

BARRELS OF MONEY

Startling Figures Showing Wealth of Steel Combine.

MANY MILLIONS IN ASSETS

Big United States Steel Corporation Gives Out Figures That Show Its Enormous Wealth.

Newark, N. J., Special.—The answer of the United States Steel Corporation to the suit brought by J. Aspinwall Hodge, Wm. H. Curtiss and Bernard Smith, who asked for an injunction to prevent the company from carrying out its bond conversion plan, was filed Tuesday, before Vice Chancellor Eme-ry. The case was put over until July 23. The answer was sworn to by Chas. M. Schwab as president.

The assets of the properties of the subsidiary companies, it is stated, included 400 producing mills of the value of \$20,000,000; 75 blast furnaces of the value of \$48,000,000; iron and Bessemer ore properties of the value of \$700,000,000; coal and coke properties of the value of \$100,000,000; natural gas fields of the value of \$20,000,000; cash in bank to the amount of \$66,000,000 and over \$80,000,000 of material in process of manufacture. The total value of the company's property, including cash and cash assets, is placed at \$1,400,000,000 by Mr. Schwab in an affidavit which is part of the corporation's reply.

The company's earnings are stated to be at the rate of more than \$140,000,000 a year. A saving of \$30,000,000 a year is credit to the ore properties and it is estimated that the ownership of transportation facilities saves the company \$10,000,000 annually. The earnings of the coal and coke properties are stated to be more than \$1,000,000 a month. The statements as to values and earnings were presented to disprove a charge by the plaintiffs that Mr. Schwab, the president, and Mr. Trimble, the secretary, made a false certificate when they certified that in their judgment the properties were worth at least the par value of the preferred stock after deducting all indebtedness.

The conversion plan was agreed upon at a stockholders' meeting May 19. The answer admits that the conversion plan includes a payment of \$10,000,000 to J. P. Morgan & Company. It denies that any of the acts contemplated will work fraud or injury to the complainants, but says that on the contrary such acts when consummated will be greatly to the benefit of the corporation and of every stockholder. The answer says that some of the directors are members of the syndicate formed by J. P. Morgan & Co., to float bonds and that that fact was conveyed to stockholders in a circular dated April 17, 1902. It is further declared that the directors so interested constitute a minority of the board of directors, that they were individually at the time of the formation of such syndicate and now are owned by holders of large interests of the stock of the defendant corporation, and that they became parties to said syndicate and assumed their proportion of the liability thereof in order to assure the success of the plan of purchasing and retiring the preferred stock, as they believed such plan to be of great value to the defendant corporation and its stockholders.

Mr. Schwab's answer contains the following statement of the value of the corporation's property which estimate he says he regards as below its real value: Iron and Bessemer ore properties \$700,000,000; plants, mills, fixtures, machinery, equipment, tools and real estate \$300,000,000; coal and coke fields (87,589 acres), \$100,000,000; transportation properties, including railroads, 1,467 miles, terminals, docks, ships, (112) equipments, (23,185 cars and 428 locomotives) etc., \$80,000,000; blast furnaces \$48,000,000; natural gas fields \$20,000,000; limestone properties \$4,000,000; cash and cash assets as of June 1, 1902, \$148,291,000; total \$1,400,291,000.

Torpedo Boats Have Mishaps.
Norfolk, Special.—The torpedo boat Biddle ran aground near the Rip Raps last night and remained in a helpless condition until floated Thursday morning by the government tug Mohawk. The Biddle, apparently uninjured, then proceeded out the capes. The Barney, another torpedo boat, met with an accident to her propeller and probably will have to be docked.

LIVE ITEMS OF NEWS.
Many Matters of General Interest in Short Paragraphs.
The Sunny South.
The Texas Democratic convention, in session at Galveston, nominated S. W. T. Lanham for Governor.
The shingle and saw-mill of the Keo Shingle Co., five miles west of England, Ark., was burned on the 19th inst. The loss on plant has not been estimated. It is stated that there was no insurance on the valuable properties.
The Tennessee Valley Fertilizer Co. of Florence, Ala., has had a most successful season, its output and sales being of unusual volume. The company expects to put in a rock plant next season to crush its own phosphate rock from its mines at Springer, Tenn.
The North Carolina State Democratic Convention met at Greensboro last week and nominated Hon. Walter Clark for Chief Justice of the Superior Court, Judge Connor and Hon. Hon. Platt D. Walker for Associate Justices and Prof. J. Y. Joyner for State Superintendent of Public Instruction.

