Morning Oregonian.

TANNER TESTIFIES AGAINST MITCHELL

Defense Objects That He Is Perjurer.

OVERRULED BY THE JUDGE

Dramatic Scene in Court When Partners Face Each Other.

F. A. KRIBS A WITNESS

Attorneys for Defense Make Apology for Their Client-Heney Declares He Will Prove Senator's Guilty Knowledge.

Stubbornly, but with a studied and dignified desire not to grieve, the attorneys who are defending Senator John H. Mitchell, yesterday began building up their legal fortifications in defense of their The morning session in the United States District court was taken up with presentation of the opening statenents to the jurors, and the testimony of Fredrick A. Kribs, one of the Government's principal witnesses. The morn ing session gave no inkling of the intensely dramatic scene which was to follow during the afternoon, a scene that will be long remembered by all who saw it, and one that will never be entirely blotted from the memory of Sen-ator John H. Mitchell and Judge A. H.

Picture, if your mind can conjure up the scene, a courtroom, crowded almost to suffocation with curious and eager spectators, in the foreground a sedate judge with hair as white as the driven enow, an array of attorneys, the defendant, grown old with the flight of time facing his partner and friend for almost half a lifetime. This was the plight in Senator John H. Mitchell found himself yesterday. The man before him, throng, was Judge A. H. Tanner.

Judge Tanner's Entrance.

The entrance of Judge Tanner, while all present knew he had been called, seemed startle everyone. Silence fell over the courtroom. The intense mental strain under which Judge Tanner was clearly struggling seemed to permeate the entire room. As he entered he appeared like one who had just come out of a dungeon into the sunlight. As a lawyer he had encountless times, but the scene was unfamiliar. For an instant room, and a court attache had to point him the way to the witness chair. He better hold on his courage, then stepped aworn ex-Senator Thurston rose slowly from his seat and objected, on the ground that he was a self-confessed perjurer.

Had a bomb been exploded in the court

electric. Judge Tanner had evidently been expecting a move of this kind on the part of the defense, and had prepared himself for the ordeal. So had Mr. Heney. Judge Tanner dropped his hand slowly, half turned toward Attorney Thurston and waited. He was in full possession of his faculties now Without as much as a tremor of a facial muscle he stood erect, motionless, waiting Senator Thurston read from the Revised Statues a section which damued perjurers from the gradie to the grave, unless judgment had been rendered or sentence assed for or against him. The attorne for the defense grew a bit eloquent about pliment to the men who framed it. Mr. Thurston explained that he was not present to make any reflection upon the ness, but simply to perform his duty as

Mr. Hency Is Prepared.

Mr. Heney must have expected such a move, for he was forearmed. In aned that it had taken the world 200 years murderer was entitled to be defended by an attorney and that 100 years had passed before it reached the conclusion that a defendant charged as the defendant in the case was charged, was entitled to say one word in his own behalf, Mr. Heney characterized the statute referred to as a blot upon the good sense and enlightenment of the present age. Judge Bennett also spoke on the question, but Judge De Haven ruled that the witness was competent and Judge Tan-

Prosecution Is Mapped Out. convened at 10 o'clock, addressed the jury and outlined his defense. He told the twelve men who will pass in judgment upon Senator Mitchell's guilt or innocence that he would prove that the Senator had received fees for services performed by him before the land office, or the Interior Department, while he was in' the Senate. The prosecutor told of the taw firm of Mitchell & Tanner was to receive. Later on during the after-boon he showed by Judge Tanner that Senator Mitchell received his share of the \$1000 retainer fee paid by Kribs to the law firm of Mitchell & Tanner. From the documentary evidence which has altered been introduced by the prosecution it is clear that Mr. Hency hopes to tion, it is clear that Mr. Hency hopes to prove that Senator Mitchell, with full

knowledge, accepted his share of the Kribs retainer fee and used his influence with Binger Hermann and others towards expediting the claims wanted by Kribs. Mr. Heney outlined the issue with great clearness. There was nothing in his arraignment of Senator Mitchell that suggested rancor, spite or a desire to get back at some one, and that some one Senator Mitchell, as intimated by Judge

Defense Is Apologetic.

