows that the accumulations are well distributed.

What is true of the agricultural communities is true also of the cities and towns in which there are manufacturing and commercial interests. In fact, money is abundant everywhere, and all classes are enjoying the benefits of the prosperity. Millions of dollars of agricultural products have been sent to New York for use in railway and industrial enterprises. At Chicago during the past month there have been sent to the city for use in the West, Chicago bankers had sent out round hundred millions of currency to move the crops, and that money is now flowing back, and much of it is loaned in the East. Chicago provided more money than it sent to the West, and moving from New York did, and saved New York banks much of the drain which they had feared on that account. It is a peculiar and an interesting fact that a large share of the hundred millions which Chicago sent out for crop-moving purposes went to the West to buy cotton. There is so much money locally in the Northwest that the centers are not called on for funds as they were in olden times, and what bankers were regarded as an annual stress, and which the farmers of the West could provide for long in advance, has nearly disappeared. Broadly speaking, the people of the great corn, wheat, hog, cattle and dairy country of the Northwest have been able to do their own crop-moving and to carry on all their operations. They are lenders, not borrowers.

Wherever one goes in that region he finds evidence that the people have been living well. It is undeniably true that never before in the history of the world have 20,000,000 people inhabiting a given area enjoyed such a high standard of personal comfort as the people of the great Northwest. They are housed, clothed, fed and provided with articles of luxury upon a scale which in its distribution and extent surpasses anything ever before known in the history of mankind. This high standard of living is the amazement of all foreigners who visit our country. It is a condition simply impossible in any nation of Europe. It is a standard which is surprising and difficult to explain. It is almost a straight line, showing few elevations for the wealthy and not many depressions for the very poor.

Though the people have been living well, they have not been enjoying the good things of life to a remarkable extent. They have for the most part lived within their incomes, as is shown by the large accumulations of savings. This is more true of the agricultural communities than of the manufacturing or commercial centers, and if there is to be a period of industrial depression, the farmers' very foundation of the edifice, were never before so strong or so well able to weather a storm.

There are no indications of a period of industrial depression in the West. It is true there has been a slight slowing down from the highest line of activity. Everyone realizes that the high pressure of the last two or three years cannot be maintained indefinitely. There must be a change in the nature of the activity, and the reaction has already shown itself locally in a depression more or less temporary. In the iron and steel industries, and more generally in a stoppage of new enterprises. So far as the manufacturing and commercial centers are concerned, the reaction has for the most part been a psychological rather than an actual. The people who have read the talk in Eastern papers about hard times in Wall street and ominous signs in the Eastern financial markets have been cautious. They have hesitated to start new enterprises. Some have curtailed expenses, ceased buying as freely as formerly, not because of lack of ability to buy within their incomes, but wholly on account of the general wave of caution produced by the alarmist talk in the East. Even this psychological effect appears to be in part passing away. One traveling man from a Chicago house thus explained it to me:

"For a time people were scared by this panic talk in Wall street. They didn't know what to make of it and could

A TALE OF LOVE AND BANKING.

The famous house of Labouchere in England had a romantic origin. In the beginning of the 18th century, when Labouchere was a member of a banking firm in The Hague. He was sent on a mission to England to the great house of Baring, then, as now, one of the mighty banking concerns, whose transactions covered the earth. Young Labouchere promptly fell in love with a daughter of the house, and dared to raise his eyes to what might have been an inaccessible beauty. When this young foreign clerk made his proposal one can easily imagine the horror and indignation of the haughty English banker, but young Labouchere was a banker in disguise, and he was not to be so easily deterred. He asked in reply whether it would make any difference if, instead of being a clerk, he were a partner in the banking house which had sent him on this mission. The English magnate, with that wary and distrustful English eye, thought this was another proposition, and did not give a final answer. The bold young adventurer went back to Holland, and there, somewhat revealing the proposition, told his employers that if they

Reflections of a Bachelor.

From the New York Press.

Christmas breaks up but once a year. A man can have his legs cut off and walk on crutches, but when he gets married he cannot be repaired.

Quite the Customary Thing.

From the Boston Herald.

So far as heard from, each and every one of the accused postal officials has proclaimed his innocence and denounced his accusers. This is the usual procedure in such cases.

The True Inwardness of the Ship Building Trust Scandal

From the New York World.

1. What was the shipbuilding trust?

It was a combination of shipyarders scattered in several states between Maine and California. Some of these, like the Union Iron works in San Francisco, where the Oregon was built, and the Bath Iron works in Maine, were valuable. Others were less so. The assets of the trust were in the hands of a few men. The New London yard's chief assets were its current commissions on two big ships it was building for J. J. Hill's Pacific trade. Mr. Hill, supplying the cash. To these yards were added the Canada Manufacturing company, which theoretically made great profits, but which had never made a car and had no business. It was put into the trust at an extravagant price as a "favor" to an "insider." The trust finally bought the Bethlehem Steel company, which did a profitable business.

