"All the News That's Fit to Print."

The New York Times.

THE WEATHER.
Cooler, with rain, followed by clearing; winds high, shifting to west.

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DRESSER TELLS INSIDE OF SHIPBUILDING DEAL

Morgan's and Schwab's Profits on Bethlehem Plant.

THEIR STOCK SOLD FIRST.

Ex-President of Steel Trust, He Says, Failed in Promise to Help Combination—Witness Resents Insinuations.

That Charles M. Schwab and the banking firm of J. P. Morgan & Co. cleared millions of dollars by selling the Bethlehem Steel Works to the now bankrupt United States Shipbuilding Company was one of the many statements made yesterday by Daniel Le Roy Dresser, witness at the hearing ordered by Judge Andrew Kirkpatrick of the United States District Court in the case of Roland R. Conklin and others, first mortgage bondholders, against the shipbuilding combination.

It was asserted that Mr. Schwab, Mr. Dresser, Lewis Nixon, and Harris, Gates & Co. entered into a compact whereby the Gates brokerage firm was to sell the Morgan and Schwab shipbuilding holdings ahead of all others. These favored stocks represented $20,000,000. In order to effect the sale at the best possible prices Harris, Gates & Co. were to hold in a pool nearly all the remaining shares of shipyard stock, aggregating about 450,000 shares. Outside of the pool were left only 15,000 shares of preferred and 15,000 shares of common stock belonging to individuals who could not be drawn into the arrangement.

Besides giving the story of the Bethlehem deal, which involved transactions showing the dependence of Mr. Schwab on J. P. Morgan in the matter, Mr. Dresser told of Mr. Schwab's ultimate control of the shipbuilding combination and how it was secured through the agency of Max Pam. He described the organization from the start and the parts played by the Trust Company of the Republic, Mr. Nixon, Col. John J. McCook, Charles B. Alexander, John W. Young, and Charles C. Deming. Concerning his own actions before he left the Presidency of the trust company he testified freely, declaring that he had done nothing criminal and nothing without due authority, and that the Trust Company of the Republic was in no sense one of the promoters of the scheme.

The hearing was held at 30 Broad Street, in the office of Samuel Untermyer, counsel for the complainants, who are now seeking

anis' reports as to the condition of the various shipyards were shown to him, and he took them as reliable.

The actual work of the issue came next. The Trust Company of the Republic got out a prospectus, and all the statements therein were based on assertions of Col. McCook and Mr. Deming, said Mr. Dresser. Mr. Deming also was a member of the firm of Alexander & Green. The prospectus was issued on June 14, 1902, offering the bonds to the public, and was published in the newspapers of nine cities. Meanwhile the Trust Company of the Republic collected its own underwriting, and there came daily assurances from Col. McCook and Mr. Deming that the French underwriting was proceeding satisfactorily.

QUESTIONED CABLE DISPATCHES.

The cable dispatches from Mr. Alexander were offered in evidence and met with objections from Mr. Guthrie, who now will have the privilege of verifying them before they become part of the record. Mr. Dresser testified that he knew the copies to be correct.

"I have no reason to believe them to be correct," remarked Mr. Guthrie.

The prospectus, Mr. Untermyer said, included the names of certain Directors. He read them and asked who caused these individuals to be advertised as Directors. Mr. Dresser said he had forgotten whether it was Col. McCook or Mr. Deming. He said one of these two also made out the statement of earnings in the document. As to the statement that all the underwriting had been done, Mr. Dresser said he had taken Col. McCook's word for it.

Mr. Untermyer—As a matter of fact, did the French underwriters ever pay? A.—No, they never paid.

Q.—Then that was the way the Trust Company of the Republic got into trouble? A.—I think that was the cause of some of its trouble.

According to the witness, the bonds were sold to the public at 97½. They were underwritten at 90 and the underwriters got a bonus of 25 per cent. The amount of capital stock ($20,000,000) had been fixed by Col. McCook, but Mr. Dresser said he never was informed what prices were paid for the individual shipyards, although he knew the lump sum for all of them.