From the beginning of the trial there was apparent an air both of defiance and apology on the part of the defense. They are combatling every step with objections, but from the constant ruling of the court, they were not well taken. It seems as if Judge De Haven is in a measure letting down the bars for Mr. Heney and allowing him wide latitude. This apology for the actions of Senator Mitchell was apparent in Judge Bennett's address. He had practically admitted that the Senator had received a share of the Kribs fees and his presentation of the cause to the jurors was more in the nature of a plea for mercy on the ground of Senator Mitchell's long career in the Senate, than otherwise.

Judge Bennett acknowledged that Sena-

tor Mitchell received money, but withou knowing where it came from, perhaps like Manna in the wilderness. He characterized the Senator as a "careless business man." He stated that the defendant was so busy with matters of state that he neglected his personal affairs, and he inti-mated that the proceeds of his Portland law business were not of sufficient importance to attract his special attention. At considerable length Judge Bennett told of how watchful Senator Mitchell was of the calls of his constituents in Oregon. Republican or Democrat, Populist or Prohibitionist, it made no difference; Senator Mitchell heeded his call and performed whatever service was asked of him, so far as he was able. So it was that he helped Kribs get his 40 patents pushed with vigor in the Land Office. Judge Bennett intimated that in doing this Senator Mitchell did not consider he was commitwrongful act. It was something he would have done for the meanest of his constituents, or for any one else if the call came from Oregon

Bennett Attacks Hency.

After his tribute to the gray-haired Senator, who sat beside ex-Senator Thurston, listening with painful interest to all that was said, Judge Bennett turned his verbal batteries upon Mr. Heney. So fierce was the attack that a casual visitor, if he had just entered the courtroom, might have functed that Francis J. Heney was on trial, and not Senato Mitchell. Ex-United States District Attorney John Hall came in for a fraction of mild praise, but this was fust a club to clout Mr. Heney. Judge Bennett brought C. A. S. Frost into the case and was referring to him as a man of "somewhat shady-" Before he could finish Mr. Heney was on his feet and objected to the speaker continuing in this strain. Judge De Haven sustained the objection Mr. Heney was aware of the fact that Judge Bennett was plating him on trial, and stated that he would be glad to have the defense set a date for the hearing.

Admits Change in Contract.

Judge Bennett admitted that the con tract of partnership between Mitchell & Tanner had been changed, and attempted to explain this away by saying that Senator Mitchell did this, not because he anticipated prosecution in court, but to keep ing him. He said that when the Senator returned from Washington he found the Government busy tainting his good name. He was old, broken in body and mind, and division of fees, which had been inserted in the contract, at first inadvertently, should be changed. It was changed, but instead of saving Senator Mitchell further barrassment.

One thing that the trial of yesterday demonstrated. That was that Judge De Haven is determined to push the trial he was willing to sit through the strain, heat and discomfort of the small courtroom without taking recess. He would avoid all of the dejay caused by the countess objections if it were possible, and he has the appearance of a man who has a case of great moment before him and is desirous of getting it off his hands as quickly as possible. During both sessions yers paid a visit to the courtroom. Late in the afternoon Mayor Williams was a visitor. He took a seat behind Senator Mitchell and was an interested spectator

SECOND DAY OF THE TRIAL

Summary of Arguments of Attorneys

and Testimony of Witnesses. has passed, Frederick A. Kribs, one of the star witnesses of the Government has testified and has gone, Judge A. H. Tanner, the other chief prop of the case to be made by the prosecution is on the stand and will finish his story today; The complainant is smothering the jury under a mass of documentary evidence and the defense is playing upon its heartstrings. Mr. Henry is showing the jury per and Mitchell and Kribs by which they were to expedite claims held by the latter, is producing checks, account books letters and testimony in support of his indictment, while Judge Bennett and Sen-ator Thurston, so far, have pleaded the honorable career of their client, have held out the fact that today he is to pass his 79th birth anniversary, have entered technical objections to the intro-duction of the testimony and have made one desperate and spectacular attempt to

yesterday and brought out its two most important witnesses upon whose testi-

block the introduction of Judge Tanner's

The defense had finished cross-examin-ranner and Kribs and the \$1000 which the law firm of Mitchell & Tanner was Judge Tanner to the stand, but Senator

TO THE ATTACK

Reiterates Charges Against Loomis and Demands an Open Investigation.

