

# The Oregonian

VOL. XLV.—NO. 13,952.

PORTLAND, OREGON, SATURDAY, AUGUST 26, 1905.

PRICE FIVE CENTS.

## AGREEMENT ON MAIN PRINCIPLE

### President Draws Two Nations Closer.

## DEALS WITH EMPERORS

### Envoys Give Up Effort to End Their Dispute.

## KANEKO MEETS ROOSEVELT

### While Portsmouth Regards Outlook for Peace as Desperate, Prospect Looks Better at Oyster Bay and St. Petersburg.

THEY AGREE IN PRINCIPLE. ST. PETERSBURG, Aug. 25.—(2:20 A. M.)—According to information coming from a member of the imperial family, the emperor and the emperor's wife have agreed in principle to the main principle of the Portsmouth conference, namely, that the two nations should agree to a compromise.

The emperor's wife, who is a devoted friend of the United States, has been very successful in her efforts to bring about a compromise.

PORTSMOUTH, N. H., Aug. 25.—The Associated Press is able to announce that Emperor Nicholas' answer to President Roosevelt's latest appeal was partly responsive.

PORTSMOUTH, N. H., Aug. 25.—At 1:30 A. M. a long cipher message arrived from Oyster Bay for Assistant Secretary Pease.

OYSTER BAY, Aug. 25.—Two emperors, one at St. Petersburg and the other at Tokyo, are the determining factors in the pending peace negotiations. Although the negotiations are suspended temporarily at Portsmouth, they are proceeding actively through President Roosevelt at Sagamore Hill.

He is in constant communication with the St. Petersburg and Tokyo governments. By both of the warring nations his good offices have been sought, and his efforts to bring their plenipotentiaries into accord and thus prevent a failure of the peace conference are unremitting.

Early in the day the President had an extended conference with Baron Kaneko, the recognized confidential agent of the Japanese government in this country. Neither the President nor Baron Kaneko would discuss the nature of the interview. While the Baron's expressed views of the peace negotiations were not optimistic, he left a distinct impression that the last word by no means had been spoken. He protested that Japan had no wish to do anything to humiliate Russia, but expressed the belief that the Japanese terms were quite reasonable and that no further concessions would be made.

Kaneko Does Not Abandon Hope. "I cannot talk now about my mission to the President," he said. "I would be delighted if I could. Some day I'll tell you all about it."

He was asked if he had seen the statement of Count Lamsdorff, the Russian Minister of Foreign Affairs, in which he declared Russia would pay no indemnity to Japan or make any concession of territory.

"I have," he replied. "I have seen it. I think it was a great mistake."

"In your opinion," the Baron was asked, "was Count Lamsdorff's statement truly representative of the intentions of Russia, or was it in the nature of a bluff?"

"It was official, I understand," responded the Baron, "and so I suppose we must swallow it."

"What do you think of the prospect of a successful issue to the peace conference?"

Baron Kaneko hesitated an instant, and then, with a shrug of his shoulders, replied:

"Oh, it is very much like the weather here; it is very much."

A rain was falling heavily, and the weather was dark and gloomy and disagreeable.

"Japan wants peace, but we want peace with justice. Russia wants peace with honor. Those desires are not incompatible. We may have peace yet. I hope so," concluded the Baron.

After the departure of Baron Kaneko, President Roosevelt was engaged with Acting Secretary Barnes for two hours in the consideration of dispatches received and the preparation to those to be sent.

Lamsdorff's Denial Good Sign. The disclaimer of the Russian Foreign Office of the statement purporting to have been made by Count Lamsdorff, Minister for Foreign Affairs, declaring that Russia would pay no indemnity to Japan under any circumstances nor make any concessions of territory, was received by the President with satisfaction. It indicated no willingness on the part of Russia to accede to the Japanese terms as to indemnity, but the disclaimer is regarded as leaving the way open for further discussion of the terms that may lead to a satisfactory conclusion of the conference.

