

SAY STOCK IS "MILKED."

AFTER STEEL FOUNDRIES.

Shareholders Accuse Officers of Using Dividend for Bonus.

Swartz and Appenzeller, bankers, of No. 44 Pine street, who are soliciting proxies from the stockholders of the American Steel Foundries Company who desire to force a resumption of the dividend on the preferred stock, made public yesterday a circular letter sent to the stockholders by William V. Kelley, president of the company.

The letter, which is dated August 25, in Chicago, is in answer to the circular request for proxies sent out by Swartz and Appenzeller, in which they stated, among other things, that the net earnings of the company for the last fiscal year would approximate \$2,800,000, or 17 per cent on the preferred stock, more than two and one-half times the amount required to pay a dividend of 9 per cent on the preferred stock.

Mr. Kelley says that this estimate of the earnings is much higher than it should be, and declares that the company made no public reports, either for the whole fiscal year ended July 31, or any part of it, on which an estimate of the earnings could be based. Further on, however, in speaking of the contract under the terms of which he and three of the other officials of the company receive a bonus of 15 per cent of the profits when they are between \$500,000 and \$1,000,000, and about 20 per cent when they are \$1,000,000 or over, up to \$2,500,000, he said that this maximum was reached several months before the close of the fiscal year. The circular continues as follows:

It is not now, and has never been, a secret that the writer and three of his associates have an agreement to share in the profits, under certain conditions, and that this agreement was authorized by the board of directors and submitted to and approved by the stockholders, and that the same was specifically mentioned in the notice of the meeting and the form of proxy mailed to each stockholder, and that the contract is being carried out in full, and that the notice further stated that any stockholder at the office of the Secretary.

Until within a short time the company has been a large borrower of money, because it lacked sufficient funds to handle the volume of business reasons, some of which are quite apparent from the published reports, the consideration of the payment of dividends. The writer and his associates are large stockholders in the company, therefore it is not surprising that they should be interested in the payment of dividends. In connection with the receipt of the dividend, the writer and his associates are perfectly sure that when dividends are paid they will receive the full amount of the dividend, and that the stockholders who do not receive the full amount of the dividend are being "milked" by the company.

Mr. Appenzeller, of Swartz and Appenzeller, after pointing out that Mr. Kelley practically corroborated their estimate of the earnings, which, he said, was based on the published reports each month, and that Mr. Kelley's statement that "the bonus contract was authorized by the board of directors and submitted to and approved by the stockholders" was contrary to their information, he said that the ratification was by vote of the officers holding stockholders' proxies, and that only one stockholder attended the meeting, and that he voted against it.

Mr. Appenzeller said that the firm was receiving thousands of proxies every day, and that there was no doubt that it would have a clear voting majority of the stock before the annual meeting on October 1. Many of the stockholders, he said, in submitting their proxies expressed their indignation at what they called "being milked by the company," and demanded that the dividend be resumed on the bonus contract abolished. He added that Mr. Kelley had only \$200,000 of the preferred stock, and was therefore more interested in the bonus than in the dividends he would receive on his stock.

The officers who receive the bonus, besides the president, are Robert P. Lamont, first vice-president; W. W. Butler, second vice-president, and G. E. Scott, third vice-president. The contesting stockholders declare that the bonus contract is an illegal contract, and that the company is being "milked" by the officers who receive the bonus. They also state that the company is being "milked" by the officers who receive the bonus.

PRaises RELIEF PLAN.

Cortelyou's Own, Says National City Circular—N. Y. C. Bonds.

The monthly circular of the National City Bank, issued yesterday, discusses the financial relief plan announced by Secretary Cortelyou recently, under which he proposes to deposit government funds in national banks each week during the next moving period. It says that the total amount of \$10,000,000 issue of 4 1/2 per cent New York City bonds. The circular says, in part:

It is understood that Secretary Cortelyou's plan for financial relief, as outlined, is exclusively his idea, and is the result of patient research and long reflection. Certainly it marks a decided departure in Treasury financing, the way to which was cleared by the passage of the Albrecht act, the Secretary, in his efforts to eliminate the evils of Treasury accumulation, intends to make effective the power conferred by that act, both as to the character of government receipts which may be deposited with the banks and as to the securities which may be deposited in return for such receipts. It is also understood that the Secretary, in his efforts to eliminate the evils of Treasury accumulation, intends to make effective the power conferred by that act, both as to the character of government receipts which may be deposited with the banks and as to the securities which may be deposited in return for such receipts.