SAYS BRIBE WAS OFFERED

Dismissed Minister Accuses President of Trying to Sijence Him by Offer of Promotion, Which He Refused.

NEW YORK, June 21.-Herbert W. Bowen ex-Minister to Venezuela, today made public a long statement in reply to President Roosevelt's letter dismissing him from the diplomatic service as a result of the investigation made by Secre tary Taft into the controversy between Mr. Bowen and Francis V. Loomis, First Assistant Secretary of State.

Mr. Bowen declares that the "Venezue lan scandal constitutes a national dis-He asserts that "the Loomie scandal" pervaded Caracas and constantly "grew worse and worse." He says that shortly after he called the attention of the Department of State to the matter, he received a cable offer from Washington of diplomatic promotion that would remove him from Caracas. He

I admit that I regarded the offer as an attempt to bribe me, veiled under the offer of a higher position, and inspired by Mr. Loomis I make no doubt that in the course of the recent inquiry it has been sufficiently plain that I did not think Mr. Loomis an honeat man and that I did not believe his conduct as Minister to Venezuela honorable.

Wants Open Investigation.

Mr. Bowen says that the recent depart mental inquiry should not prevent "an open, Impartial, fearless and thorough in estigation into all the facts. Suppression f truth will never establish it," he adds Tolerance of evil will never crush it. Ne office, however high, should shelter a

When he went to Veneguela as successor to Mr. Loomis, Mr. Bowen declares, he found rumors seriously affecting the honor and integrity of his predecessor, both as a man and a representative of the United States Government. Mr. Bowen says that, as he felt a sense of pride in representing the United States, these rumors were a source of continual mortification to him. Epitemizing the rumors, Mr. Bowen says:

Repeats Attack on Loomis.

Mr. Loomis, while Minister, was reported to have used his public position to fill his private purse by obtaining interests in concessions and in various claims against the Venezuelan government. He was commonermuden Asphalt Company and to have made use of his own official position to give made use of his own official position to give color to the belief that the United States was especially favorable to the contention of that company in its controversy with the Venezuelan governmen. I had no means of refuting these scandalous statements. Their substantial truth was assumed by my disclamatic colleagues as well as by the general

predecessor in the Legation at Caracus and forwarded by Mr. Bowen to the State Department, the latter says:

I cannot better express my own feelings in regard to their contents than in the words of the Secretary of State, who in his letter ac-knowledging their receipt said: "I have been greatly surprised and pained in reading the documents you sent me."

Mr. Bowen tells of sending to the State Department information of the report current in Caracas "that an incriminating check to Mr. Loomis and a letter from the asphalt property promising that the United States' would not intervene in Venezuela were in te hands of one of President Castro's friends." He contin-

or an antharacovering. It seemed to me under the circumstances my duty to the United States demanded that I should stay, for the present at least, in Caracas, and I declined the offer, personally advantageous as it was to myself.

Concurrently with the report in Caracas that President Castro had possession of docum directly incriminating the First Assistant Sec. retary of State. President Castro dispatched a general agent to Washington. Concurrently with my refusal to leave my post at Caracas there began to appear from Washington such false and misleading statements. in our papers as "Bowen has asked to be recalled; he wants to sever diplomatic relations with Venezuela; he advises that a nava lations with Venezuela will understand with

Did Not Originate Charges.

After referring to the appearance of the Loomis charges in several papers

Mr. Bowen says: To say that I instigated them chirges is the product of a heated imagination. It was right after this that I was summoned by the State Department to Washing acadasous stories circulated asout him. He obtained the regulation himself while living there as American Minister from May, 1897, to April. 1991, and the statements charging him with dishoness and dishonorable conduct were made with such detail that mere denial by me was useless. What was needed was not their denial, but their disproof.