2. What was the trust's worth, and what was its capital?

This is difficult to answer offhand. It is easy to say that the trust was "valued" for nearly \$80,000,000, and that the assets of the combined companies were worth only \$12,500,000. But were they worth even that? Mr. Schwab has just declared under oath that the value of the shipbuilding company's property outside of the Bethlehem company did not exceed \$5,000,000. The Crescent yard was started with a few hundred dollars. Its real capital was Mr. Nixon's admitted ability and valuable experience, which he used to prevent him from being taken in by the promoters of the Canada company was unprofitable. Upon the Bethlehem plant only \$300,000 had ever been paid in on stock account. It was bonded for \$8,000,000 more than the full value of the plant. Good will, prestige and reputation were assessed at \$6,000,000 only a little while before Schwab bought it for \$7,200,000. Upon the most favorable computation the trust was capitalized for more than \$6 for \$1 in value, generously allowing for the good will that makes profits in flush times.

3. Who got the swag?

Fortunately no one got very much. The public did not freely buy the stock. If it had done so it would have enabled the trust-makers to "unload." Mr. Max Pan could have sold his \$1,000,000 assigned to him for "services," the millionaires who were "promoted" to "insiders" could have been turned into a little and Mr. Schwab's little commission of \$15,000,000 for turning over a plant whose debts were equal to its physical value would have meant millions in profits.

4. What was Schwab's real share in the scandal?

He himself describes it, he had no original part in forming the trust, but saw in it a purchaser for the Bethlehem works, which he had contracted to purchase for \$7,200,000. These he resold to the trust for \$10,000,000 in bonds, \$10,000,000 in preferred stock and \$10,000,000 in common stock, surrendering \$5,000,000 of the stock to J. P. Morgan & Co. If he had sold his remaining stock for \$6,750,000 in cash, as contemplated, he would still have had in the bonds a mortgage not only on Bethlehem but on all the other plants in the trust for \$2,500,000 more than Bethlehem had cost him—say a cash profit in all of \$5,550,000.

5. Did Mr. Schwab sell his stock?

No. It was just at the end of the period of inflation and trust-making had been overdone. But he had no notion of holding it as an investment. He did try to sell it. He made a contract in 1902 with the J. P. Morgan & Co., brokers, to sell \$15,000,000 of stock for him and \$5,000,000 for the Morgan firm at \$65 a share for preferred stock and \$25 a share for common before any other stock was offered to the public. In 1903, when the price of the stock had fallen, they were J. P. Morgan & Co. as the most privileged insiders.

BY-PLAY IN THE SENATE.

Under Fire.

From the Brooklyn Eagle.

There was some interesting by-play in the senate recently, during the remarkable debate on the Panama policy of the administration. Senator Hoar's attack on the president caused a commotion in the senate. Republican senators, but before the Massachusetts senator had proceeded for five minutes, the leaders decided that some one must reply to him. A conference of Aldrich, Spooner, Lodge and Foraker was quickly called and after a few minutes it was agreed that Foraker should deliver the reply. Foraker was wholly unprepared for such a task, except from his general knowledge about the Panama matter from being a member of the committee on foreign affairs. The chair was listened to with some interest, but from time to time made notes. When Senator Gorman, who succeeded Hoar, concluded, Foraker got up and delivered one of the most forceful speeches heard in the senate for a long time. It was all the more remarkable because he said he had never entered the senate chamber a couple of hours before, it was without a thought that a speech was to be made which would require an answer from him. As Foraker was pounding away, Spooner rose from his seat and paced up and down in the chair of the chamber map, and in his mind the points of a speech which it was thought would be needed to offset the damaging blow from Senator Hoar.

It was interesting to observe how the personal attacks of Senator Foraker affected those whom he attacked. When Senator Gorman as the leader of the Democrats in the senate and the man who hoped to be the leader of the Democrats in the campaign of 1904, nobody in the senate looked more unconcerned or indifferent than the Maryland senator. However, when Foraker directed his eloquence against Senator Hoar the result was different. The shots in that direction all went home, and in a few moments Hoar was squirming about in his seat in a most uncomfortable manner. Half a dozen times he was stung into rising to enter plain to every one present that Foraker had him badly wounded. Four or five senators gathered about the Ohio man's desk to prompt him and offer suggestions, among them being Allison, Aldrich, Spooner, Hopkins of Illinois and Lodge.

Even Providence Surrenders.

From the Philadelphia North American.

The supremacy among American cities seems to have been settled by the baseball editor's headline, "Providence Agrees to Chicago's Terms."

sold the Bethlehem to the Shipbuilding company Mr. Alexander wrote: "I hear that Morgans are giving us tremendous compliments in London. The New York Morgan firm, the parent house, also sent this cablegram to Morgan, Harjes & Co. in Paris:

"C. M. Schwab and his friends are interested in the new Shipbuilding company here and will be glad to have you take a wordly view of it as is consistent."

The Trust Company of the Republic in announcing this cablegram to Mr. Young in Paris said: "Morgan has sent strong cable Harjes' (his partner)."

