Calling cards, wedding stationery, commercial stationery and job printing to order at the East Oregonian.

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# M'VEAGH RAPS **CUSTOM HOUSE**

In Annual Report Secretary of Treasury Discusses Recent Sugar Frauds.

POLITICS AND POLITICIANS ARE LARGELY RESPONSIBLE

Blames Also Returning American Travelers-Will Continue in Present Investigation. Recommends Selling of Bonds or Certificates to Meet Deficits—Says Government

language, Franklin MacVeagh, sec- bearing a higher rate of interest one claims developed a fact today of some retary of the treasury, discusses in his per cent. annual report sent to congress today the recently exposed frauds of the sugar trust and other customs house

"symptoms of a diseased condition, most general." numerous prosecutions have been

made and projected. zation, the secretary regards as most the banks would be the same but to deleterious "the influence of local polities and politicians," which "has promoted that laxity and law tone which prepare and furnish an inviting soil for dishonesty and fraud.

released from the payment of political debts and exactions," he continues, "and from meeting the supposed exigencies of political organizations, big and little, it will be impossible to have an honest service for any length of time.

'Any considerable share of the present cost of their demoralization to the public revenues, to the effimerality, is a strenuous amount to pay in mere liquidation of the small debts of political leaders."

Then he also blames returning American travelers for not only being willing to defraud the govern-

The accretary says that the work of carrying on the revelations, the co-operation of the department of justice."

Secretary MacVeagh makes change, when it comes, must be funlitical partnership, special interest or pride of opinion.

Must Sell Bonds,

In pointing out the condition of the present, either in the banks or in its vaults, materially more than a working balance, the secretary declares that it will become necessary in or-

The ordinary receipts for the current fiscal year of 1910 he estimates an express wagon. at \$648,000,000 and the disbursements at \$682,075,629 which leaves a COFFROTH IS AFTER deficit in ordinary receipts of \$34,-075,620. Add to this the Panama canal and public debt disbursements and the deficit is \$73,075,620.

nary appropriations are estimated at that has for its object the matching \$616,968,672,51, including the sec- of England's top notchers in at least retary of the navy's estimate of \$12,- three divisions with American cham-844.122 for new warships, or a sur- pions, according to a report in cir-327.42. When the Panama canal es- Welgard, Coffroth believes would timates for 1911 are added the sur- make\_a wonderfully attractive card plus will be turned into a deficit of for San Francisco fans Freddie

the canal, \$97,069,649, has been ta- Abe Attel for a third, completes the ken out of the general fund of the list of the San Francisca promoter. treasury and there is a continual drain upon the general revenues for TATGIMENTS BATTLE this work. "It is desirable," says the secretary, "that the settlement of this account should be at least begun; and that the expressed policy of the government to pay the cost of the cader that the next generation or two from Fex. Two regiments from the the great enterprise, should be secured and established."

The 2 Per Cent Interest. Admitting that sales at par of United States bonds bearing only two per cent interest have been forced heretofore because it was necessary for national banks to have them in order to take out circulation upon them, Secretary MacVeagh says bluntly

"It is, in my judgment, high time for the government to realize that it does not have a two per cent borrowing power and never had. No government, however rich, has a two per ent borrowing power."

No investor, he points out, would pay \$100 for a bond bearing only two per cent interest, and the only rea-on that the government had been able to dispose of its obligations at this rate is that the banks have been compelled to take them in order to obtain the necessary security upon which to issue their circulation. Because of competition the banks paid varying prices above par, and hold almost all of the 2 per cent outstanding. Now the market value is so de-pressed that the secretary estimates that the banks have lost \$25,000,000 as a result of their speculation, and, if they were to attempt to dispose of them, would lose much more. The result is against the retirement of circulation and in fayor of the maintenance of a currency rigidity which is unfortunate. Recognizing the difficulty of selling two per cent's at par, congress authorized a further issue of bonds to bear three per cent in-Has Not a Two Per Cent Borrow- terest to cover the cost of the Panaing Power-Many Other Questions. ma canal. But existing law, while taxing circulation issued on two per cent bonds only one half of one per Washington, Dec. 8 -In vigorous cent, taxes circulation issued on bonds inquiry into the Cunningham coal