Conference Will Adjourn Again. Whether the negotiations now being conducted through President Roosevelt

will have reached such a state by the hour at which the conference are to resume at Portsmouth tomorrow as to enable them to proceed with important considerations is regarded as doubtful. It appears to be likely that the envoys will meet, and after a perfunctory session will adjourn until Monday, or possibly until Tuesday. This adjournment will afford them ample time to receive and consider instructions from their respective governments, which will be based on exchanges now in progress between Sagamore Hill and St. Petersburg and Tokyo.

RUSSIA TALKS COMPROMISE

Might Buy Sakhalin for Unifed Sum—Why Indemnity Is Opposed.

ST. PETERSBURG, Aug. 25.—(2 A. M.)—Everybody in St. Petersburg is awaiting the developments of today in the peace moves and hoping that a compromise is being effected, the most likely basis of which, it is believed, would be no indemnity, but a payment for Sakhalin in fact, it was asserted yesterday in an exceptionally well informed quarter that this was the only possible basis for a compromise.

The belief is expressed in some quarters that there will be no session at Portsmouth today and the Associated Press is informed on excellent authority that a further adjournment could be taken as a most hopeful sign, as it would prove that serious efforts looking to a compromise were continuing.

Wants Peace Without Indemnity. Up to 8 o'clock last evening Ambassador Meyer had received no message from Washington. The idea that President Roosevelt might again communicate with the Emperor through the American ambassador finds credence in certain official quarters. The exchange of telegrams between Portsmouth and the Foreign Office continues, but the nature of these dispatches is a most carefully guarded secret. It can be asserted, however, on the best authority that any suggestion to Russia from any source whatever that she assent to the payment of indemnity would be most unwelcome, though a sincere desire for peace leaves her open to the suggestion of a compromise on other grounds.

Russia is showing no nervousness regarding the outcome of the negotiations. The Emperor is calm and serene and evidences of confidence in his decision and the course he is pursuing, in the conviction that Russia has conceded all she can, are noticeable among all intelligent classes. Peace or the continuance of the war is contemplated with fatalistic tranquillity; in fact, the disasters of Liao-shan, Mukden and the sea of Japan seem almost to have been forgotten. One hears frequent expressions of confidence in the ability of the army in Manchuria to defeat the Japanese. This confidence is based upon the many reports which have been received here of the good condition of the troops and the improved morale of the whole army.

Fears Japanese Aggression. Behind Russia's refusal to pay an indemnity there is not only the determination not to do an undignified thing which is without precedent in Russian history, but the belief that the payment of an indemnity would permit Japan, soon to assume the aggressive again. The Russian government must colonize Siberia and in the course of time Russia's influence on the Pacific is bound to expand. She wants to be rid for as long a time as possible of the menace of Japanese aggression, which indemnity would make possible. In this connection a very well informed diplomat said to the Associated Press:

"If the bankers would say to Japan, you can have money for the conclusion of peace, but not a penny for the continuance of the war, peace would be declared tomorrow. The financiers have the matter entirely in their hands."

The ministers of finance and war were present in the Foreign Office at the meeting yesterday afternoon. Certain peace matters were discussed briefly.

ENVOYS ALMOST GIVE UP HOPE

No Sign of Yielding and Witte Leaves Issue to Czar.

PORTSMOUTH, N. H., Aug. 25.—The peace conference tonight seems headed straight for the rocks. Despite the fact that every question involved in the quarrel between the two countries has been settled in favor of the victor and that apparently only "words and money" still separate them, the negotiations seem on the verge of final rupture. The air was filled tonight with gloomy forebodings, as superficially everything indicated that tomorrow's session of the conference will prove the acme of disaster.

In the most positive fashion it is declared that no instructions had reached Mr. Witte up to this evening which would permit him to entertain the compromise proposals submitted by Baron Komura, and therefore, unless Japan has a new proposal to make tomorrow, all that seems to remain is for the envoys to meet, sign a declaration that the conference has completed its labors, shake hands and part.

But there are still unknown elements in the case which might change the situation. The result of President Roosevelt's second appeal direct to the Czar has not transpired and the result of the pressure on Japan to alter the form of her proposal by the elimination of the purchase proposition for the northern half of Sakhalin is not known.