With regard to the Mercago claim, Mr. Bowen gives the text of a letter which was among the papers he found in the Legation archives. This letter is addressed to W. W. Russel, and says: Dear Sir: In reference to the constant

dreased to W. W. Russel, and says:

Dear Sir: In reference to the portion of Mr. Mcreado's claim which I bought I want to state that the only terms of settlement which I will accept other than a full cash parment of about 30,460 bolivars in gold are the following: I will accept 20,000 bolivars in gold and 10,400 bolivars in sait bonds at the rain of 82 per cent, or 5 per cent below the quoted market rate, provided it does not go below 60 per cent. Very truly.

F. B. LOOMIS.

Mr. Bowen underlines the words "which I bought." in the letter. He also gives the text of a letter from Charles R. Mayers, addressed to Francis B. Loomis, and referring to services ren-dered by Mr. Loomis in securing a con-tract for furnishing a loan to Venezuela. Mr. Bowen's statement then concludes: Mr. Bowen's statement then concludes.

Mr. Loomie explains that if this contract, which was to give him a million and a quarter, had gone through he intended to resign. The conduct of a man who as Ambassador was willing to participate in such transactions as the foregoing is considered by his official superior as merely "indiscreet" and he is retained in the public service.

COSSACKS SLASH AND SLAY Strikers Driven Into Forest, Slaugh tered and Mutilated.

MOSCOW, June 21.-The Velchernaia Pochta prints a report of terrible events the manufacturing town of Ivanovo Vpsnesensk, where serious strike disturbances. prevail. The Cossacks, while dispersing a strike meeting in the suburb of Talka, diplayed ferocious brutality, pursuing the unfortunate fugitives, including women, to a neighboring forest, dragging them out of their houses and ruthlessly killing the strikers and disfiguring their faces with their knouts. It is said that 28 were

killed and hundreds wounded. In the course of the riots the strikers prevent the firemen from putting out the town, which is like a city of the dead, the populace fearing to venture into the streets.

STRIVES FOR ARMISTICE

Roosevelt Trying to Prevent Another Battle Before Peace.

WASHINGTON, June Ti.-It is intinated in official circles here that negotiations are proceeding, looking to an armistice between Japan and Russia. The stumbling block in the way of an rmistice appears to be that neither belligerent is willing to take the initiative. The present negotiations, it is understood, consist of an effort to sound one or both governments he to their willingness to agree to an armistice.

Nelldoff Appointed Envoy. ST. PETERSBURG, June 21.—M. Neildoff, Russian Ambassador to Paris, has been definitely appointed one of the Russian peace plenipotentiaries.

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HIS RING CLOSE

Has Captured Nearly All Positions Needed Before the Great Battle.

CRUSH LINEVITCH

Attempt to Draw Off Japanese by Feint With Cossack Raiders Met by Advance of

SPECIAL CABLE.

TOKIO, June 22.-The position of Gen eral Linievitch's army is even more des-Pochta prints a report of terrible events perate than was that of General Kuro-alleged to have taken place June 16 in patkin before the cefect of Mukden, and the Japanese general staff expects within a very short time to receive the reporthat the Russian army has either been destroyed or captured.

When General Linievitch discovered that he was nearly completely surrounded, and that enormous bodies of Japanese troops were being massed on his right and left, while his center was being constantly shelled by field artillery, he apparently realized that it was impossible for his 350,000 men to withstand the asset fire to the candourine mills and sault of such superior strength as Oyama's fought the soldiers savagely in order to and he determined on a feint, in the hope that he might draw off some of the Japfire. All business is suspended in the anese forces. He ordered General Mistchenko, with his Cossack division, to attempt to penetrate the Japanese screen and try to cut their lines of communica

After losing heavily in several engage ments, the Coseack chieftain made his way through neutral Mongolia and swept around the Japanese left, in the hope of drawing back some of the troops from the north. Instead, the Japanese simply moved forward a new army from Wonson and drove the Russians back.