Q.—You did not regard the Trust Company of the Republic as having anything to do with the organization? A.—The trust company had nothing whatever to do with the shipbuilding company's organization.

Q.—Up to the time the deal was closed had there been any talk of acquiring the Bethlehem Steel Works from Mr. Schwab? A.—No.

Q.—All the underwriting was done before there was talk of this? A.—Yes. They were absolutely separate transactions.

On Wednesday, June 11, 1902, while at the Lawyers' Club with Mr. Nixon, Mr. Dresser testified he first met Mr. Schwab, who said: "Why don't you buy the Bethlehem plant?" Mr. Dresser replied that he thought the Bethlehem works were owned by the Steel Trust and were not for sale, but Mr. Schwab said they were for sale, and that he himself owned the controlling interest, and that he thought the logical place for them was inside the shipyard combination. He asked Messrs. Nixon and Dresser to meet him at his office the next day, and they did so.

Mr. Schwab told them he wanted to sell and said he controlled every share of Bethlehem except fifteen or twenty. He could get those, he thought. He showed them no statement of his company's affairs and told them he must postpone the discussion until he could cable to J. Pierpont Morgan regarding it.

Mr. Nixon and Mr. Schwab returned the next day. There was no reference to the cable to Mr. Morgan, but Mr. Schwab said he was ready to make the trade. He said his Bethlehem stock had cost $7,200,000, and the plant had earned about $1,450,000 that year. He said he wanted $9,000,000 for it, Mr. Dresser continued, and mentioned the fact that prior liens ahead of his interest amounted to about $8,000,000. Mr. Dresser and Mr. Nixon then told him they could not pay cash, but would give him $10,000,000 in bonds with a stock bonus of $9,000,000 in preferred and $9,000,000 in common.

At first, continued the witness, Mr. Schwab said he thought this would be all right, but he asked them to make still another visit, and so they came back in the afternoon. Then he informed them that the $10,000,000 was all right, but that he must have $10,000,000 in each kind of stock

FLYING MACHINE FIASCO

Prof. Langley's Airship Proves a Complete Failure.

Prof. Manley, in the Car of the Aerodrome, Escapes with a Ducking in the Potomac.

WIDEWATER, Va., Oct. 7.—The sixty-foot steel-built flying machine, the climax of years of exhaustive study in the efforts of Prof. Samuel P. Langley, Secretary of the Smithsonian Institution, to solve the problem of mechanical flight in mid-air, was launched to-day, and the experiment, carefully planned and delayed for months, proved a complete failure. The immense airship sped rapidly along its seventy-foot track, was carried by its own momentum for 100 yards, and then fell gradually into the Potomac River, whence it emerged a total wreck.

Prof. Charles M. Manley, who has been Prof. Langley's chief assistant in the work preliminary to the attempted flight, made the ascent in the aerodrome and escaped with a ducking. At no time was there any semblance of flight, the initial momentum, the lightness of the machine, and the sustained surface of the wings furnishing the conditions which account for the hundred-yard transit of the machine from its sixty foot elevation to the water. An official statement made after the test admitted that the experiment was unsuccessful, but asserted confidence in the ultimate success of the invention.

The launching took place at 12:15 o'clock from the superstructure of the houseboat moored in the Potomac River two miles from this place. Fifteen minutes before that everything was cleared for action. Prof. Manley was clad in white duck trousers and cork-lined jacket. Secretary Langley, who has visited the scene of the test but infrequently since the houseboat carrying his device and his assistants was taken to Widewater, did not witness the failure of his machine to-day, but remained in Washington, where he awaited the result. When all was ready Prof. Manley took his place in the navigator's car, situated close to the gasoline motor. This motor was well below the principal surface of the machine. It was of the explosive type, weighed 200 pounds, and was designed to generate approximately twenty-seven horse power. Long rods connected it with the propellers, whose blades were about three feet long. The framework of the car was covered with canvas.