Want Peace, but Don't Yield. Press dispatches from Tokyo and St. Petersburg are read with the utmost interest here and indicate an unchangeable attitude on the part of both governments. Yet both are anxious for peace, it is said. Probably more than 200,000,000 stand in the way. Yet the Japanese cling doggedly to their demands. Their people at home insist upon it. The most competent Japanese authority, who did not conceal his pessimism, when asked tonight whether for the sake of peace Japan would yield further, replied:

"Read the dispatches from Tokyo and draw your own conclusions."

Nevertheless there is warrant for the statement that the Japanese are not as implacable as they appear, and from a

Concluded on Page 5.

## CLAUDE THAYER IS INDICTED

### Grand Jury Accuses Tillamook Capitalist of Land Conspiracy.

## OTHERS JOINED WITH HIM

### Few Hours Later Statute of Limitation Would Have Barred Prosecution Against the Men Who Are Accused.

The dragnet of the Oregon land-fraud investigation brought up another "big fish" yesterday, when the Federal grand jury returned true bills against Claude F. Thayer, the Tillamook capitalist, son of former Governor Thayer of this state, together with several other operators indicted with him.

At 6 o'clock last evening the Federal grand jury returned a true bill against Claude Thayer, Clarke E. Hadley, G. O. Nolan, Maurice Leach, Thomas Costes, Walter J. Smith, John Tuttle, Charles E. Hays, John Doe and Richard Roe for conspiracy to defraud the United States of a portion of its lands in Tillamook County. The significance of this action is emphasized by the fact that when the indictment was returned there remained but six hours until the law would have been powerless to reach the crime alleged. It was a close call, but District Attorney Heney and his trained corps of assistants working with the method which characterizes a successful prosecutor, and the jury dispatching business in the examination of witnesses and the sifting of evidence, like skillful lawyers, easily accomplished their duty and saved the day.

Years of Delay. After years of unnecessary delay, characterized by feints and quibbles on the part of officers charged with the duty of probing this fraud, makeshift examinations, investigations that did not investigate and a disregard of instructions from their superior officers which have furnished the grounds for several peremptory discharges from the service, the notorious Tillamook land frauds are about to feel the heavy hand of justice.

Readers of The Oregonian are familiar with the history of the case, which has filled many pages of printed matter in this paper, as well as in the records of the Land Office, which has recently been removed from Oregon City to Portland.

In September, 1902, approximately 100 persons made filing at the Oregon City land office to enter timber lands in Tillamook County. The lands are situated in the famous Nehalem Valley and are among the most valuable timber lands in the State. It is alleged that Claude Thayer, a banker in Tillamook City, engineered the scheme by which the entrymen were to be supplied with the money to make the necessary payments for the lands, and that when Thayer and his associates had secured a purchase of net profits were to be divided, deeds being in the meantime signed in blank and placed in escrow awaiting the result. It is further alleged that to make the actual cash payments as light as possible, contracts were to be initiated and maintained by every shift and device that pettifoggery could suggest, until such time as the lands could be disposed of, when the contracts could be sold with the lands relinquished and the desired result reached. Unfortunately for the success of this scheme, Thayer, it is alleged, is a writer of many compromising letters. These letters are believed to be in the possession of the Government officials; likewise the deeds from the entrymen to an unknown and unnamed grantee, likewise many other equally damaging papers and documents that substantiate the allegations of conspiracy and fraud.

The filings had no sooner been made than the proposed contracts began to appear, and they have been appearing with mechanical regularity, so that the public was led to believe that the various contestants actually were contending for the lands.

The allegations of fraud in the affidavits of contest led to an order for an investigation. Special Agent Loomis was detailed for the purpose. He evaded the issue by reporting that the facts would all be brought out at the hearings of the contests, and when pushed for definite action by Assistant Commissioner Richards, reported no grounds for challenging the good faith of the entries. Special Agent Stratford was directed to investigate, but disregarded his instructions and made no report.