General Oyama's troops have now cap ured all of the most important positions necessary for the success of his contemplated movement, and word of a general engagement is expected momentarily.

JAPANESE ADVANCE IS BEGUN Pushing Forward Along Whole

Front on Russian Positions. ST. PETERSBURG. June 22—(12:55 A. M.)—The public, which has no idea that negotiations for an armistice are on foot, believes that a great battle in Manchuria is now beginning, and official dispatches from both sides bear out the idea that the Japanese have commenced their main advance, though as yet there have been no heavy collisions.

The Japanese following the checking of the movement to the west are now date from whit Monday.

"A hundred commissions elaborating schemes for reform," the paper continues, "could not inspire the paper continues, "could not ins

deg.; minimum, &. Precipitation, none.

The Japanese. Ionowing the checking plain-spoken jet within perfectly loyal of the movement to the west are now plain-spoken jet within perfectly loyal fashion in which he spoke to the Em-Japanese ready to begin general attack on Linievitch. Page 1.

Oyama's army advances all along line. Singlungchuan, 15 miles north of Chang.

sitions without serious resistance and are evidently retiring to their first line of entrenchments, which is believed to garded as vital, namely, that the repre-Sweden ready to agree to separation of Nor- cross the railroad at Sipinghai, 14 miles sentation should be based on universal way. Page 4' further north. They have a number of their ultimate line of defense at Kirin the Prince continued. and at Changehung.

Lieutenant General Linjevitch evidently has imposed an embargo on press messages, indicating that hostilities have en-

tered on a serious phase.

in its casualties than that of Mukden. JAPANESE CAPTURE HILLS.

Advance in Several Directions and Dislodge Russians.

lowing official dispatch was received today from the headquarters of the Japanese army in Manchurla:

"In the direction of Welyuanpa our detachment occupied Lienbuschieh June 18, without encountering resistance. It also occupied Yengmulintzu, 20 miles northwest of Weiguanpaomen and drove the enemy back on his posi-

tions on the Kirin road.

"Farther north another force the same day dislodged the enemy from Yangtzu Pass and vicinities ten miles orth of Welyuanpaomen and pied a line of hills northwest of Sal-hulwotzu and those seven miles north of Yangtzu Pass. Our forces also routed the enemy holding positions north and northeast of the same place. "In the Caangtu direction, our force

advanced along the road and dislodged the enemy's cavalry and infantry, holding an eminence two miles north of Shahotzu railroad station and took pos-session of a line of hills south of Sui-maotzu and 18 miles northeast of Changtu, June 19. The station was found to be demolished. Our casual-ties were four men wounded. The ene-Combination of launches will swing trade to Oaks or Fair. Page 7.

Oriental liner Arabia due tomorrow. Page 7.

Werld's Pair.

Werld's Pair.

and one horse and have been heavy, "Our force advancing on the Fengha road, after a vigorous fight with infantry and artillery from 3 in the morning of June 19, dislodged the morning of June 19, dislodged to moraing of June 15, dislodged enemy from Peifangchengkou, miles southwest of Hsillenchian occupied at 5:40 the sume morning tiakou, 16 miles north of Changtu

CONVERGE ON POSSIET BAY

NEW YORK, June 21 .- Three Japanese columns are moving parallel to the

parently converging on Possiet Bay about 66 miles southwest of Vialivos tok, according to a Times dispatch from St. Petersburg. A large fleet of trans-ports has sailed from Gensan for Viad-ivostok.

BOTH ADVANCE AND RETREAT Linievitch Sends Story of Varied

Japanese Movements.

Japanese Movements,
ST. PETERSBURG, June 21.—General
Linlevitch, in a dispatch to the Emperor
dated June 19. says:

"At 4 o'clock this morning, the Japanese commenced an offensive on our front
west of the railway; Sinlautchijouan was
occupied by strong detachments of Japanese.

"In the vicinity of Liaoyangwopeng the
Japanese withdrew along the whole line
southward to their old positions."

