

STEEL EARNINGS \$13 A TON SAYS HOUSE REPORT

Result of Inquiry Into Books and Minutes of Corporation Given Out by Investigating Body.

GARY DINNERS HELD TO BE OBJECTIONABLE

Another Feature of Report is That Morgan Got \$69,300,000 for Promoting the Trust; Control Alleged.

Washington, D. C., Feb. 27.—The house steel trust investigating committee today made public the result of the inquiry into the books and minutes of the United States Steel corporation conducted by Farquhar J. McRae, an expert accountant.

The McRae report reaches the conclusion that the steel corporation operates in restraint of trade and prevents competition through a manipulation of prices, through the influence of the so-called "Gary dinners," by control of raw materials and through a system of interlocking directors in various companies. It also tends to contradict some of the testimony given by steel trust officials.

Some of the figures dealt with in the report are startling. It is shown that J. P. Morgan & Co., received approximately \$70,000,000 in cash profits for organizing the big steel combine, and that the net profits of the concern for the first nine years of its existence were more than a billion dollars.

Steel corporation officials objected to producing their books before the committee in this city, but consented to place them freely at the disposal of an expert to be named by the committee. Mr. McRae made a thorough study of the books and minutes, and in his report to the committee he pointed out these salient features:

Net Earnings \$13 a Ton.
That J. P. Morgan & Co., leading the syndicate which organized the steel corporation, received a cash profit of \$69,300,000 of which \$62,500,000 was for promotion, with an additional commission of \$6,800,000 for a bond conversion scheme.

That the net earnings of the corporation for a period of nine years were \$1,029,685,389, or an equivalent of approximately \$13 a ton on finished product, instead of \$980,000,311 as claimed by the corporation in its report.

That the steel corporation, contrary to the statement made by Judge Gary and H. C. Frick to President Roosevelt in 1907 that it did not control more than 60 per cent of steel properties in the country, controls about 80 per cent of the steel holdings.

The section of the report dealing with the "Gary dinners" where independent as well as corporation steel men assembled to discuss conditions in the trade, contains an analysis of the legal effect of the "golden rule" policy prepared by Anthony J. Ernest, a New York lawyer, in which it is declared that the "conventions agreed to reduce prices would be objectionable as regards their effect upon competition."

Gary Dinners Objectionable.
The Gary dinner arrangement, as is reported, "wherein the so-called independents were influenced to reduce their production conformably to their estimate of the reduction in the demand existing, and to maintain prices as objectionable as far as it operates to exclude free competition. The arrangement is designed and intended to operate and has operated admittedly, as to standard steel rails, although it is claimed that the so-called independent participants can cut prices without fear of penalty, except the dishonor of declaring in favor of a named price and then selling at some other price."

"It can be no justification of the operation of the participants in the Gary dinners that no penalty attaches, because perforce the anti-trust act would prevent the enforcement of any penalty for reducing prices or exceeding one's share of the business. Previous pool agreements may have been broken and penalties inflicted by the members themselves, although this was soon discontinued. It will be assumed, even if a fund had not been deposited, that the men in the old pool would have paid their fines. If this be assumed, it can also be assumed that the word of the participants in the Gary dinners is ample security for the professions of co-operation in the policy almost unanimously subscribed to at the dinners.

"On the other hand, any contract may be broken; any conspiracy may be upset by recalcitrants. It is surely no excuse for the illegality of any arrangement in restraint of trade that it can be departed from by the participants."

Stress is laid in the financial section of the report upon the demonstration of figures that the steel corporation

TODAY IN CONGRESS

SENATE—In session at 2 p. m. Labor Leader John Williams of Pittsburgh, told finance committee any reduction in steel plate tariff would result in conflict between capital and labor.

HOUSE—Met at noon. Considered "calendar" Wednesday bills.

A report made to Stanley steel committee on an investigation of United States steel corporation books and minutes stated the corporation operated in restraint of trade and prevented competition.

Foreign relations committee favorably reported Sulzer resolutions which would virtually recognize new Chinese republic.