Prof. Manley started the motor, which worked well, the revolutions reaching 100 a minute. The big machine moved easily along the seventy-foot track on the launching apparatus and took the air fairly well. A five-mile breeze was blowing and for a moment the machine stood up well, but its failure was immediately apparent. It turned gradually downward. The declination was so positive that Prof. Manley saw at a glance that but few movements of the second hand of the stop watch he bore on his left knee would be recorded before both he and the ship would be floundering in the waters of the Potomac. Just before the machine struck the water he shut off the motor.

The machine disappeared beneath the waves, but only momentarily. The five conical shaped floats which had been distributed about the machine to avert its sinking performed their functions well and the bridges of the machine almost immediately reappeared above the water. It was a moment of anxiety for the friends of the navigator, but fears were instantly relieved as his head emerged above the surface. He had sustained no injury. His face reflected his disappointment at the result. He climbed into a rowboat which had been kept close at hand and was conveyed to the deck of the tug Bartholdi. There he exchanged his dripping clothes for dry garments. An hour later Prof. Manley gave out the following statement to the newspaper men:

"It must be understood that the test to-day was entirely an experiment and the first of its kind ever made. The experiment was unsuccessful. The balancing upon which depended the success of the flight was based upon the tests of the models and proved to be incorrect, but only an actual trial of the full-sized machine itself could determine this. My confidence in the future success of the work is unchanged. I can give you no other information. I shall make a formal report to Secretary Langley."

The work of removing the wreck was immediately begun. Within ten minutes after the mishap the tugs were pulling away at the débris. By 2 o'clock the disabled machine had been put away in the interior of the houseboat. As it was lifted by the derricks out of the water the complete disaster was evident. The big broad wings, which had extended twelve by twenty-two feet, were hanging limp beside the frame, the rudder was a wreck, the wire framework was a tangled mass, and the main body of the twelve-hundred-pound machine was badly damaged, though not beyond repair.

At practically the same spot flying machine experiments were conducted on May 6, 1896, at which time Secretary Langley reported that his aerodrome had twice flown over a distance of half a mile.

ANOTHER WHITE HOUSE CRANK.

Norwich Man Troubled with Visits from the Devil Found Wandering in the Building.

Special to The New York Times.

WASHINGTON, Oct. 7.—It has often been said that when a crank makes a scene at the White House or around the person of the President of the United States and the newspapers are filled with accounts of the affair the incident arouses all the other cranks in the country and they begin to write to the President all manner of crazy letters or to migrate in the direction of Washington.

The appearance at the White House to-day of another insane man seems to support this observation. To-day's case was John Decker, forty-four years old, from Norwich, Conn. His hallucination is that he was to receive $750,000 to exorcise the devil of the Indians.

Decker explained that he had actually received visitations from the aboriginal evil one and that his majesty was even then tugging at him in a very annoying manner. The police and attendants at the White House preserved better order than they did Monday and got rid of the man quietly.

The lunatic had in some manner found his way into the White House and was wandering around in the interior when first noticed. He was at once arrested and taken in a cab to the station house. He made no resistance. He was unarmed, but had two small pocket knives on his person.

Decker was examined later in the day, pronounced insane, and was removed to the Government Insane Asylum.

Some difficulty was met in getting news of the affair. Secretary Loeb has instructed the attendants to treat such affairs circumspectly and give no information about them. A similar order has been issued to the Washington police. This is done on the theory that accounts of cranks incite others to similar performances.

Decker is a small, inoffensive appearing fellow, with a smooth face and big brown eyes. He seems to have consumption and is extremely loquacious.

He betrayed none of the signs of the Anarchist or Socialist, but is imbued with the fanciful philanthropy of ridding the poor Indians of the red devil that is preying on their souls. When he was searched a letter addressed to the President was found in his pockets.

He said he had read all about Peter Elliott on the cars coming to Washington. He has a brother at Norwich and another at Ellicktown, Penn.

NORWICH, Conn., Oct. 7.—John Decker, who is supposed to be the man under arrest in Washington, has been employed for the last two years at the factory of the Thames Arms Company. He has a brother, Henry, who also works in the factory. John is unmarried.