Special Agent Greene's Work. In April, 1902, Special Inspector Greene, of the Interior Department, was directed to make a thorough investigation, but these instructions were taken from the postoffice by some person in the interest of the fraud and kept out of his hands for nearly three months, when they were recalled and sent back to Washington, reaching him in August of that year. He dropped other assignments and started in to lay the case before the grand jury of that Fall, and did so, but through the handling of the case in the grand jury room the facts were never brought out and no bill was returned. Then the papers were returned to Washington and remained there until Francis J. Heney became U. S. Attorney for Oregon and undertook the huge task of prosecuting the Oregon land frauds. Becoming advised of the history of the Tillamook case, he directed Mr. Greene to send for the papers and use all diligence to prepare a case for submission to the grand jury. This was impossible at the last term, owing to the volume of other business, and when the present grand jury was convened there remained just four

days before the statute of limitations would intervene to prevent a prosecution.

Mr. Heney Acts. Seeing the importance of the case and the urgency in point of time, Mr. Heney laid aside other matters and concentrated his forces on this one, with the result stated.

This case involves more money value in its timber lands than all the cases which have been tried so far. Bench warrants were issued for Walter J. Smith and John Tuttle, and the bonds of the other defendants were fixed at \$2,000.

## ANGLO-JAPANESE TREATY

Already Signed and Draws Alliance Closer Than Ever.

LONDON, Aug. 25.—The Associated Press has good reason for stating that a new Anglo-Japanese treaty of alliance may have been signed. The Foreign Office declines to give official confirmation or denial, but the Associated Press understands that the treaty was signed some days ago. There is no reason why it should not be signed prior to the conclusion of the Portsmouth conference, as the action of that conference will not affect its terms.

The new treaty is broader in scope in some respects than the former treaty, notably where it recognizes the protectorate of Japan over Corea and on other points which it is not necessary to include in the old treaty.

In some respects, the new treaty contains limitations as compared with the old treaty. For instance, the latter contained a clause to the effect that in case of a combination of powers against Great Britain, Japan would be obliged to assist her ally, while the clause in the new treaty only requires the assistance of Japan so far as British colonies in the Far East and the Pacific are concerned.

The Associated Press understands that the terms of the new treaty were fully agreed upon before Parliament adjourned, but it was also agreed that the official announcement of its signature and of its full ratification would be deferred until after the conclusion of the Portsmouth conference.

## ROLAND FOR CZAR'S OLIVER

Japan Rejoices at Publication of New British Treaty.

PORTSMOUTH, Aug. 25.—The public announcement of the new Anglo-Japanese treaty, which was signed ten days ago, according to information received here, is considered to strengthen Japan's position in the negotiations and is regarded as a healthy conference. It is believed that important developments are forthcoming. Premier Katsura is receiving hundreds of letters, telegrams and memorials urging insistence on the Japanese terms.

## Considers News From Komura.

TOKIO, Aug. 25.—Following the receipt of a cablegram from Baron Komura, Premier Katsura and Secretary-General of Foreign Affairs Chinda called Marquis Ito into a lengthy conference. It is believed that important developments are forthcoming. Premier Katsura is receiving hundreds of letters, telegrams and memorials urging insistence on the Japanese terms.

## CONTENTS TODAY'S PAPER

The Weather. YESTERDAY'S—Maximum temperature, 79 deg.; minimum, 48. TODAY'S—Fair. Westerly winds.

The Peace Conference. Czar shows readiness to compromise on indemnity and Sakhalin. Page 1. Envoys almost give up hope of agreement. Page 1.

France prepares flying column to attack Morocco. Page 1. Blockade on Russian railroads stops wheat exports. Page 1.

National. Statisticians indicted for cotton report frauds. Page 1. Peace negotiations delay action on Oregon Judgments. Page 4.

Politics. President goes down in submarine boat. Page 1. President approves athletics for public schools. Page 2.

Tom Johnson's scheme to use municipal ownership to gain Presidency. Page 1. James Hamilton Lewis as Dunne's "protector." Page 1.

Domestic. Goldfield banker released from jail becomes Sunday school superintendent. Page 14. Romance of pardoned convict in New York. Page 4.