PANAMA GLAD TO SEE KNOX

SECRETARY OF STATE GIVEN HEARTY WELCOME ON VISIT TO SOUTH.

Panama, Feb. 28.—The newspapers here give great prominence to the visit of Secretary of State Knox, whom they welcome to Panama in the warmest terms. Every movement of the state secretary is recorded and many interviews with prominent men are published to the effect of his visit.

For the second day of the visit a full program of entertainments and functions is provided. Early this morning the entertainment committee came to the hotel where Mr. Knox is staying and took the secretary and the whole of the party accompanying him on a sight seeing trip to the site of the original city of Panama.

On their return the party has been invited to lunch at the home of Maurice H. Thatcher, governor of the Panama canal zone. In the afternoon a reception is to be given by Rodolfo Chiari, the acting president at the palace and tonight a state dinner is to be given by Gov. General Parades, at which Mr. Knox will make his first formal speech of the tour.

If the first day of his sojourn in Panama may be taken as a sample of what he is to expect, Mr. Knox will be the busiest of men during the next few weeks. The brief periods between the various functions are occupied by him in receiving an endless stream of callers. Before he retired late last night he had made half a dozen impromptu speeches.

Special precautions have been taken to guard Mr. Knox during his visit, a large number of secret service men always being on duty in his immediate vicinity.

HARD COAL MINE CONFERENCE ENDS

President White Leaves for West to Call Meeting for Bituminous Districts.

New York, Feb. 28.—After conferring with members of the anthracite mine workers committee, which has presented demands for a new working agreement to the hard coal operators, John P. White, president of the United Mine Workers of America, planned to leave tonight for Chicago where he will call a conference of bituminous leaders to consider the situation in the soft coal regions. As in the case in the anthracite district the trouble between the miners and their employers in the bituminous regions expires on March 31.

Mr. White was in cheerful humor today, though he admitted he would not be surprised if the demands made on the anthracite operators yesterday would be turned down. Some of the operators, it is said, favor granting an increase of wages of 5 per cent, but acceding no other demands.

200 DUTCH FARMERS ARE COMING TO IOWA

Splendid Specimens of Holland Farmers Leaving Home on Account of Heavy Taxation.

New York, Feb. 28.—Two hundred Dutch farmers and their families are in New York enroute to Iowa, where they have purchased a large tract for farming purposes. They arrived here on the liner Noordam from Rotterdam. All are in possession of ample funds, and the men, women and children are splendid specimens of the sturdy Frisian yeoman farmers, who have been the backbone of Holland in times of trouble. Heavy taxation and high rents were the causes of their emigration from Frisland.

CROWN PRINCESS OF SWEDEN IS MOTHER

Stockholm, Sweden, Feb. 28.—The crown princess of Sweden, who is a daughter of the Duke of Connaught, governor general of Canada, gave birth to a son this morning. Both mother and child are doing well.

The crown prince and princess now have three sons and one daughter.

Cedar Rapids Adopts Franchise.
Cedar Rapids, Feb. 28.—Franchise for an interurban railway and for electric lights and steam heat were almost unanimously voted in Cedar Rapids yesterday. The vote was 4,000 to 200.

COMMISSIONER'S RULING IS SET ASIDE BY COURT

Controversy Between Interstate Commerce Commission and the Commerce Court Rendered Acute by Decision.

Washington, D. C., Feb. 28.—An order of the interstate commerce commission reducing certain class freight rates from New Orleans to Montgomery, Selma and Mobile, Ala., and to Pensacola, Fla., today was annulled by the decision of the commerce court. The decision handed down by Judge Archbald, is certain to add considerable fuel to the controversy already existing between the interstate commerce commission and the commerce court. The court declares that congress never intended to clothe the commission with the wide authority it has assumed. It was further asserted that the court could discover nothing in the record to support the conclusion of the commission or to justify the reductions in rates that it ordered.

The court's opinion concludes: "Counsel for the commission and for the government simply rely on the authority of the commission to determine what is a reasonable rate and the conclusiveness of its judgment where it has done so, against which, it was argued, the courts can afford no relief unless the rate which has been fixed is shown to be confiscatory.

