

SENSATIONAL ROOSEVELT EXPOSURE BY GARY

DIPLOMATS OF THIS COUNTRY GET BUSINESS

Men Who Represent Uncle Sam Abroad Are Expected to Promote Trade for Our Industries

SOCIAL LIGHTS ARE NO LONGER FAVORED

Great Progress Made Lately in Different Parts of Globe as Result of This Policy

(By Victor Elliott.)

WASHINGTON, June 2.—Since the state department is now frankly the right bower of American commercial interests, it has just issued a remarkable tribute to "dollar diplomacy." The golden lure is woven right through it, appealing in the typical business way. No diplomat can hold his job now unless he "delivers the goods." He must drum up trade to "make good."

The United States plumes itself on being a world power. That is a heritage of the war with Spain. The government is now attempting to act and to dress the part properly in the midst of our European friends. It is not an easy task under the cold gaze of hypocritical corps diplomatique in older capitals, but the nation is succeeding fairly well. At least, the state department says so and it ought to know.

A few years ago the social aspirations of our millionaire ambassadors were all-important. They were birds of plumage, gorgeous and brilliant; unblemished by any coarse hint of blowing business horns while hobnobbing with European aristocracy. But "dollar diplomacy" has changed all that, and is not in the least ashamed about it.

Business, Net Society. The United States in diplomacy is now garnering commercial prizes instead of a diplomatic chair, as useful as well as ornamental; and as a result, the state department now claims that it is, in effect, paying its way and yielding a return for every dollar expended.

As indications of the extensive foreign relations of the United States, the fact is noted that the diplomatic corps in Washington is the largest in the world. The growth of the country, it is declared, has caused the entire reorganization of the state department to keep pace with the expansion of American influence and commercial interests throughout the world.

Notable among the achievements of the department are the acquisition by American contractors of the contract for Argentine naval equipment, amounting to \$23,000,000; the participation by an American banking group in the Hokuang China loan, a loan of \$30,000,000 for the construction of railways; leadership and participation in the so-called Chinese currency reform loans of \$50,000,000 a project through which great reforms will be made by China; and the construction in Asia Minor by an American firm of a railway system, with the attendant concession sought, will be granted by the Turkish parliament. It involves a sum ranging between one hundred and one hundred and fifty millions.

The state department thus claims to have developed an earning capacity which it translates the "open door" from ideal of diplomacy into a reality of trade. It is sending American products into the farthest corners of the globe.

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BIG FIRE EATING UP CINCINNATI HOTEL. CINCINNATI, O., June 3.—The hotel Walton, at Sixth and Walnut streets in the downtown district is burning and the fire department is turning it into a government property. It is believed all the guests have been taken out. The blaze is in a district in which are located a half dozen other hotels and theaters and other buildings are threatened. A second alarm has been turned in ordering out all available fire apparatus in the central city district.

"RED" LOPEZ CHAPTER IS CLOSED; SHOT TO DEATH BY REBELS NEAR NACO

Old Story of Trying to Escape Guards Is Told Anew and Under New Mexican Regime—Mother With His Sombrero and Zerapa Palled With Grief

GEN. LOMELI HANDS MOTHER HAT AND BLANKET IN ANSWER TO QUESTION OF HIS WHEREABOUTS

Arturo "Red" Lopez, the most picturesque character brought into the limelight of fame during the Mexican revolution, has been shot.

He has been reported shot several times since the battle of Agua Prieta, but he has shown up and denied each report. News of an authentic character of the killing of Lopez several days prior to May 31, reached Bisbee yesterday, the killing occurring at Naco.

The Review's information comes from a prominent Sonora Mexican who has been a friend of the Lopez family for 30 years. This gentleman gave his name for publication as Juan Castillo, but this is not his real name. He is known to Bisbee Americans and Americans residing in Mexico.

Mother in Grief. According to Castillo's story he was in Naco June 1. There he saw Senora Lopez, the mother of "Red" Lopez, clinging to a battered sombrero and a soiled serape, walling in grief for "her boy."

Senora Lopez resided at Altar several years ago, as did the Lopez family, and "Red" Lopez was then a mere tot.

"Do you not know me?" Castillo asked of the grief-stricken woman. Senora Lopez did not recognize the caller, saying:

"Can you expect me to recognize anyone when I am crazed with grief because they have killed my son?" She showed Senora Castillo the sombrero and the serape: "This is all they have left me or my boy," she said.

According to Senora Castillo's story as told him by Senora Lopez, she was at Cananea on May 31 and visited General Lomeli and asked him:

All That is Left. "What have you done with my son?" "Here is your son," the general is said to have replied as he handed her the battle-battered sombrero and the old worn serape. The general explained that Lopez had tried to escape as they were taking him to Hermosillo and the guards were forced to shoot him. The rebel leader dropped with a bullet through his brain.