Another dispatch from Linlevitch dated
June 20, says:

"The Japanese on the road from Maimakai to Chantufu commenced to retreat
at midday, June 19.

"On the east of the railway, the Japanese infantry at 3 o'clock in the morning
of June 19, began to advance in the di-

anese infantry at 3 o'clock in the morning of June 12, began to advance in the direction of Banlaschamyne, but their advance was stopped at 3 A. M.

"The Japanese on the Mandarin road also commenced an offensive at 3 in the morning. Toward 3 o'clock our advance posts retired slightly. The Japanese artillery opened at 10 o'clock and our advance posts retired further and at noon the Japanese occupied the village of the Japanese occupied the village of Siaocheouschi, near Yaomaline."

DID RIGHT TO SURRENDER.

Commission's Report on Stoessel's Action at Port Arthur.

LONDON, June 21.—A dispatch to the Exchange Telegraph Company from St. Petersburg says the commission appointed to investigate the capitulation of Port Aphur finds that the surrender of the fortress was justifiable.

Northern Corean Town Taken.

TOKIO, Wednesday, June 21-(9 P. M.) It is officially announced that a Japanese detachment in Northern Corea completely occupied Kangsong on Tuesday. A few thousand Bussians with artillery retired toward Siusong, 12 miles northward.

PUT THEIR TRUST IN CZAR Russians Rejoice Over Early Prospect of National Assembly.

ST. PETERSBURG, June 21 (12:4) P. M.).

The impression produced by Emperor
Nicholas' speech Monday at Peterhol to the delegation representing the alf-Rus-sian Congress of Zemstwoists and Mayors which assembled at Moscow, is reflected in the joyful accisim with which it has been received by the Russian press. The been received by the Russian press. The question of peace and the representations that another great battle has begun in Manchuria have become of secondary importance in this public mind before the great fact that the Emperor has again pledged himself to popluar representation. The Russ declares that the history of representative government in Russia dates from Whit Monday.

"A hundred commissions emborating

Prage 1,

Presh army from Possiet advancing on Viadivostok. Page 1.

Japanese shut Seattle merchant out of Port Arthur. Page 3.

The Russians gave up the advanced possible resolution to Indicate the said those who were interested, not in the realization, but in the destruction of the proposed reforms. Prince Troubetskoy rose above details. He said those who were citizenship, in which no class should be

> "You are the Emperor not of the landowners, merchants or peasants, but of all Russia. The bureauctacy which has a place in every government must have a place in yours, but the national repre-If negotiations for an armistice are on foot, they must bear immediate fruit in order to prevent a battle perhaps received. Your majesty will realize that when you stand face to face with the people's dele

Brown Elected Sheriff in Spite of

Carter's Opposition. the Republica anominee, was today elected Sheriff of Oahu County, in waich this city is included, by a vote of about 2200 to 1650, received by the home-rule candidate, A. Poepoe, and 830 received by Willdate. A Poepoe, and \$30 received by William Heary, the present incumbent and an independent candidate. The closing of the campaign was the most bitter in the history of local politics. Governor Carter made an active fight against Brown, in favor of Henry. The Republicans have elected all their ticket except two Supervisors and possibly Treasurer.

ceived by wireless telegraph indicate that

ceived by wireless telegraph indicate that the Republicana were generally successful in yesterday's election for county officers in the Islands of Mauai and Kauai, but were defeated in the Island of Hawaii by a fusion between the Home Rule party and the Democratic party.

There is considerable discussion in Honolulu as to the political effect of the election of A. M. Brown, the regular Republican nominee for Sheriff, who was opposed by Governor Carter. In some quarters it is suggested it may possibly lead to the resignation of the Governor. Several of the Republican leaders held a conference with the Governor today, and it is reported that they discussed the it is reported that they discussed the

election, telling the Governor that their support of Brown was not intended as opposition to his administration. Governor Carter will leave for the mainland June 25, and he may go to Washington to confer with President Roosevelt.