"This contention must be rejected. In our opinion it was never intended to confer on the commission any such unrestrained and undirected power. It is not within the authority of the commission to reduce the rates in this or any other case not merely against the weight of the evidence produced to sustain them but without anything substantial to warrant the conclusion reached or the reasons assigned therefor.

"And this, we are convinced, is a case of that character. Having regard to the undisputed evidence adduced at the hearing, the existing rates were not shown to be unjust or unreasonable and there was, therefore, no valid basis for the commission's conclusion."

This was the first case argued before the commerce court after its establishment more than a year ago. It was brought by the Louisville & Nashville railroad in an effort to modify or annul the commission's order of reduction.

It was declared in the record that if the order of the commission, fixing what, in its opinion, were reasonable rates, were enforced, the loss to the Louisville & Nashville would be \$200,000 a year.

The New Orleans board of trade alleged that discriminating rates against New Orleans were made by the Louisville & Nashville and urged that the city be put on an equality of rates to the southeastern territory with New York, Baltimore, the Carolinas and Virginia. The opinion of the court is directly opposed to that contention.

Peavey Firm Wants Rehearing.
Washington, D. C., Feb. 28.—On the ground that the recent decision of the supreme court of the United States in the "grain elevator case" is being used as a "rank discrimination," both as between shippers and localities F. H. Peavey & Co., and subsidiary companies at Omaha and Kansas City petitioned the court for a rehearing.

U. S. to Recognize China.
The house committee on foreign affairs today favorably reported the Sulzer resolution, which, in effect would recognize the new republic of China. It congratulates the Chinese people "on their assumption of the powers, duties and responsibilities of self government."

WHEAT JUMPS TWO CENTS A BUSHEL

Chicago, Feb. 28.—Wheat today jumped up more than two cents a bushel. Estimates that crop reserves in farmers hands were sensationally low furnished the chief reason. According to some authorities the total is not half the amount of a year ago. May wheat, which closed Monday at 1.00 1/2 @ 1.02 1/2, touched 1.02 1/2 this afternoon and finished strong at 1.02 3/4 @ 1.03 1/2 an advance of 2 1/2 cts.

DUBUQUE MAN HAS FASTED EIGHT DAYS

Dubuque, Feb. 28.—L. G. Ochsenreiter, a local business man, today passed the eighth day of a contemplated twenty day fast. He spends ten hours a day at his office and shows no ill effects from his lack of food. Last year Ochsenreiter went fifteen days without anything to eat.

GERMANS MOVE IN BEHALF OF ITALIANS

Constantinople, Feb. 28.—The German embassy has taken up the cudgels on behalf of the Italians in Palestine. The ambassador today made a vigorous protest to the port against their expulsion from Turkish territory under the terms of the recent decree. Many of the Italians affected by the government's order of expulsion are workmen on the Bagdad railroad which is a German undertaking.

LABOR BUREAU TO INVESTIGATE STRIKE AT MILLS

Secretary Nagel and Commissioner Neill Decide to Send Federal Representative to Lawrence Today.

Washington, D. C., Feb. 28.—The federal bureau of labor will make an immediate investigation of the wage and working conditions at the textile mills at Lawrence, Mass. A representative of the bureau will leave Washington today for the strike-ridden city.

The decision to investigate the strike was reached at a conference today between Secretary of Commerce and Labor Nagel and Dr. Chas. P. Neill, United States commissioner of labor. The bureau of labor has considerable data about conditions at Lawrence as a result of recent inquiries. The continuance of the strike and the turbulent situation resulting, however, made it desirable, in the judgment of the federal authorities, to ascertain the exact conditions today and all the causes of the labor trouble. There has been agitation in congress during the last few days to have the bureau of labor investigate the Lawrence situation.

Representative Wilson, chairman of the committee on labor, received scores of letters and telegrams today relating to the proposed congressional investigation of the strike to be considered by the rules committee next Saturday. William N. Haywood, leader of the industrial workers of the world, sent a telegram attacking Pres. Golden of the textile workers, charging that Golden aided the police, and was an enemy of the strikers. In a letter Golden made counter charges against Haywood, declaring that he and others made inflammatory speeches which precipitated riots.