Guards Shot Him. Lopez was recently sentenced to serve eight years in the federal penitentiary at Hermosillo and was being taken from Agua Prieta to the Sonora capital, overland under heavy guard. Several days after the guard left with Lopez they returned and reported to General Lomeli at Cananea, with an enigmatic shrug of the shoulders and turning of the palms: "He tried to escape and we were forced to shoot him."

Whether Lopez did really try to escape from the guard or the ex-rebel chieftain went the old, old way is a question which probably will never be settled. It is certain, however, that he has been shot.

According to a Juarez veteran who was in Bisbee yesterday, if it is proved that Lopez was arbitrarily shot, it will be hard with the man who shot him when Pancho Villa and Pascual Orozco hear of it.

WINKED AT COUNTRY'S LAWS; AGREED TO FORMATION OF BIG STEEL TRUST

ATTEMPT TO BLOW UP MADERO

Great Quantity of Dynamite Carried Into Room in Which Ball Was Given

MADERO STARTS JOURNEY

EL PASO, June 2.—Soon after the departure of Madero for Mexico City today details were made known of an attempt to dynamite him.

The plot, according to the insurance police, was to have been carried out during the ball which Madero attended in Juarez last night.

When the plot was discovered, enough dynamite was being carried into the ball room to blow up the entire building. About 500 people, including Madero and wife, were present, when about 11 o'clock the men were stopped at the entrance.

Out of a man's pocket was pulled a large tin can, which was filled with dynamite and provided with a time fuse.

The opinion is expressed by the Juarez authorities that the presence of dynamite at the ball was only part of an elaborate conspiracy, formed in Mexico and other places by the political party opposed to Madero, and further developments are expected. The departure of Madero left Juarez in charge of General Jose de la Luz Blanco and 1,500 insurgents.

President de la Barra telegraphed today that permission was being secured from the United States to allow General Viljoen with 600 picked men and field artillery to travel through this country to Lower California.

Viljoen will attempt to suppress the revolution in California, where the insurgents are not abiding by the peace agreements.

Arrives at Alpine. ALPINE, Tex., June 2.—The Madero special train passed here tonight. Madero announced the week not receiving the anarchists, socialists and filibusters of Lower California, as he characterized them. He announced that a force of soldiers would be sent against them at an early date under command of General Viljoen from Juarez.

GOOD GOVERNMENT UNDER JUAN CABRAL. Maintenance of Order and Protection of Property in Big Camp. NACO, Ariz., June 2.—The new government of Cananea is giving that great mining camp a most satisfactory government, according to all reports from there. The maintenance of order and protection in property matters have been equal to any time in the past.

Government's Case Against U. S. Steel Combine Smashed Into Thousand Pieces By Sensational Testimony of Gary, Who Has The Proof In Black and White That Roosevelt and Root Promised Non-interference With Trust Under Plea Of Preventing Panic.

WASHINGTON, D. C., June 2.—Elbert H. Gary, chairman of the U. S. Steel corporation directorate, told the Stanley Steel Trust investigating committee today that his corporation stood behind J. P. Morgan in averting a disastrous financial uprising in 1907.

He insisted, challenging the statements of John W. Gates, before the committee, that the purchase by the steel corporation of the Tennessee Coal & Iron company at that time was made at a price more than it was worth for the express purpose of preventing the crash of the New York Banking firm of Moore & Schley.

A Dramatic Story. Mr. Gary related a dramatic story of the momentous events which preceded the absorption of the Tennessee concern. He described how he and Henry C. Frick at the instance of Morgan had revealed the plan of buying the company at a price greater than the value to President Roosevelt and Mr. Root, then secretary of state.

He told how he had concluded that their interview with Roosevelt that any government prosecution of their act would have been an "outrage."

Mr. Gary made many surprising disclosures during the eight hours' examination, but none more startling than his declaration that government control and publicity of corporations in this country must come.

He said that though the American Iron & Steel institute, the heads of the steel industry were trying to steer a course between the Sherman anti-trust law, which he characterized as "archaic," on the one hand, and the old-time method of destructive competition on the other, in order to operate for the public welfare.

Wants Publicity. Mr. Gary announced to the committee that he wanted everything known concerning the steel corporation, and more than all, he pleaded for some responsible government source to which a great corporation could appeal for guidance in the conduct of its methods. He agreed to furnish the committee so much and wished to know that he will be recalled when it meets again Wednesday.