Recommends Higher Bonds. So Secretary MacVeagh recom- up coal claims, operating through H. mends additional legislation to secure V. Winchell, of Minneapolis, who has a parity between those bonds now out- purchased six claims, taking the title Speaking of the "alarming" reve- standing and those to be issued. The in his own name, and others. lations of the condition of the cus- effect would be to leave to the banks toms service in New York, he says exactly the same amount of interest mining man and entryman on the that the frauds of the American Su- they are now receiving from the gov- Cunningham proposition, said this gar Refining company showed "a ernment. For instance, the one-half morning he had used his efforts to long-continuing system of corrup of one per cent tax which they are block the Gugghenheim deal in 1997 While they were perhaps the now paying for circulation on two because the price agreed on was not most important instances they were per cent bonds leaves them one and as good as that offered by Charles one-half per cent profit. The secre- Sweeney of Spokane, who was trying not universal, by any means, but al- tary proposes that if two and one- to secure ten claims. Burblidge later Enough facts have naif per cent bonds be authorized sold to Winchell for \$18,000. Burbeen brought to light, he declares, to they should pay a tax of one per cent bidge is one of the best witnesses yet afford a basis for rehabiliation and on circulation issued upon them, and called. He is not in the deal at presand projected.

As for the causes of the demoral
per cent bonds to issue the returns to claims, form a company, and the later

(Continued on page 8.)

# of for dishonesty and fraud. "Unless the customs service can be GUARDS GOLD WITH

MINER WOULD NOT

ciency of the service, and to public With Hard Earned Wealth in Iron Safe, Alaska Miner Guards It from Scattle to San Francisco-Stays Up All Night With Treasure.

will be continued without pause and self while the treasure was in his pos- es were hadly damaged, "will have, as it has had, the effective session. Hogan and his wife left Seattle for San Francisco several days MAN SHOT DURING. ago. They delivered the safe conno taining the gold into the keeping of recommendation on banking and cur- the Wells-Fargo Express company at the precious safe piled on the truck ments .Hogan became alarmed and hip during a free for all fight result- the general sessions of the court. immediately relieved the express company of the responsibility. He secured a drawing room on the train treasury, which, he says, has not at bound for this city and throughout of firing the shot, but he denies his the trip guarded the treasure. Arriving too late last evening to deposit the money, he had the safe removed to a room of the hotel and all night der to meet deficits, to sell either long sat on guard. Early today be bonds or certificates of indebtedness, accompanied the safe to the mint in

## ENGLISH FIGHTERS

New York, Dec. 5 -- When fortic promoter, James Coffroth, arrives in For the fiscal year 1911 the ordi- London he will incite a campaign us in ordinary receipts of \$35,931,- culation today. Owen Moran and Ad Welsh and Battling Nelson for an-The amount already expended upon other headliner and Jem Drincoll and

## WHILE ON REVIEW

Paris, Dec. 8 .- Scores of Moroccan oldlers were killed enriy today durng the military review by the sufnal from the proceeds of bonds in or- tan, according to dispatches received shall share with this in the cost of warring desert tribes. the message stated, savagely attacked one another lirectly in front of the sultan's reviewing stand.

> King Leopold Very III, Brussels, Dec. 8 .- In spite of an official bulletin issued early today stating that King Leopold's conflion was improved, it is believed the suffering from a paralytic attack.

# GUGGENHEIMS BOUGHT CLAIMS

Spokane Mining Man Fur-Occupies Stand for Five nished Testimony Which Sheds Light on Deals.

MINNEAPOLIS MAN WAS MEDIUM OF OPERATION

Frederick Burbidge of Spokane Proves One of Best Witnesses Yet Called to Stand-Tried to Block Goggenheim Deal Because he Could Make More on Another-Was no Combination at Time of Entry.

Spokane. Dec. 8 .- The government the Guggenheims have been buying

Frederick Burbidge, a Spokane f three per cent bonds be issued, they ent, and made a clean breast concernnegotiations with the Guggenheims. He denied any combination as the time of entry but admitted he knew it would come some day.