At The National Capital.
The secretary to the President, Mr. Cortelyou, is arranging the itinerary for the President's trips.
Judge Taft presented a final proposition to the Vatican, and will sail from Italy to Manila in a week.
Secretary Moody decided that the battleship to be Government built shall be constructed at the New York Navy Yard.
The Secretary of Agriculture, President Schuman, of Cornell, and Mrs. Carrie Chapman Catt delivered addresses to the National Educational Association at Minneapolis.
Gen. Jacob H. Smith has been censured by President Roosevelt and retired from active service because he ordered Major Waller to "kill and burn" in the Samar campaign.
Sweeping changes in the uniforms of the United States army will be made January 1, 1903. The familiar blue has been abandoned and olive green will be the regulation color.

At The North.
Terrific hail and wind storms did great damage in North Dakota, Minnesota and Illinois.
At least 34 lives were lost by an explosion in the Italy-West silver mine at Park City, Utah.
At Oyster Bay, L. I., President Roosevelt caught his daughter Ethel just in time to save her from falling from the horse she was riding.
E. L. Bonner, the Montana millionaire and politician, fell from his automobile, dying instantly.
Fifteen men were terribly burned by a shower of molten metal at the Homestead (Pa.) Steel Works.
The national convention of coal miners to vote on the question of a general strike will meet at Indianapolis.
Dr. W. C. Browning, of Philadelphia, who rendered a bill for \$317,000 for attendance upon the late millionaire, Charles L. Magee, was awarded \$29,239.
The body of Emma H. King, the young woman who was inoculated with consumption bacilli and who committed suicide at Dover, N. J., was exhumed.
A jury at Succasunna, N. J., gave a verdict that Emma D. King, the nurse who was inoculated with tuberculosis, committed suicide by taking strychnine.
William H. Tuthill says he can prove an abill to clear himself from the suspicion of having murdered Albert C. Latimer, in Brooklyn, N. Y.
President Michell's plan for a national strike defense fund is expected to be adopted by the United Mine Workers' convention at Indianapolis.
Fresh floods in the Des Moines river has caused estimated damage of between \$2,500,000 and \$4,000,000 to crops in Iowa and Missouri.

From Across The Sea.
Twelve Greek priests were sent to prison for fighting in the Church of the Holy Sepulchre in Jerusalem.
Liang Chen Tung, the new Chinese Minister to the United States, expresses in an interview admiration for this country.
Bodies of young children with their hearts scooped out have been found in China.

WESTERN FLOODS.

Steamboats Float Over Growing Crops.

DAMAGE ESTIMATED AT \$6,000,000.

Immense Fields Seen in a Great Lake Whose Shore is Visible Only Through a Glass.

Keokuk, Iowa, Special.—Exploration of the flooded district of the Mississippi river from Keokuk south shows conditions beyond the appreciation of realization of any of those of long experience with the Father of Waters in its most destructive mood. The situation is growing worse hourly and a great conflagration in a great city would not be more rapidly destructive of values. There is absolutely not the slightest chance of stopping this most costly flood in the history of the great river above St. Louis. A correspondent of the Associated Press went over the worst damaged area in the steamer Silver Crescent and found everywhere the greatest crops ever known under water deep enough to float a steamboat. People at the river cities give account of losses aggregating many millions of dollars. Hundreds of farmers, rich 10 days ago, are penniless and homeless. Careful estimates gathered from the statements of best informed people indicate the loss up to Monday is about \$6,000,000 with every prospect of two or three millions additional by the rise above, not yet reaching the lower stretches of the rivers. Most of this loss is on the Missouri side of the river, between Keokuk and Hannibal. Passing the water-lapped lumber yards of Keokuk, the mouth of the Des Moines river is nearly two miles wide. Normally there are two mouths and an island delta, covered with farms, which are now under raging torrents.

Alexandria was protected to the last by the Egyptian levee, the breaking of which would send four feet of water all over the town. Gregory is submerged except the white church, in which service was held today, the congregation from the country reaching the church by the railroad track, which is still above the flood in a waste of waters miles wide. Other towns and cities on the islands are beyond the danger line. Immense fields are seen in a great lake with the shore visible only with a glass, where the high bluffs bound the bottoms. Islands dotting the river at its normal stage have disappeared, except for the tops of trees or fringe of high shore willows, slightly protruding like a circular coral reef. Occasionally a house on piles or stilts is seen, but generally only roofs rise to mark the center of farms of corn. On the edge of the flooded river, corn gradually rises on a slope, tassels, tops, ears and stalks appearing in order. In the middle of the present river the tracks of the St. Louis, Keokuk & Northwestern Railroad, normally on the Missouri shore, are now a few inches above the water and under it in some stretches. Shore lights for pilots are standing in the midst of a waste of waters where steamboats can run over them. The river is 5 to 10 miles wide, and a great lake 70 miles long is added to the map.