7. But how came J. P. Morgan & Co. to have \$50,000,000 of stock to sell?

When Schwab bought Bethlehem, or rather agreed to buy it, he was then the president of the steel trust, a rival concern, he told the Morgan firm of his purchase contract and offered them the works for the steel trust—offered, as he phrases it, to turn over the works to the steel trust without profit, but stipulated that if the steel trust was to be a rival concern, it should be entitled to the greater part of any profit. He did get the "greater part" of the expected profit—three-fourths of the stock and all the bonds. The \$50,000,000 held by Morgan & Co. were afterward sold to Schwab for \$75,000, which was turned over to the steel syndicate—not to the steel trust, but to the group of wealthy bankers who "underwrote" it. The Morgan firm denies having authorized Schwab to make the selling agreement with Harjes, Gates & Co., but they were nevertheless named as beneficiaries in the contract.

8. What did Young and Alexander do?

To place with European capitalists \$50,000,000 in bonds of the shipbuilding company, John W. Young, described by Mr. Alexander as a "more promoter such as Mr. Morgan constantly used in New York," was sent to Paris. Great capital there, however, proved "terribly technical," and the "more promoter" got into difficulties, which Mr. Alexander, an eminent lawyer and a much more important man, undertook to straighten out. The result was the extraordinary collection of letters and telegrams which the World has been publishing before the public. In them Mr. Alexander wrote his own story of his doings there. His arduous toil was complicated by the fact that the Trust Company of the Republic had cabled that the bond issue in New York was "a success." It was not. However, Mr. Alexander explained to the Parisians that it was the general custom in New York to declare all issues a success and peddle the bonds afterward.

9. Who were the Paris subscribers?

Alexander in his letters explains that they were not bankers but private investors. He tells how he told Young he "must eat humble pie and make his peace with Rogiat," how he "sat at dinner" with the Viscount de Darnley, a stockholder in the Union Iron Works, who didn't want to sell her stock because she didn't know where to invest the money; how he suggested that "perhaps Scott would make her an offer in the securities of the new company;" how he "cranked" himself as to the financial reliability of the Schreyers by talking with the notary who "had drawn all the marriage contracts" for the family; how he told wary purchasers that his secretary "had told me as to his having heard from some one of J. P. Morgan, which greatly reassured them," that Baron Rogiat's wife had come to town and "put him in funds;" how he heard that Schreyer had "a million dollars belonging to one old woman to whom he said at his discretion;" how "Young Mr. Harjes" described variously as a "stupid boy" and a "crank," how he "bought the business"—which would prove him neither stupid nor cranky—and how all Mr. Alexander's negotiations finally failed.

10. But who was the real author of the trust? Whose mind conceived it?

It is hard to say. Not Dresser's surely. The former president of the Trust Company of the Republic, who on the stand testified "I was a banker; I am a bankrupt," who was a lawyer, a company president and the brother-in-law of a Vanderbilt, he was useful bait. Not Nixon's, which was really upon ship-building bent. He also was bait. Not Schwab's, keen but rather rudimentary organ of thought. Whose, then? When the question is asked, the name of a very remarkable person, a veritable Mephistopheles of high finance—will be known to a wondering world.

Advice to the Lovelorn

By BEATRICE FAIRFAX.

Dear Miss Fairfax: There is a young lady who has been engaged to a young man for over a year. She has met him and the result is we are in love with each other. She does not love the other young man who she first met, and has more than once told him so, yet because she told him she would marry him she will not break the word, and so they are to be married in March. She says happiness will go out of her life forever. Does she do right to marry when she feels thus? I love her dearly and would marry her if she were free. If she marries him there will be two unhappy lives, and perhaps three.

R. FRED JONES.

If she does not love the man and has told him so, he should release her from her engagement. I do not think you did right in making love to her when you knew she was engaged to another man. Are you sure that is his name when she says she loves you? There is no happiness in a loveless marriage, and it would be much better to break the engagement than to enter into such.

Dear Miss Fairfax: Last night I took my sweetheart to a concert and I noticed that she winked at a man in the audience who sat a few seats below us and who had stared up at her. At first I thought he might be a friend, but when I asked her she said, "No, he is a total stranger who has been staring at me since we entered her home that I did not appear of such conduct. She said she had done it "just for fun," when I asked what she meant. She also stated that she would do the same thing if she married. (She thought I was kidding her.) Now, Miss Fairfax, I have been keeping company with this young lady for six years, ever since she was 16 years old. I have always thought her a modest and good girl, and I do not like to break my engagement to her, as she is to be married in February next, but I want your advice. Do you think I ought to marry her? I love her very much. I do not intend to call on her again, though, until she has written me a letter stating that she has changed her views.

While I do not think the girl's fault is serious enough one to warrant the breaking of your engagement, I do think her action very unkindly. No well-bred girl would ever dream of winking at a stranger man, much less winking at him. It is certainly not the behavior a man would tolerate in his wife. But even if you said to her, "I am sorry you did it," she would do it again she only needs to be told you. Do not be too unforgiving; talk to her, tell her you think her in the wrong and that men have no respect for girls who do such things. A gentle, reasonable talk may do her much good.