Others who have been summoned to appear are W. S. Dickson of the corporation and John Lambert of the Republic Iron & Steel company. The acquisition of the Tennessee Coal & Iron company by the United States Steel Corporation was taken up by the committee this afternoon. Representative Littleton conducted the inquiry for the committee.

Gary's Story. Mr. Gary was permitted to make a full statement regarding the transaction. "Several others," said he, "had been made to us by persons representing the Tennessee Coal & Iron company to sell at different times prior to the fall of 1907. The United States Steel corporation had always been opposed to the purchase and said so on various occasions."

"Early in 1907, Morgan sent for me and said George Kessler, who had purchased stocks of the Tennessee Coal & Iron syndicate, had approached him with the statement that the Tennessee company could be purchased at 130. I told Morgan it was not worth having at that price. Mr. Frick later proffered the same opinion and the matter then was dropped."

In Need of Money. "I believe at that time Morgan said that Kessler represented only himself and not any of the members of the Schley syndicate. But about October 23, 1907, Morgan asked me to come to his bank and told me that Grant & Schley, managing director of the Tennessee company, was much in need of money to use at the bank."

The agreement provided that the \$2,000,000 Tennessee Coal stock should remain with the United States

Steel corporation. It was an accommodation to Schley and at the very urgent request and because he said it was absolutely necessary to protect him from financial trouble. That loan, you see, was taking Tennessee Coal & Iron on the basis of sixty."

The Panic Crisis. Mr. Gary submitted this loan agreement to the committee. About Nov. 2, 1907, amid a financial panic, the matter came up again. The trust company of America was in difficulty. John W. Gates testified last week that this bank was responsible for Morgan's efforts to sell the Tennessee company to the Steel corporation, in order to save the trust company which had loaned too heavily on the Tennessee stocks. Mr. Gary referred to the possibility of suspension of many banks and failure of many persons.

He told of the conference with Morgan, Louis Cass Ledyard, counsel for Col. Oliver Payne of the syndicate that purchased the controlling interest in the Tennessee company. Mr. Gary said Ledyard told him Moore and Schley were largely indebted to Morgan and had many of his securities. They had deposited as securities on their indebtedness of \$30,000,000 many shares of the Tennessee Coal and Iron stock with many banks.

Loans Are Called. "The banks had called these loans," said Mr. Gary, "and were insisting that Moore and Schley take up the Tennessee Coal and Iron stock. It was not salable. I will not say that it had been manipulated, but it was a stock that had been through a period of many years, raised from a low to a high price. It had been in control of a syndicate that influenced great fluctuations."

"It was represented that Moore and Schley had pledged \$5,000,000 of this stock in the various banks. Mr. Ledyard said there was no possible way to prevent the failure of Moore & Schley, unless we purchased this stock, and he believed the failure of Moore & Schley would mean the failure of many banks."

Morgan's Fears. "Mr. Morgan said to me, 'I don't know whether the U. S. Steel Corporation can afford to purchase this stock or not. You know best as to that. If it does not buy it, if the U. S. Steel Corporation or some one else does not furnish relief, no man can say what the effect will be on the financial situation throughout the country. The situation is extremely critical. If you can see your way clear to buy it, I have no doubt such action will relieve the situation. I will turn Ledyard over to you to see what you can do.' I said I would not consider taking any action without going to Washington and taking the matter up with the president or the department of justice."

To Ask Government. "Have they any right," asked Mr. Morgan, "to say whether the U. S. Steel Corporation shall buy this company or not?" "I said, 'No, but there is a financial crisis. The purpose of buying this stock is to overcome the tendency toward a panic. And if the president or the department of justice should find out that such action was being taken and should enjoin it, we would be ground that the acquisition or holding of the stock created a monopoly what we had once would make the financial situation much worse than it is now.'"

Forcible Reasoning. "Morgan said this was forcible reasoning." Gary said Frick agreed with him that the stock was not worth more than 65.

Not until Morgan told him what he thought about the panic did Frick give any encouragement to the plan. The finance committee of the Steel corporation was summoned to the Morgan library.

"Frick," according to Gary, "offered a resolution proposing that we offer to loan Mr. Schley \$3,000,000 or \$5,000,000 in cash, taking the Tennessee Coal and Iron company's securities as collateral. If that offer failed to supply Schley's wants, it was proposed then to buy the stock on the basis of 90, payable in Steel corporation stock."

Didn't Want the Stock. "Mr. Ledyard said that would not do at all, that several persons offered to loan \$1,000,000 each to Mr. Schley so that his total resources would amount to \$8,000,000 or \$9,000,000, but that he could possibly get through with that. Mr. Frick and myself then conferred with Mr. Schley and tried to get him to take the loan; we did not want the stock."