MAN SLIPPED AND

TRUST WELLS-PARGO | a dewalk and was drowned in a shall bitterly every night. low flow of ditch water.

#### INFERNAL MACHINE WHECKS HOUSE INJURING SEVEN

Birney, father of the strikebreaker day frightfully scalded as the result San Francisco, Dec. 8 - His all was built infured and seven other of an explosion of a Denver & Rio kan miner, today transferred his ed under the foundation early today, before rescued. Th engine was blown wouldn'to the United States must and The outrage is alleged to be the re- to pieces. reared to the Arg man hatel to get suit of a strike at the American Tinprosecutions and the reorganization, the sleep which he had denied him- Plate company. Two adjoining hous- SHELDEN CHARGED WITH

giors were nearly state or then mraning from the crowd tormenting Bert Keyes, a lightweight pugilist in a sent box. Keyes was arrested on suspicion

Manuel Friendley of Helix, has been transacting business here today, candidate. George Smith,

courred on the O. R. & N.

in the last car on the train,

the officials themselves would have is reached.

Roadmaster Jurgens hastened to the z o'clock

WRECK AT HORSESHOE CURVE

DEMORALIZES TRAIN TRAFFIC

What might have been a serious scene in a special train made up here

A few hours before the special car The third section of No. 7 arrived in

# **GOVERNOR HAY** ON THE GRIL

Hours in Hamilton Embezzlement Trial

STATE WILL CLOSE ITS CASE TONIGHT

Governor and Attorneys Have Match

of Wits-Hay Insists That Slurring Remark of Attorney General Caused Hamilton to Speak-Counsel for Defendant Will Show That State Has Not Proved Embezzlement

Olympia, Wash, Dec. 8 .- Five iours yesterday Governor M. E. Hay, on the witness stand at the trial of interest which leads to the belief that former Adjutant General Ortis Hamilton, accused of embezzling a large sum from the state military funds, was subjected to a severe cross examination by the counsel for the defense. At no time were the proceedings dull. The attorneys were determined to ensnare the governor, but he was equally determined.

He said that it was a "slurring remark" made by Attorney General Bell in referring to Hazel Moore, Hamilton's alleged affinity, that caused Hamilton to give his alleged confession. Governor · Hay said that Hamilton maintained his composure until Bell said that the girl had thrown him over," and then Hamilton said he would tell the whole story if they would leave her out of it.

It was announced by W. F. Magill, assistant attorney general, that he expected to close for the state to-On the stand today Frank M. Dallam, secretary to Governor Hay, O. A. Free, armorer for the national guard, Mary McIntyre, former stenog-PED AND rapher for Hamilton. As soon as the state doses, Hamilton's counsel will move for a non suit on the theory Neymin City, Calif., Dec. 8 -- Ly- that the state has not established : ng in a gutter the head partially largeny by embezzlement case, bu mashed in water accumulated from one of obtaining money under false rains, the body of George Tallon, a pretenses. Hamilton, while calm and business man, was found today. It collected in court is reported by others supposed he fell on the supposed or prisoners to break down and cry

#### FIREMAN PRIGHTFULLY SCALDED IN EXPLOSION

Santa Fe., Dec. 8 .- Fireman H. H. Youngstown Ohlo, Dec. 8 - William | Kinkaid is in a local hospital to-

New York, Dec. 8 .- The grand jury SIX DAY BIKE RACE, this afternoon returned an indictment under the command of General Vas polar observations of Dr. Frederick charging first degree grand larceny Quez near Rama. The insurgents, A. Cook reached here today aboard Now York Dec. 1 During the six against-George Preston Sheldon, the today's message stated, are pushing the steamer United States. rency reform except to urge that the Portland. However, when he saw one bleycle race y words, the phoen's In- to the utmost their advantage gained ordinary precautions were taken to damentally right and freed from po- with other San Francisco assign- when "Tug" Brow, was si in the was handed down by Judge Poster in ing on the outskirts of the Zelayan were delivered safe to the university 2

> Alexander Wins in Los Angeles. Los Angeles, Dec. 8.—Early returns today indicate that Mayor George Alexander has been re-elected mayor MEXICO TO CONFER WITH of Los' Angeles over the republican

TRAINMEN IN EAST WILL DEMAND INCREASE

New York, Dec. 8.-Fifth Vice President Murdock of the Railway Trainmen's Union, declared today there is little probability of the strike that has paralyzed freight movements in the northwest, extending to the Atlantic seaboard. He stated, however, that members of his organization, conductors and other employes on 30 eastern railroads, on January 3, would demand a wage increase, and a concession regarding the number of working hours. The demand will be made by the men us employes of the individual roads and not as members of an organization.