Two Investigations Underway.
Lawrence, Mass., Feb. 28.—The first of at least two investigations by federal officials into certain phases of the situation surrounding the long-standing strike of mill workers in this city was begun today.

Special Agent William C. Dannenberg of the department of justice, acting under United States District Attorney Asa P. French, presided over an inquiry into the exportation of children. He came to Lawrence to ascertain in particular whether the police officers in preventing the departure of 100 children for Philadelphia last Saturday acted in violation of the interstate commerce law. Alleged ill-treatment of children and women by the police did not enter into this inquiry.

The wages and working conditions in the mills of the city are to be the subject of another investigation, and officials from Washington will arrive here tomorrow morning to pursue the inquiry.

The situation will be brought before congress on Saturday when a committee of striking women and children, including thirty-six of the latter will appear before the house of representatives to submit to questions. They may not leave Lawrence before Friday. Several of these children have been selected because of injuries received while at work in the mills for which the mill owners are alleged to have made no compensation.

Congressman Butler Ames in whose district Lawrence is situated concluded a two-days' personal investigation of the strike today and will leave for Washington tonight. After attending a lively session of the strike committee Congressman Ames said he believed himself now well acquainted with all sides in the controversy and expressed the opinion that the strikers are deserving of much sympathy.

Delay in Exposing Children.
In the expectation that a party of children would be sent to Washington today a large crowd gathered about the railway station, but as preparations had not been completed the departure of the delegation has been deferred for the day. Representative Berger of Wisconsin, at whose suggestion they are to appear before congress on Saturday, telegraphed to William D. Haywood that only children who worked in the mills are wanted; so an entirely new party had to be enrolled.

The children who were originally enlisted for the Washington trip may be sent to Philadelphia, it is said. The incidents surrounding the prevention of the departure of a body of children from Philadelphia and their detention by the police last Saturday, occupied, with other phases of the strike, the attention today of Butler Ames, member of congress for this district. Mr. Ames attended a meeting of the strikers' committee to acquaint himself with the operative side of the struggle. He expects to return to Washington tomorrow.

Use Snow to Fight Fire.
St. Joseph, Mo., Feb. 28.—The inhabitants of Ridgeway, Mo., used snow in a desperate fight with fire that almost destroyed the village last night. Four stores were consumed.

Cedar Rapids Drug Store Burns.
Cedar Rapids, Feb. 28.—J. W. Hays' drug store was destroyed by fire here last night. The loss was \$6,000.

TAKEN TO MANAGER ON THE JOB.



Washington, D. C., Feb. 28.—William B. McKinley, Taft's campaign manager from a photograph taken at the headquarters. Mr. McKinley has a score of stenographers at work and is turning out literature by the bale.

12 GOVERNORS ARE FOR TAFT

ADMINISTRATION MEN CALL ROOSEVELT'S HAND AND GO HIM THREE BETTER.

Washington, D. C., Feb. 28.—Twelve governors are out for President Taft. This is the announcement made by the Taft headquarters here.

Which is to say that the Taft people have called Colonel Roosevelt's hand and gone him three better. For Taft Roosevelt gubernatorial contingent has nine members, seven of whom signed the letter asking him to become a candidate.

The only remaining republican chief executive in the United States, Gov. Francis E. McGovern of Wisconsin, is sticking to his LaFollette pledge.

For nine of the Taft Governors, official statements were given out here.

Nine Are Accounted For.
The governors thus on record are: Governors Adolph O. Eberhart of Minnesota, M. E. Hay of Washington, B. F. Carroll of Iowa, Simon S. Pennewell of Delaware, John K. Tener of Pennsylvania, Benjamin W. Hooper of Maryland, William Spry of Utah and A. J. Fisher of Rhode Island.

In addition to these the Taft people claim Governors Charles S. Deneen of Illinois, T. L. Odde of Nevada and J. A. Mead of Vermont.