Gary said Schley told Frick he must sell the stock to keep him from bankruptcy; that, unless he was mistaken, assignment had already been drawn up for Moore & Schley for their creditors, and that Schley's attorney, Thomas Thatcher, might be able to tell of such an assignment.

Depended on Washington. "I have heard since," said Mr. Gary, "that Schley made statements that he could have got through all right, but anyone who heard him at that time would not have thought so. Therefore, I began to talk to Ledyard about the purchase of the stock at 90 and we finally agreed to it, subject to the objection that might possibly be made in Washington."

"After the agreement had been made to take the stock at 90," said Mr. Gary, "Ledyard came to me and said Schley told him the price of 90 could not let them out of their difficulty."

Didn't Force the Sale. "On November 4, at a meeting of the finance committee of the corporation, the entire matter was again referred to the chairman, and I agreed with Ledyard to raise the price to 100."

REYES MAY BE CANDIDATE FOR PRESIDENT OF MEXICO

De la Barra Issues Proclamation Calling for Open Election Sunday, October 15—Maderistas Look With Suspicion on Reyes—Plot to Put Him in Office

MEXICO CITY, June 2.—By official decree issued today by Provisional President de la Barra, a special presidential election was called. Electors will be chosen October 1, and these will select the successor to Diaz Sunday, Oct. 15.

Governors are instructed to define and publicly announce, prior to June 20, the electoral districts in their states and territories, using the census of 1910. De la Barra fully realizes the responsibility he has assumed and he does not underestimate the difficulties to be encountered in holding open elections in Mexico. It remains for the parties to select their candidates.

Reyes May Run. At present, Francisco I. Madero, Jr., is the only man whose name is certain to be on the ballot. Gen. Reyes will be here soon and it is evident his coming has made some of the Maderistas nervous. The general has not said he would not be a candidate. That any effort will be made to prevent him from reaching the capital is not expected, but stories of plots both in his favor and against him are heard daily.

Limantour to Leave. This afternoon a newspaper published a story that army officers had planned to proclaim him president and use their forces to place him at the head of the nation. Limantour expects to leave Mexico City for France June 12.

The Chinese legation has lodged with the Mexican government a claim for 2,000,000 pesos alleging this amount of damage was incurred by

Chinese residents at Torreón. The Chinese report shows that 303 Chinese were killed in Torreón and fifty in the surrounding country.

The war department today sent orders to Gen. Villar to evacuate Chihuahua. Governors of the states have been instructed to ascertain the number of families whose heads fell in the revolution on either side and to report as soon as possible to de la Barra.

The president proposed that the government shall care for the widows and orphans. When Madero arrives here he will be accorded only such a reception as is given a distinguished citizen.

BAD WRECK KILLS AND INJURES MANY. ALEXANDRIA, Minn., June 2.—The Minneapolis, St. Paul and Sault Ste Marie passenger train No. 109, northbound, was wrecked at 11:30 tonight at Vergas, near Detroit, Minn., and several persons were killed.

Many are reported injured. The train went into the ditch as a result of a wash-out and some of the coaches are reported burning.

Five cars are said to be burning and it is reported at least two persons were killed and four badly injured.

The co-operation of the rebels with the present national administration is shown by a movement of soldiers who were enlisted under the banner of Madero through Naco in large numbers enroute to Altar district and to Lower California to make war upon the bandits.

WOOL WILL NOT BE PUT ON FREE LIST

Protection Democrats Having Their Own Way in the House

WASHINGTON, D. C., June 2.—With a 20 per cent duty on wool it is certain the democrats of the house will make no compromise with the free traders.

Chairman Underwood gave the complete text of the proposed revision of the raw wool tariff to 200 members who were at the caucus. It proposes a duty of 20 per cent on raw wool, a reduction of more than 50 per cent from the Payne-Aldrich law now in force. As soon as he had concluded his opening speech, Mr. Harrison of New York offered an amendment that would abolish the wool duty in five years. He proposed a gradual reduction each year for the five year period. Mr. Harrison said this was the true democratic principle of tariff making, to put on the free list a raw material so universally used.

Mr. Randall of Texas followed with an amendment for the immediate abrogation of the entire duty on raw wool.

Two of the speeches in favor of free wool were made at the night session of the caucus by Representatives Randall of Texas and James of Kentucky, members of the ways and means committee.

James pleaded for the abolition of the raw wool duty, on the ground that it would directly benefit consumers. He said that Bryan had been accused of attempting to dictate to congress on the free wool question, and denied that Bryan's open statement was anything more than an endorsement of the first action of the ways and means committee. Thirty days before Mr. Bryan issued his statement, Mr. James said, the committee had voted in favor of free wool, but later it reversed its position and adopted the 20 per cent duty.

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