#### NOTED NEWSPAPER MAN PASSES AWAY

Cincinnati, Dec. 8 .- Lemuel T. Atood, financial head of the Scripps McRae league of newspapers, died at his home here last night after an Illness of six months. He is survived by a widow and five sons. The funeral will be held Friday.

#### ELECTRIC LIGHT SIGNALS WARNED CUSTOMS WEIGHERS

New York, Dec. 8 .- Harry Van Duzen, formerly assistant government weigher at the sugar docks Brooklyn yesterday testified that an elaborate system of electric light signals was used to warn the weighers when government officials were approaching. Alexander McGilvey, another government weigher, showed an apparent collusion between the customs house and trust headquar-

#### KERMIT ROOSEVELT BAGS GAME IN THE JUNGLES

Nairobi, Dec. 8.-Kermit Roose relt arrived here today after several successful weeks in the forest. Two bull bongoe, considered the rarest specimen of African antelope, 4wo ows and other trophles, fell to his health and after a few hours 'rest set out for Mombasa, where he will hunt gable

# DEFEATED GENERAL

VASQUEZ TRIED AND CON-

Zelaya Will Add Another to His List

Denver & Rio Mexico City, Dec. 8.—An uncon- The new gasometer which exploded Kinkald was firmed dispatch from Mangua, Nicara- was the largest in the world, having ment but to corrupt its employes and inght visit at the side of a small from the world, having importers to evade duties through unsuperiors to evade duties through unsuperio demned to death because he was de- marks (\$3 500;000) for its construcfeated by the insurgents in yester- tion. day's baltle mear Rame.

New Orients, Det. 5.—Dispatches DR. COOK'S OBSERVATIONS IST DEGREE GRAND LARCENY today from Corinto confirmed yesterday's cabled reports of a decisive insurgent victory over Zelaya's troops company. The indictment by fierce fighting and are progress- make sure that the long-heralded data army's position. Between 200 and authorities. As soon as the United 300 men fell in yesterday's engage. States was fied up at the pier, the ment. The first report of a victory iron box containing the explorer's refor Lelaya was a false rumor of the port and dlaries, in which the origisame battle.

Mexico City, Dec. 8 .- Henrique of the explorer. Creel, the former Mexican ambassador to Washington, now governor of LAUNCH PLANS FOR Chihanhan, is today en route to Washington to represent Mexico in the conference that will have for its will confer with Charles E. Magoon. cording to the general belief here. creek occurred just west of Coe, the and sausisting of an engine and box

## new station at Horseshoe Curve. 12 cars. Greek section bands were also HONDURAS PROCLAIMS miles west of Pentleton, about 4:20 photos up blong the road to assist in GENERAL MART

this morning. As it was, the two rear gotting the train back on the track rall and the passengers tumbled from their berths. Fortunately no one was a minimal plan while has might's Nos. 5 and 11, the the Honduran government has present the Honduran Express and made up at Salt Lake.