All this territory was practically covered with corn a fortnight ago, estimated to make 75 to 100 bushels to the acre. Previous estimates of the loss have been greatly increased by the prospective yield being much greater than ever before, telling of many farms that were good for 100 bushels to the acre before the flood. The loss is total. Experience is that, if water stays 48 hours, even four inches under the surface it kills corn and every stalk wet by waves perishes from rotting roots. The height of the flood is indicated by an incident at La Grange. The steamboat warehouse was well back from the river bank and stands high. A strong current and a gale caused the pilot to make an imperfect landing and the cornice of the roof of the warehouse was torn off by the forward guards of the Silver Crescent. The river is rising all the time, six inches during the day in the immense area of 700 square miles, and the worst is to come.

The chief flood thus far is on the Missouri side, from Keokuk to Louisiana with Canton and West Quincy as centers of the country hurt worst. On the Illinois side are three continuous levees for 40 miles from Warsaw to Quincy above water which thus far are safe, but farmers are afraid of crevasses from musk rat holes and every road of the redoubt is watched day and night. The breaking of these levees would flood many square miles in Illinois and destroy \$2,000,000 to \$3,000,000 worth of corn. The levees below Quincy are in the same situation, except they are lower and less firm.

GREENE SUBMITS AFFIDAVITS.
He Says That Erwin Wanted Five Hundred Thousand Dollars.
Quebec, Special.—Friday's proceedings in the Gaynor-Greene case consisted principally in the filing of affidavits and counter-affidavits and it was only a short time before the judgment of the court that Mr. MacMaster, of the prosecution, made his argument on motions to quash habeas corpus writs issued by Judge Charon, on June 20th, last. The proceedings were opened by Mr. Taschereau, counsel for the prisoners, who produced affidavits of Benjamin D. Greene that on May 17 Mr. Erwin called on him at the Windsor Hotel, Montreal, when Erwin said to Greene: "If you will pay \$500,000 to settle the whole matter, I will go at once to Washington and advise its acceptance."

Greene replied that he could not stand that, because he had not money enough to pay his half of the amount, but that Erwin said: "Gaynor has enough. I don't know where it is, but he has it."
To this Greene said: "If you will say \$200,000 I will talk with Colonel Gaynor about it."
Erwin replied, the affidavit continued: "That will not be enough."
Greene then added: "What do you think of \$300,000?" He said: "I don't think that is enough, but you don't want to go through the rest of your life hunted wherever you go, and you must remember that if you are extradited and are in Georgia it will be too late to make a settlement."
Greene finally replied: "Well, anyway I don't see how we can pay any money because that would be an admission on our part that we have received money wrongfully, and that we have not done."
Mr. McMaster read an affidavit signed by Marion Erwin, completely denying the allegations contained in the affidavits of Mr. Greene and Mrs. Gaynor. Regarding the interview between Greene and himself, Mr. Erwin stated that on his return to his room in the Windsor on the afternoon of May 17 he found a note there in which he recognized the handwriting of S. B. D. Green, which note was as follows: "If you can call to see me at any time today, you will do me a great favor."

The original of this note is in possession of Mr. Erwin and was shown to Judge Caron. In response to that request he went to Greene's room and the latter opened the conversation by saying that while he knew that Erwin had been prosecuting him vigorously for over two years, he wanted to thank him for having always treated him with personal consideration. He then said if the extradition proceedings at Montreal proceeded for any length of time it was probable he might desire to give bonds on forfeited recognizance which he said were secured by assets put up by Gaynor and himself with the sureties, but that if he settled the civil claims it must carry with it the dismissal of the criminal proceedings. I replied that I knew of no law for settling the criminal case, but that if he made restitution of the government's actual loss, I did not know what view of leniency might be taken by the government; I had no authority in the matter and the amount he offered in settlement of the government's civil claim was not sufficiently large for me to recommend to the Attorney General." The other affidavits practically contain the same statement as that mentioned this week in Mr. Erwin's reply to Mr. Taschereau's statement.
Erwin's affidavit continued in substance: "I called his attention to the fact that he and Gaynor had already forfeited bonds in the sum of \$400,000 each. He replied that he had left the United States because he had resolved never to be put in jail as a convict; that he had come to Canada with the expectation that after a year or two his friends in the United States would effect a settlement of the civil claims of the government against him and then he could probably obtain a dismissal of the criminal prosecution. He said that he had not given his personal word that he would not run off from the prosecution, but he would pledge me his word of honor that if I would agree to his giving bond before Judge La Fontaine he would not run off. He then referred to the fact that the government had already tied up by civil proceedings half a million dollars of assets, of what the government claimed was O. M. Carter's share in the fraud and asked me what was the exact amount the government claimed that he and John F. Gaynor had received as their share? I replied that we claimed that he and Gaynor had received \$1,400,000 as their share in the fraud. He replied that he was in no position, and had not sufficient means to meet such a claim, but that he and Gaynor would be willing to pay the government \$300,000 in settlement of the entire litigation to include the \$80,000 claimed on forfeited recognizances."