At the office of the factory it was said that John Decker came there yesterday morning dressed in his Sunday clothes and announced that he wanted to give up his job, saying that he was going away. He was paid off and left. So far as has been learned he said nothing about where he was going.

The manager of the Thames Arms Company says that while Decker was peculiar and was not considered particularly bright mentally, he never showed any signs of violence.

BOY WITNESS AMAZES COURT.

Clear-Headed Little Charles Dougherty Wins Public Commendation from Judge Kirkpatrick.

Special to The New York Times.

TRENTON, Oct. 7.—Charles Dougherty of 16 Crawford Street, Newark, fourteen years old and undersized, made so good a witness in the $75,000 damage suit of Arthur J. Horgan against the United Electric Company, on trial in the United States Circuit Court yesterday, that Judge Kirkpatrick called the little fellow to him and

CRISIS IN FAR EAST

Russia Said to Have Refused to Evacuate Manchuria.

CHINA ASKS JAPAN FOR HELP

Japanese in Korea Want Troops Sent to Protect Them on Account of the Menacing Attitude of Russia.

YOKOHAMA, Oct. 7.—According to information received here the Russian Minister at Peking, M. Lessar, has informed the Chinese Foreign Office that Russia will never evacuate Manchuria unless her latest demands are granted.

China, it is added, has appealed to the Japanese Minister, M. Uchida, for Japanese assistance.

The Japanese residents of Jef-Wie-Ju' (Wiju?) have filed a petition with the Foreign Office at Tokio asking that a Japanese warship and troops be sent to protect their interests in view of the menacing attitude of Russia. The reply of Japan is not yet known.

The newspapers report the fortification by Russia of Yongam-Pho, on the Korean bank of the Yalu, and consider this action a possible casus belli, as being an infringement of Korean integrity. The report, however, is not confirmed officially.

The temporary Korean Minister for Foreign Affairs has been relieved of his post at his own request.

Baron de Rosen, the Russian Minister to Japan, had another conference with Baron Komura, the Japanese Foreign Minister, yesterday. The Japanese Premier, Viscount Katsura, had an audience with the Emperor the same day. It is now feared that the promised Russian concessions are insufficient to offset Russia's continuous menace to Korea, nor is the Chinese-Japanese commercial treaty, to be signed to-morrow, thought adequate to compensate for permanent Russian occupation of Manchuria.

A rumor is current this evening that definite Russian demands concerning Manchuria and Korea have been presented to Japan by Baron de Rosen.

LONDON, Oct. 8.—The correspondent of The Daily Mail at Kobe, Japan, telegraphs that Baron de Rosen on Oct. 4 presented a note to the Japanese Government contending that Japan had no right to interfere in the question of the evacuation of Manchuria, which solely concerned Russia and China. The note further proposed the partition of Korea and suggested that Japan should take the southern half and Russia the northern provinces.

The note, says the dispatch, was discussed by a council of Ministers on Oct. 5,

BIG BEQUEST TO CORNELL.

F. W. Guiteau's Will Gives $100,000 and Large Part of Residuary Estate to University.

WHITE PLAINS, N. Y., Oct. 7.—The will of Frederick W. Guiteau, who died at his Irvington home on Monday, at the age of ninety-four years, was filed here to-day in the Surrogate's Court. The value of the estate is believed to be more than $1,000,000.

Cornell University gets $100,000 and what remains of the estate after various bequests have been paid. A sum will be invested for the deceased's sister, Nancy G. Howe, who also will have the use of the large estate at Irvington, with horses and carriages. If John A. Donnegan, who was Mr. Guiteau's butler, and May Fitzgerald, who was his secretary, remain with Mrs. Howe until the end of her life they will receive respectively $1,000 and $300.

The village of Irvington came very nearly getting $10,000 for a library, but that provision in the will was revoked by a codicil. The will was drawn up in 1901, and one of the executors was Alexander E. Orr of Brooklyn, but a codicil substitutes for him Henry C. Griffin of Tarrytown. The Rev. J. Seldon Spence of Tarrytown gets $500, the Unitarian Church of Trenton, N. Y., $8,000; Oneida Horticultural Society, $5,000, and twenty relatives amounts varying from $500 to $5,000. Cornell gets the remainder.