The Secretary's plan shows an admirable conception of his powers as conferred by the act, and removes the uncertainty that usually overhangs conditions at this season of the year. It is intended to be a question of whether or not the Secretary of the Treasury is going to do something for the relief of the coal and iron workers, or a step in the direction of working out an automatic system whereof the Treasury will be the beneficiary. The Secretary's plan shows an admirable conception of his powers as conferred by the act, and removes the uncertainty that usually overhangs conditions at this season of the year.

Only two classes of expenditures show no increase, and that is in the case of interest on the public debt. It is thought by some well-informed Treasury officials that the result of the proposed plan is to result in higher expenditures during the next year, but even so, it is not an increase of \$1,000,000, but only \$500,000, as much of the surplus as accumulated in 1906, when the excess amounted to \$1,900,000.

The plan is based upon the fact that while the Treasury is accumulating a surplus, the receipts are still coming in at a comfortable rate, and are showing an increase of \$1,000,000, or 10 per cent, over the same period of the previous year. It is also pointed out in last month's circular, that the Treasury, with its \$200,000,000 of working balance, is able to utilize the surplus as it comes in, and is not obliged to invest it in the purchase of United States bonds.

View of the acceptability of New York City bonds by the Treasury Department as an issue of \$10,000,000 of New York City 4 1/2 per cent bonds becomes of general interest. These bonds, which are to be issued in the amount of \$10,000,000, will be used to purchase United States bonds, and will be sold at a price of 100 per cent, or \$100,000,000.

The city of New York is compelled to issue bonds bearing 4 1/2 per cent interest, not because of any lack of confidence in its credit, but because of the demand for long term bonds at a time when the market is flooded with short term bonds. The city of New York is compelled to issue bonds bearing 4 1/2 per cent interest, not because of any lack of confidence in its credit, but because of the demand for long term bonds at a time when the market is flooded with short term bonds.

Control of the situation, and therefore assumed that the forthcoming issue will be the only offering bearing as high a rate as 4 1/2 per cent.

GLYNN COLLECTS \$1,116,285. Yesterday's Corporation Tax Receipts Said To Be Largest on Record.

THE READING ANSWERS

FILED IN COAL CASES.

Senator Hanna Held Responsible for Advance in Prices.

Philadelphia, Aug. 31.—The Reading Company, the Philadelphia and Reading Railway Company and the Philadelphia and Reading Coal and Iron Company filed their answers today to the suit of Federal Government to break up the alleged monopoly existing in the anthracite coal regions of this State. The answers of the three concerns, of which George F. Baer is president, make a general denial of the government's allegations, and go into the first great strike in the hard coal fields and its relation to the Presidential campaign of 1900, when McKinley was elected.

It is declared that the agreements to advance the price of coal were brought about in 1900 by the violence and intimidation of the striking mine workers, by the failure of the United States government and the state of Pennsylvania to enforce the law and protect the coal companies, and by the importunities of the late Senator M. A. Hanna. It is alleged that the conspiracy and the strike of the miners on account of the impending Presidential election.

General details of the conspiracy charges are made in the answer of the Reading Company and that of the railway company. The answer of the coal and iron company takes up the strike of 1900 and says that the substantially all the workers in the anthracite regions abandoned their work, under the force and effect of violence, turbulence and intimidation, and the employes and workmen of this defendant and others in the same neighborhood were induced or compelled by like violence, turbulence and intimidation to abandon their employment.

HANNA URGED ADVANCE IN WAGES. The answer goes on to say that "shortly afterward it was represented, in substance, to the officials of this defendant and the representatives of the mining companies, that Marcus A. Hanna, acting as chairman of the Republican National Committee, in the then pending political campaign for the election of candidates for President and Vice-President of the United States, that if the said strike should not be speedily settled by an advance in the wages of the workmen in and about the anthracite region of this State, the strike would extend to the States of Ohio, Indiana and Illinois, and that the election of Mr. McKinley and Mr. Roosevelt would be thereby endangered."

The answer declares that Mr. Hanna represented to the officials of the company that he was authorized to settle the strike through President Mitchell of the Miners' Union, if the operators would agree to give their workmen a 10 per cent increase in wages. It is set forth that the company did agree to advance the wages of its mine and colliery workmen 10 per cent, and that the other principal mine owners who had been in conference with Mr. Hanna agreed to the same concession.

It is stated that the conference was held before the officials or representatives of the principal mine operators who had theretofore offered the said advance in wages and the representatives of the principal mine operators who had to do so; that, as the result of the agreement of the operators, this defendant was obliged to and did agree to advance the wages of the workmen, and that the advance was made in accordance with the terms of the agreement, and that the advance was made in accordance with the terms of the agreement.