SOUTHERN INDUSTRIAL

For North Carolina.
Just before the adjournment of Congress Hon. John H. Small of the first district of North Carolina submitted, under the rules of the House of Representatives, some remarks which ought to have a wide influence for the welfare of his State. The remarks were quite extended and were a splendid description of the resources of North Carolina. With a great deal of pains Congressman Small had gathered and arranged in attractive and comprehensive form an array of facts about the climate, the people, the agriculture, the manufactures, the forest, mineral and timber resources, the fisheries and the educational conditions in the State. Circulated already in the Congressional Record in all parts of the country, the speech is to be scattered broadcast in North Carolina and other States. It is really a condensed guide to the investor and homeseeker, and ought to direct greater attention than ever to the opportunities in North Carolina, and to encourage the people of that State and of other States to avail themselves promptly of those opportunities.

Industrial Miscellany.
It is announced that the Thompson Lumber Co. of Grand Rapids, Mich., has acquired possession of a most valuable saw-mill property in Mississippi, together with about 23,000 acres of fine timber land. The saw mill property is located at Boyle, on the Yazoo & Mississippi Valley Railroad, about 120 miles south of Memphis, Tenn. The mill has a capacity of 35,000 feet of lumber a day. The purchase was made by Mr. B. R. Thompson, a member of the company, from the bank at Friar's Point, and the transfer has been legally completed.
The transfer of the property of the Refuge Oil Mills at Vicksburg, Miss., to the Southern Cotton Oil Co. was effected last week. The Southern now owns four mills in Mississippi—the Refuge at Vicksburg, the Columbus Cotton Oil Co. at Columbus, the Planters' Mill at Greenville, and the new mill now building at Rosedale. The management of these mills will be under Capt. E. M. Durham.
One day last week there arrived at New Orleans a train of forty cars loaded with 15,000 barrels of flour from Minneapolis, Minn., and the next day a train of thirty-five cars, 2,100 tons of tobacco, arrived. Both trainloads were intended for export.
J. J. Felder of Navasota, Texas, writes to the Manufacturers' Record that he is anxious to interest outside parties in building and equipping a \$200,000 cotton mill in his town, Navasota to subscribe \$100,000 and the outside parties \$100,000.
It is announced that the Fruit Dispatch Co. of New York, which controls ninety-three freight and passenger steamers, has established a line between Central America and Charleston, S. C., the first vessel of which is to arrive this week.
The Pocahontas extension of the St. Louis, Memphis & Southeastern Railway has been opened for business. It is about forty-two miles long.
On the first day of this month shipment began from Pittsburg of 30,000,000 bushels of coal down the Ohio and Mississippi.
A Young Men's Business League has been organized at Woodruff, S. C., with Dr. S. A. Wideman as president.

Textile Notes.
Announcement of the Ninety-Six Cotton Mills of Ninety-Six, S. C., was fully made recently. J. E. Serrine of Greenville, S. C., architect and engineer in charge, has now let contracts for all buildings and machinery required. The equipment will include 10,000 spindles and 280 looms, manufacturing about 4,000 pounds of fine sheeting daily; 150 operatives employed.
Inman Cotton Mills, Inman, S. C., has completed its building and is rapidly installing equipment of textile machinery. There will be 2,000 spindles and 450 looms, all driven by electricity. The investment is \$50,000.
Union (S. C.) Cotton Mills has declared an annual dividend of 3 1/2 per cent. on common stock, which amounts to \$21,000. Lockhart Mills of Lockhart, S. C., has declared a semi-annual dividend of 3 per cent., amounting to \$18,000.
H. C. Townsend Cotton Mill of Anderson, S. C., reported at length last week, will invest \$25,000, and since awarding contracts expects to double the plant before the year expires.