Lours late and therefore went out today Bonilla was dispaced by passed through femilian this mornpassed through femilian this mornpassed through femilian this morning at 2:45. One half hour later it tions of No. 7. They were held up President Zehaya of Nicaragua, was in the ditch, being a participant between Kamela and Glover by the

#### n one of the many wrecks which have breaking of the side rods on the lo- PERRINGER, IT IS SAID, DID NOT "SIT IN."

of General Superintendent M. J. Pendiston about 2 o'clock, being a One of numerous articles published Buckley and containing besides that train load of saidlets en route to the further barracks at Vanesuver. Washington the Great that the operations of the Harvey Dale lons, passed over the spot where the The regular No. 7, due here at 12:15 wreck occurred. Had their train is running 14 hours late, and will George Perringer of Pendleton had seen the one stated for the mishap: probably be later by the time this city been fleeced by them in a poken game. The story emanated originalbeen mixed up in it, for they were The wrecked train was placed on ly from members of the band, but rethe last car on the train,
the rails and started west about 1:30 cent investigation has shown it to be
Assistant Superintendent Richard this afternoon, while train No. 10, untrue It is stated that Mr. Per-Buckley was in Pendleton when the which was held at Nolin, pulled into ringer has never "sat in" with any of aged monarch is dying. Loopold is accident occurred and together with the local depot a few minutes before the Harvey Dale gang at the green table.--Portland Journal

# IN EXPLOSION

Largest Gas Tank in World Explodes and Twenty-seven Are Killed.

MEN DISAPPEAR IN GREAT MASS OF FLAMES

Leak in New Gasometer Causes Disaster-Firemen Prevented by Intense Flames From Saving Burning Men-Forty Men Dangerously Injured-Fire Spread With Great Rapidity-Little Hope of Finding Missing Men.

Hamburg, Dec. 8 .- The explosion of two gas tanks in the so-called 'Kleines Grasbrook" on the Elbe front yesterday afternoon was followed by an extensive fire and the loss of many

The explosion was due to a leak in new gasometer. Escaping gas entered the retort house, where it came in contact with the fires, causing a errible explosion. A large number of workmen were engaged in rebuilding

and enlarging the plant. Twenty-five men who were working near the gasometer, desappeared in a mass of flames which shot up to a great height. Firemen appeared quickly but were unable to approach in gun. The young hunter is in excellent large force because of the isolated situntion of the establishment

Late last night ten men were report. ed dead and 17 missing. It is almost certain that all these are dead. Forty men were dangerously injured, sev. eral perhaps fatally.

The fire spread rapidly and threatened the old gasometer, containing 59,000 cubic meters. So intense was the heat and so dangerous their position that the firemen were compelled to withdraw. A terrific explosion soon occured, and the tower became a mass of flames which leaned hundreds of feet in the air, sending fragments DEMNED BY COURT MARTIAL of glowing coke far over the city and harbor,

of Bloody Deeds-Insurgents Won begun. Little hope of finding the Decisive Victory and Arc Following bedies of the missing is held out as they undoubtedly have been incinerpted.

### ARRIVE IN DENMARK

Copenhagen, Dec. 8.-The north Extranal entries were made, were brought The box was closely followed by Walter Lonsdale, Dr. Cook's U. S. TO SEPTLE EMBROGLIO secretary, who has stood guard over the contents since they left the hands

### PANAMA-PACIFIC FAIR

San Francisco, Dec. 8.—Backed by object the immediate settlement of practically every business and profesthe N caraguan embroglio. Creel will sional man in the city, aided by every traveling representative of Presi- organization, and guaranteed the nefent Diar, in Washington, where he cossary financial support, promoters of the proposed Panama-Pacific exformer governor of Cuba, who will be position will begin immediately to named as American commissioner, ac- raise the necessary funds for holding a big fair here in 1915, to commomorate the opening of the Panama canal. The proposition was made by GENERAL MARTIAL LAW Homer S. King, president of the Bank of California, and the Pacific cars on passenger train N . 5, were used into rails cleared. Washington, Dec. 8 — Fearing an object Exposition company was formathrown from the track by a broken. Extinguing train No. 10 was held attempt on the part of former President at morting of 500 merchants and

> New York, Dec. 8 .- The pine lenders of the six day bleyels, rary at Madison Square Garden are too 11 miles ahead of the record made in the last year race. The distance trave eled up to this time is 1128, 'niles and eight laps. The leading team is McFarland and Clark.

### Former President in Field.

New Orleans, Dec 8 -- Dr. Cardena, former president of Nicaragua, whose administration was overthrown by Zelaya in 1893, has taken the field against the dictator and is heading an expedition from Costa Rice into Nicaragua, according today's advieva