The population of the states represented by the Taft governors is about four times that of the Roosevelt party, and their electoral representation about three times as great.

Governors on Taft.
The nine governors who have come out for President Taft all take the position that his record entitles him to renomination and election. Following are the more striking extracts from the governors' dispatches:

Eberhart, Minnesota—"President Taft's administration, measured by all standards of accomplishment and fidelity to duty, entitles him to the endorsement of a second term, which I believe the inherent sense of fairness and justice of the American people will ungrudgingly give him."

Carroll, Iowa—"There is no justice in the opposition to President Taft. His administration has been clean and capable and in harmony with platform pledges."

Hay, Washington—"Few administrations can point to the enactment of so many wise and progressive laws as Taft's administration. I feel that it is the duty of every true progressive republican to support Mr. Taft for renomination and reelection."

Hooper, Tennessee—"It is my opinion that President Taft has given the country one of the best administrations in its history."

Tener, Pennsylvania—"In view of the able manner in which President Taft has conducted his office, the constructive and substantial achievements of his administration... I unhesitatingly predict his reelection."

Hooper, Tennessee—"President Taft is personally popular in Tennessee and his administration commands general public confidence."

Spry, Utah—"I am glad to reiterate my personal preference for Mr. Taft as presidential nominee... I regard him as the most logical as well as the strongest man."

Pennewell, Delaware—"I am strongly in favor of President Taft's renomination. His splendid record should insure his reelection by a large majority."

MOVE TAKEN IN SENATE TO OUST DELAWARE MAN

Senator Reed Introduces Evidence in Support of Resolution for Investigation of Dupont Election.

APPOINTMENT OF MARSHAL IS BASIS

Senate is Also Asked to Probe Dupont's Action in Naming Official Held to be Corrupt.

Washington, D. C., Feb. 28.—An array of evidence heard by the senate judiciary committee in its inquiry into the appointment of C. P. Swain as U. S. marshal for Delaware was laid before the senate today by Senator Reed of Missouri in urging the passage of his resolutions providing for an investigation of the election of Senator Dupont of Delaware.

Senator Reed insisted if this evidence were given credence the senate not only should investigate the 1910 election, but should demand of the Delaware senator an explanation of his action. "In recommending for appointment to the high office of United States marshal a man whom he knew to be engaged in corrupt practices,"

"I deem this to be my solemn duty," said the senator, "and shall be glad if a thorough investigation results in completely exculpating the senator from Delaware."

"The disclosures made by the witnesses are of such character as to demand further investigation. That investigation ought to be courted by an innocent man and any attempt to evade an investigation may be justly regarded as inspired by fear of the truth."

"On January 22, 1912, the president appointed Cornelius P. Swain, U. S. marshal for the district of Delaware, and sent that appointment to the senate for confirmation. With an alacrity which was astonishing, the appointment was reported to the senate by the committee and on the day it reached the senate confirmed. Such, at least, is the newspaper statement."

"In some way, citizens of Delaware learned of the fact and protested to some member or members of the senate with the result that the action of approval was rescinded. Thereupon the matter was re-referred to the committee, and an investigation demanded by citizens of Delaware, headed by William Sulzbury, was held."

Charges Against Swain.
"These citizens charged, that Swain bore the common and general reputation of a persistent vote buyer and election corruptor in violation of the laws of the state of Delaware; (2) that on Nov. 4, 1910, a meeting was held in the office of Henry A. Dupont and T. Coleman Dupont at which between fifty and sixty thousand dollars was distributed for the purpose of corrupting the electorate of the state and that an additional ten thousand dollars was to be given out in the Monday preceding the Tuesday on which the election was held; (3) that Swain took three thousand dollars of this money in twenty dollar gold pieces at Bridgeville; that it was then carried to Philadelphia and changed into bills in convenient form; that on election day an office was actually opened and a secretary appointed, who kept a set of books and the money was actually paid out in bribes to corrupt the vote of that precinct."