TORPEDO BOATS CRASH.

The Shark Comes Up Under the Dahlgren, Making a Hole in Her Below the Water Line.

NEW SUFFOLK, L. I., Oct. 7.—The submarine torpedo boat Shark, one of the later Holland boats, this afternoon was in collision with the torpedo boat Dahlgren.

The Shark was turned over to the Government not long ago and her crew was being drilled this afternoon in the handling of the boat. Lieut. Nelson, the senior officer, was in general charge. There was a stiff wind blowing and a strong tide running.

The Shark had dove but risen, and was floating on the surface when both she and the Dahlgren were caught in the tideway, and before the Dahlgren could get headway the counter of the Shark hit the torpedo boat just below the water line on the port side and almost amidships. A hole was stove through the thin skin of the Dahlgren and some water entered.

By shifting his crew and guns to starboard, Lieut. Nelson listed his boat so that the hole, which was small, was above the forced water line. The hole was then patched, and the boats tied up.

It is not thought the damage extends beyond two or possibly three plates, and that the frame was not hurt.

FOREST RESERVE POLICY.

Opposition to Its Further Extension in State of Washington.

Special to The New York Times.

TACOMA, Washington, Oct. 7.—United States Senator Foster and other lumbermen, representing timber interests valued at more than $50,000,000, to-day attended a meeting here the object of which was to protest against the Government's policy of creating more forest reserves in the Northwest.

The Government was represented by Gifford Pinchot, Chief of the Bureau of Forestry and father of the forest reserve movement. The lumbermen pointed out that one-fifth of the timber in this State is already included in the forest reserves.

The Government now proposes to withdraw from commercial purposes half as much more timber by creating another im-

HINRICHS AND M'GUIRE CHOICE OF FUSIONISTS

Nominated at Citizens' Union and Republican Conventions.

BOTH MEETINGS STORMY.

Fierce Opposition Made to Nominees for Controller and President of Aldermen After Grout and Fornes Had Been Ousted.

While the Republican and Citizens' Union Conventions held last night to nominate candidates for Controller and President of the Board of Aldermen to replace Edward M. Grout and Charles V. Fornes on the Fusion ticket were not estopped from carrying out their purpose by any notice of an injunction on behalf of Mr. Grout or Mr. Fornes, they did not lack excitement. The nominations of Frederick W. Hinrichs for Controller and Edward J. McGuire for President of the Board of Aldermen were made by both conventions, but this action was accomplished after big uproars at both meetings.

At the Citizens' Union Convention, held in Cooper Union, William A. Coakley, who sprung the Henry George bomb in the last convention, backed by a score of delegates representing labor unions, opposed the nominations of Hinrichs and McGuire and demanded that organized labor be given a place on the ticket. Bolts were threatened and disaster was predicted by half a dozen of the speakers. The plea of R. Fulton Cutting finally was listened to, however, and the nominations made as recommended with fully a third of the delegates, on a viva voce vote, opposing Hinrichs and McGuire, and demanding that the report be sent back to the Conference Committee with instructions to revise the ticket.

In the Republican Convention, held in Carnegie Hall, Col. Abe Gruber, the Republican leader of the Twenty-first Assembly District, caused a scene by denouncing the Citizens' Union, and declaring that Grout and Fornes were not the only traitors to the cause of Fusion. He made an effort to have the convention adjourn until to-night without taking any action upon the nominations of Hinrichs and McGuire, but in response to an appeal of M. Linn Bruce, the Chairman of the Republican County Committee, that the convention be not swayed by incidental issues, the convention, upon roll call, voted down the motion for adjournment and proceeded to the rescinding of the nominations of Grout and Fornes and the nomination of Hinrichs and McGuire in their places.

UPROAR IN COOPER UNION.

New Nominations of Citizens' Union City Convention Made Amid Stormy Scenes.

Stormy scenes characterized the recalled Citizens' Union City Convention, which was held in Cooper Union last night.

The meeting was called to order at 8:30