Continuing the answer avers that all the conferences between the operators and the contracts which resulted therefrom "were wholly brought about, compelled and forced upon this defendant by the turbulence, violence and intimidation aforesaid, by the failure of the government of the United States and that of the commonwealth of Pennsylvania to enforce the laws to protect this defendant and its workmen in the peaceful and lawful prosecution of their business, and by the importunities of the said Hanna in the supposed exigencies of the pending Presidential campaign, whereby this defendant was obliged, most unwillingly, to buy its peace and the peace and protection of its workmen by the said advance in wages, and that the said conference was in no way what is called a "peace conference," and that the advance was made in accordance with the terms of the agreement, and that the advance was made in accordance with the terms of the agreement.

GOVERNMENT ALLEGATIONS DENIED. The answers of the Reading Company and the Philadelphia and Reading Railway Company and the Philadelphia and Reading Coal and Iron Company deny the various allegations contained in the government's suit. In reference to the charge that the Reading Company controls the other two corporations the answer of the Reading Company says: "This defendant denies that it holds the entire capital stock of the Reading Railway Company and the Philadelphia and Reading Coal and Iron Company, and a majority interest of the capital stock of the Central Railroad Company of New Jersey as charged in plaintiff's petition, but it admits that it is the owner of an equitable or beneficial interest—subject to certain liens or pledges not material, as this defendant is advised by counsel, to be particularly set forth herein—of the major portion of the share capital of each of the said several corporations."

It is also declared that the Reading company no longer holds any stock of the Central Railroad of New Jersey, but that on April 1, 1901, 140,000 shares of the stock then in the possession of the Reading company was transferred to the Pennsylvania company for insurance on lives and granting an annuity to the widow of the late John H. Barre.

ARMY AND NAVY NEWS.

Drilling by Battleships in Atlantic Fleet Stops for Holiday.

Washington, August 31. HOLIDAY FROM DRILLING.—All of the battleships of the Atlantic fleet, which have been engaged for the last week in drilling on the Southern drill grounds, have returned to Hampton Roads, except the Alabama. The ships will spend Sunday in port, to afford the men rest and shore leave, but will put to sea again promptly on Monday for the ORDERS ISSUED.—The following orders have been issued: ARMY. Captain EDWARD P. NORRIS, coast artillery corps, detailed in quartermaster's department.

NAVY. Commander F. W. KELLOGG to naval station at Charleston. Lieutenant Commander M. JOHNSTON, detached from command of the Albatross, to command of the Albatross, from Norfolk, Va. Lieutenant J. G. HOWE, detached from command of the Albatross, to command of the Albatross, from Norfolk, Va. The Nevada was placed in reserve on August 29 and the Florida on August 30 at the Naval Academy.

ACCUSED OF POISONING HORSES. Former Employee Who Wanted Five Cents for Medicine Held to Grand Jury. Louis Hutton was arraigned before Acting Recorder Mara in Bayonne yesterday charged with having poisoned seven horses belonging to his former employer, Samuel Koenigsberg, a contractor, of No. 72 West 20th street, Bayonne, because five cents was refused him to buy medicine. The contractor alleges that shortly after refusing Hutton the money for two of his biggest horses died. Upon investigation five other horses were found to be poisoned and may die.

Koenigsberg was informed by Louis Barth, another former employer, that Hutton was seen to put something into the oats which were fed to the horses. Both boys were held for the grand jury in default of \$1,000 bail. Counsel for the boys charged the contractor with attempting to bribe two witnesses to testify against the prisoners. A warrant was issued for him and he will appear in court to-morrow to answer the charge.

JUMPS TACK AT BRIDGE ENTRANCE. Several persons were slightly injured yesterday morning when the rear trucks of a crowded Fulton street car jumped the tracks at the Manhattan end of the Brooklyn Bridge. The passengers were thrown about in all directions and there was great excitement for some time. The only person injured seriously enough to receive medical attendance was Robert W. Albert, of No. 343 Quincy street, Brooklyn. He was thrown from the rear platform of the car against the iron gates, sustaining injuries to the back. He was able to go home after receiving treatment from Dr. Kibbe, of the Hudson Street Hospital.

CHARGES DAUGHTER WITH THEFT. Girl Admits Leaving Home, but Denies Having Stolen Anything. On complaint of her father, who charged her with grand larceny, Dora Malina, eighteen years old, of No. 6th West 18th street, was locked up in the East 6th street police station yesterday afternoon by Detective O'Brien, of Inspector Dillon's staff. Malina says that his daughter left his home a week ago. When she returned, Malina avers, his daughter took a gold watch and two rings, valued at \$100. When Detective O'Brien went to a flat in East 6th street, where the girl lived, she admitted having left her home because she could not get along with her parents, but she denied having stolen anything. She will be arraigned in the Yorkville police court this morning.