IMPERIAL TACHT CLUB, Kiel, Ger-namy, June 21 - Prince Eltel Frederick sailed his new 30-footer Elizabeth in the first race at the Kiel regatts today and or a tine Aid regatts today and came in third among ten competitors. Wannee V, owned by the Wannee Boat Club and salled by Otto Protzen, crossed the finishing line first, % seconds ahead of the Frince's boat. The George, owned by the Berlin Yacht Club, was second, being @ seconds ahead of the Elizabeth.

IS BLAMELESS

President's Verdict on

FEW WORDS ON EQUITABLE

Entire Correspondence Indicates Moody's Disagreeme it With Judson and Harmon and Roosevelt's Opinion of Morton.

WASHINGTON, June 21.-President Roosevelt in his letter on the Santa Fe rebate case, not only refused to allow the prosecution of Paul Morton individually, but clearly defined his policy in prosecution of railroad companies for violation of the Interstate Commerce law and of trusts for violation of the antiverely criticise the management of the Equitable Life Assurance Society and to suggest that life insurance should be placed under Federal supervision.

The whole correspondence relating to the Santa Fe rebate case was given to the public today, the President's letter to, Secretary Morton forming its final chapter. The correspondence tells the whole story of the difference of opinion between Attorney-General Moody and Mesers, Judeon and Harmon, the special counsel employed to inquire into the case. The latter wished to bring contempt and eriminal proceedings against both the Santa Fe Company and the Colorado Fuel and Iron Company and their officials for violation of the injunction issued by the United States Court against the giving and receiving of rebates on coal ship ments. As Mr. Morton was among the Santa. Fe officials involved, this would mean that the President should instruct one member of his cabinet to prosecute another. Mr. Moody refused to authoriti such proceedings, holding that there was no evidence to justify a direct charge against individual officials, but favored such proceedings against the offending corporations and, later, action against individuals, if these proceedings should prove them culpable. The President approved this course, but Messrs. Judson and Harmon insisted on the individual sibility of the officers of a corpora-

tion for its misdeeds and resigned.

In his letter to Mr. Moody, the Prestdent defines the limits between prosecu tion of corporations and their officers, citing the beef trust case as an example to prosecution in the case, but is entitled to commendation for having given the testimony on which the Santa Fe injunction was based, for having ordered

and for openly opposing them. tells the whole history of the rebates and of his connection with them. tells how he ordered his subordinates to obey the injunction and says the offending tariff was not withdrawn through the oversight of a subordinate. He reiterates

his opposition to repates. The President, in a letter to Mr. Morton, which closes the correspondence, exthroughout the affair, his confidence in and admiration for the secretary's. HARD BLOW TO GOVERNOR tegrity and ability and his belief that Mr. Morion will so manage the Equitable it. He takes occasion in doing so to condemn the management of the Equitable and to indorse ex-President Cleveland's sentiments on the need of honesty in men holding positions of trust. He ends by saying the Equitable affair furnishes an argument for government supervision of such corporations.

Offense of the Santa Fe.

The correspondence began with a ter from Messrs. Harmon and Judson to the Attorney-General dated February 28 last in which was given a review of the testimony in the Colorado case besion, with the conclusion that a violation of the injunction has been shown. letter states that from August, 1902, to December, 1904, the Saffta Pe carried cost from Colorado points to El Paso, Tex. and Dening, N. M., at less than published rates. The coal was apparently billed at published rafes, but in fact the freight included the price of the coal, which was collected by the railroad com-pany and paid to the fuel company, which thus obtained a rebate of that amount while other shippers paid the full rate without rebate. The letter says:

This plan and the way it was carried out plainly indicated intention to deceive the Government and the public, and to enable the fuel company to gain a monopoly of the coal supply at the points involved by giving them a strong advantage over competitors in the actual cost of transportation. The motive for thus favoring the fuel company does not appear in the evidence thus far taken, but the fact is clear.

The letter says that one chief officer of either company testified and therefore the others could not claim immunity from prosecution. The fuel company submitted no papers and the railroad

ommend that the railroad cor

(Concludes on Page &)