Would Air Dupont's Part.
"It will be observed that these charges relate alone to the fitness of Swain to hold the position of U. S. marshal. The committee, by repeated rulings, limited the evidence to those acts of corruption with which Swain could be directly connected. By express ruling, it refused to go into the general scheme of corruption which appears to have embraced the state."

"Therefore this investigation represents no more than the tracing of a single thread through a web of inquiry. The only light thrown upon the conduct of others is where that particular individual came in touch with Swain."

"Swain was, according to the testimony, appointed at the request of Senator Dupont and if it be true that Senator Dupont recommended him for appointment to the important office of U. S. marshal for the state of Delaware, a man whom he knew to be engaged in corrupt practices relating to elections, then he gravely offended against this body by being instrumental in bringing such an appointee before the senate for its approval."

"I have thus commented on the evidence, assuming it to be true," concluded the senator. "If an investigation is had and this evidence is dispensed or negated, no man will be more pleased than myself. But the senate, in view of these startling and appalling disclosures, cannot afford to close its eyes to the plain course of duty."

ROOSEVELT HAS COUNCIL OF WAR

SACHUSETTS CAMPAIGN CONFERENCE.

Boston, Mass., Feb. 28.—The leading volunteers in the campaign for Theodore Roosevelt in Massachusetts had a final meeting with their candidate today before his departure for New York. Several men who have just enlisted for the fight were introduced to Col. Roosevelt and there was a council of war, as to the selection of a leader for the Massachusetts force. It is understood no decision was reached on this point.

Mr. Roosevelt was asked what he thought of the prospects here and of the result throughout the country of his announcement that he was willing to accept the nomination.

"I have absolutely nothing to say," he replied.

Organization of the Roosevelt movement this week has resulted in spurring into activity the supporters of the present administration. It was announced today that a meeting on Sunday the Taft business men's league would be formed.

Col. Roosevelt found time this morning to talk books again. At breakfast with him at the home of Dr. Sturgis Bigelow were Prof. Barrett Wendell of Harvard and Brooks Adams, the author. Before going to luncheon with Arthur D. Hill one of the Roosevelt leaders, at whose home the principal political conference of the day was held, Col. Roosevelt attended a meeting of the Harvard board of overseers.

NO SETTLEMENT OF MINE TROUBLES

British Miners' Federation Votes to Continue Negotiations; 50,000 Are Now Out.

London, Feb. 28.—The British Miners' Federation after a long and stormy meeting this morning passed a resolution deciding to continue the negotiations with the owners under the auspices of the government, with a view to bringing about a settlement of the dispute. Some of the miners' delegates are bent on war, especially the representatives of the colliers in South Wales but the executive committee succeeded in inducing the meeting to make a further effort for peace.

In an official statement issued this afternoon the executive committee confirmed the decision of the Miners' Federation to resume its conferences with the premier.

The conference of the Miners' Federation also passed a resolution today to permit all the men whose services are necessary to keep the coal pits in good working order to continue at work. This action has revived the hope that it will not be long before the disputants are able to meet in a joint peace conference.

There are now upwards of 50,000 miners on strike and by midnight tonight 100,000 will have ceased work.

No Settlement Tonight.
One of the representatives of the coal owners, after another conference at the foreign office this evening stated that there was no likelihood of any settlement of the dispute in the coal trade being reached tonight.

Ord, Neb., Banker Dead.
Ord, Neb., Feb. 28.—Peter Mortensen, president of the First National bank of Ord, and a state treasurer of Nebraska from 1902 to 1906, died suddenly at his home here today. He was a native of Denmark, coming to America in 1870 at the age of 26.

Pothier, Rhode Island.—"President Taft is a safe man at the head of the nation. His administration has been able and statesman-like in the broadest sense."

St. Joseph, Mo., Feb. 28.—"The inhabitants of Ridgeway, Mo., used snow in a desperate fight with fire that almost destroyed the village last night. Four stores were consumed."

Cedar Rapids Drug Store Burns.
Cedar Rapids, Feb. 28.—J. W. Hays' drug store was destroyed by fire here last night. The loss was \$6,000.

(Continued on Page 5.)

(Continued on Page 5.)