IVINS CHARTER REVISION CHAIRMAN. Commission Names Committee on Plan and Scope at Its First Meeting. The charter revision commission held its first meeting yesterday morning in the City Hall. It sat for only a few minutes, electing William M. Ivins chairman and Alderman Meyers secretary. A committee on plan and scope, consisting of Senator Elsborg, chairman; Mr. Grout, Mr. Meyers and Mr. Ivins, was appointed. The meeting then adjourned. The next meeting will be held in the rooms of the Bar Association. All sessions will be executive, except when witnesses are called. The commission, Mr. Ivins said, has power of the Legislature and can call witnesses when it desires.

EDUCATION FOR CHINESE GIRLS. Two, the First Sent to This Country for That Purpose, on Way to Washington. St. Paul, Aug. 31.—Two Chinese girls, the first to be sent to the Chinese government to America to be educated, arrived in St. Paul to-day on the way to Eastern schools. The girls left Seattle last Friday and left St. Paul to-night for Washington.

STEAMERS REPORT MISHAPS. Flushing, Aug. 31.—The British steamer Mantou, from Antwerp August 30 for Boston and Philadelphia, put in here to-day and reported that one of her steam pipes had burst. Manila, Aug. 31.—The British steamer Fitzlarance, which has arrived here from Norfolk, Va., reports that her bunkers were on fire during the voyage and that five hundred tons of coal were burned. Her cargo sustained little damage, but some of the interior frames were bent.

FRENCH CANADIANS DESERT FARMS. Putnam, Conn., Aug. 31.—French Canadians are deserting their farms for the factory towns of Northern Connecticut. Hundreds have left the farms and are now working in the factories. The Canadians have found employment without difficulty, as there was a great lack of help. The fall and winter orders have begun to come in and the plants are running to their full capacity.

OYSTER SEASON HERE.

New Yorkers May Feast To-day on Blue Points or Rockaways.

The round, or Little Neck, clam is relegated to the background on every hotel and restaurant menu to-day and the oyster comes once more into its own. For is not to-day the list of oysters? And does not the name of the popular delicacy, which means, according to the popular usage, the delicious bivalve in once again in season? It will be possible to begin one's dinner to-day with either Blue Points or Rockaways on the half shell, or, if one's taste so dictates, an oyster cocktail may be ordered. For several days oysters have been arriving at Fulton Market in large numbers, and few are the restaurateurs so negligent as not to have laid in a supply. There has been a corresponding falling off in the orders for Little Neck clams, and the commission says that the clam season will decrease steadily as the oyster season advances.

Oysters, of course, are to be had in New York all the year around, and experienced oystermen are authority for the statement that the summer oyster, which is raised especially for the hot weather trade, is fully as healthful and palatable as his cold weather brother. There is a prejudice, however, against eating oysters in the spring and summer months which are spelled without the letter "r," and only in the winter months are they consumed. With the coming of cooler weather, however, the city's thousands of oyster lovers are keen for their favorite seafood.

A visit to oyster dealers yesterday resulted in the pleasing information that this probably would be a good oyster year. Reports from the beds are that the bivalves are plentiful and of excellent body and size. This means that most of the oysters which will be shipped to New York will be taken from the beds and dealers will not have to resort to "drinking" the oysters before putting them on the market. To "drink" an oyster is to immerse it in running fresh or slightly brackish water and leave it there for twenty-four or forty-eight hours. The oyster drinks in the water and swells up. It presents a fatter and therefore better appearance for market, and, according to veteran oystermen, is neither harmed nor benefited by the process, provided the water in which the immersions takes place is not polluted by sewage.

For the present New Yorkers will have to be content with Blue Point and Rockaway oysters, of which come from Long Island waters, as the Lynnhavens, which are Maryland oysters, and the Cape Cods, which come from New England, are not to be had as a rule until later in the fall. The oyster season last year was not a particularly good one, but there were thousands of small oysters in all the beds, and this year the large oysters will be large enough to take from the beds. The oysters have been busy for the last two weeks getting ready for the open season. For the present the bivalves will be raised from the beds with the long tines, as the dredging season does not begin until November 1.

Most of New York's oyster supply comes to the city by boat and is landed at Fulton Market, although some of the New England and Maryland oysters are shipped by rail. From now on, according to a Fulton Market commission merchant, upward of two million oysters will be consumed each week in New York, and when cold weather arrives the demand will be for nearly one million oysters a day. "Culls"—that is, the poorest grade—bring \$5 a thousand in the shell at wholesale. "Box" oysters, the kind used for freezing, are worth \$2 a thousand. For opening oysters \$1 a thousand is paid. Oysters for use on the half shell bring from \$7.50 to \$10 a barrel. Blue Points, which are the cheapest, run from 1.50 to 1.80 to the barrel, while Lynnhavens, which bring the highest price, average about 1.00 to the barrel.

TOBACCO SHOW OPENS TO-MORROW. Cigarettes Will Be Manufactured at Madison Square Garden. The second annual tobacco exposition will open at Madison Square Garden to-morrow and continue for two weeks. The managers said yesterday that it would be larger and more interesting than it was last year. The space reserved for advertisers has been sold. It was announced, and there will be many novelties to tempt the taste of the smoker. There will be a coupon ticket attached to the regular ticket which will entitle the holder to a free cigarette. One feature of the exposition will show how the raw article is manufactured into clear, cigarettes, smoking and chewing tobacco and snuff. There will be shown a large cigarette machine, where the tobacco enters a number of tubes at the rear, and is wrapped by a paper band. Gunned and full made cigarettes, cut into uniform length, will be seen dropping from the front of the machine into a basket. This will be the first time, it is said, that a cigarette machine was ever shown in public. From the machine the cigarettes will be carried to tables where young Turkish women will fix on the tubes and mouthpieces. There will also be an exhibition of cigarette making by hand.

An entertaining feature of the exhibition will be a smoking contest, open to everybody. The man who smokes the greatest number of cigars within a given time will get a prize. There will be a corn cob pipe factory in operation; also a clay pipe factory. Key West will exhibit tropical plants and fruits. Turkey will be represented by several native women. On one side of the Garden there will be a snuff mill and on another there will be a booth where snuff will be exhibited the various brands of Irish tobacco. It was announced last night that the management purposes having a contest for the most popular actor and actress. The independent dealers in tobacco will hold their convention at the Garden this week.

SHOT BURGLARS TO CAPTURE THEM. Patrolman's Marksmanship Checks Flight of Two Who Had Robbed Tailor. Patrolman Charles W. Corke, of the Classon Avenue Precinct, Brooklyn, captured two burglars who entered a store at No. 5 Gates avenue, early yesterday morning, after chasing them several blocks and wounding them with his revolver. They were Alvin Feltz, of No. 1311 Arch street, Allegheny, Penn.; Albert Ross, of No. 212 H street, Santiago, Cal.; a third, Frank Nelson, of No. 41 Sands street, Brooklyn, was arrested by Patrolman Evers, of the Grand avenue station. Corke saw the three men leave the store of Michael Russell at No. 5 Gates avenue. He gave chase, and after following upon the men he had fired at Feltz and brought him to the ground with a bullet in the leg. A citizen who was passing held the wounded burglar, and Corke continued after the others. Patrolman Evers, of the Grand avenue station, heard the shot and captured Nelson on Vanderbilt avenue. Corke, while running at top speed, and although nearly a block behind Ross, fired and struck him in the knee. Ross is a prisoner in the Brooklyn Hospital, and Feltz, after having his wounds dressed, was taken to the Classon avenue station with Nelson. Patrolman Corke is one of the best revolver shots in the Police Department.

DIRECT MAIL TO BRAZIL AGAIN. Delay in Arrival of Shipping Papers by European Route Causes Change. The direct mail service from New York to certain South American ports, which was discontinued in April in favor of shipment by way of Europe, is to be resumed immediately. Although the European route was an improvement in the sense of being a regular service in time of sailing and arrival, the delay in sending the shipping papers minimized the other advantages. The direct lines nearly all allow shippers to forward their bills of lading and other documents by "consignee's mail," which goes on the steamer carrying the goods, but as the steamship companies do not hold themselves liable for their loss merchants have often preferred to send them by regular mail. Shippers outside of New York are frequently unable to take advantage of the consignee's mail privilege. The arrival of their papers several days after the shipment has been found to cause much delay, as the consignee was among those remaining at Franzenbad.

AN APPEAL TO CHARITY. The Brooklyn Bureau of Charities appeals for contributions for a special fund of \$30,000 to be maintained at a country sanatorium for a girl of seventeen who has been supported there for six months and whose condition is so favorable that her discharge is recommended by the end of October. Contributions marked for C. Fuld, Number 8, may be forwarded to William I. Nichols, general secretary, No. 49 Schermerhorn street, Brooklyn, N. Y.

You miss one of the pleasures of the table unless you have crisp, dainty Crabs with Cream. There's a Reason