Elmer drowned by Colorado flood. Page 5. Equitable directors confess many of their misdeeds. Page 2.

Yellow fever to be extinguished in another month. Page 4. Sport. Los Angeles defeats Portland 1 to 0. Page 7.

Oakland wins from Seattle and San Francisco whips Tacoma badly. Page 7. Ryan-Gardner fight is called off in 15th round. Page 7.

Pacific Coast. Abner Weed buys 12,280 acres of land at Klamath Falls for \$150,000. Page 10. O. R. & N. starts work on Lewiston-Riparian branch. Page 6.

Sugar prices are raised by the combine. Page 6. Charles Burke sues San Francisco woman out of money. Page 6.

Bertha E. Gordon, of North Bend, in San Francisco jail. Page 6. Commercial and Marine. Fruit tonnage to be shipped to Europe. Page 10. Break in stock prices at New York. Page 15. Fluctuations in wheat at Chicago. Page 15. Fall trade opens unusually early. Page 15. Oregon applies in California market. Page 15.

Kilburn, Alliance and Roanoke in race up coast. Page 12. Lewis and Clark Exposition. Admissions, 18,706. Page 10. Eagles will have celebration today at Fair. Page 10. Logan day at the Exposition. Page 10. Airship makes most successful flight. Page 10.

Portland and Vicinity. Claude F. Thayer, capitalist of Tillamook, indicted by Federal grand jury. Page 1. Piker told several prominent Oregonians in the game. Page 14. "Stool-pigeons" must go. Paper of Mayor Lane and Chief of Police Gritmacher. Page 8. Ex-Municipal Judge Hogge's testimony concerning racketeers of keeping open after hours. Page 11.

## TOM JOHNSON'S LOFTY AMBITION

### Would Vault Into White House With Public Ownership of Ship Pole.

## DEAL WITH MAYOR DUNNE

### Ready to Finance Chicago's Municipal Railway in Exchange for Illinois Votes in National Convention in 1908.

CHICAGO, Aug. 25.—(Special.)—It is being broadly intimated that Tom L. Johnson, of Cleveland, is attempting to use the Chicago municipal ownership scheme to boost himself into the Democratic Presidential nomination.

Tracton interest divided today between the daring estimate of the Dupont municipal car line report and the plan of Mayor Dunne to spring a surprise on the Council local transportation committee when it takes up the consideration of the preliminary report on the proposed Tom Johnson traction system.

From a reliable source the information comes that the Mayor has fortified himself with the assurance that all the money necessary to finance the proposed Chicago municipal railway will be furnished by Ohio and Michigan capitalists. This, it is said, was the real object of his visit to Detroit and Toledo, not the desire to see a sick friend or to attend the convention of the League of American Municipalities.

Dunne's Financial Campaign. Armed with the Dupont estimate of earnings as shown by the census report received by the committee last night, the Mayor went direct from Chicago to Detroit Tuesday night. Several conferences were held in the Michigan metropolis, and then the Chicago executive went to Toledo, where another opportunity for conferences on the financing scheme of Mayor Johnson and his coterie of traction financiers was afforded.

Mr. Dunne expects to have the traction men and the conservative element of the transportation committee attack the Dupont report and attempt to shoot it full of holes. He expects the hardest fight will be made on the ground that a competitive system is impracticable and spells financial ruin, and that it will be impossible to finance his proposed company.

In order to offset the latter claim and to avoid placing himself under obligation to Chicago financiers, nearly all of whom are in some way or other allied with J. Pierpont Morgan, H. B. Hollins and other New York financiers, or with John J. Mitchell, James H. Eckels, Marshall Field, P. A. Valentine, the Armour, John A. Spoor and Fred H. Rawson, who are directly connected with the traction companies, Mr. Dunne decided to arrange through Mr. Johnson a tentative plan for financing the proposed competitive system.

Johnson's Lofty Ambition. Then Mr. Johnson has been frequently accredited with expressions indicating a desire to enter the Chicago traction field, not only because of the opportunity he sees to promote, finance and unload another street railway system at a good profit on either the car or the old traction system, but also in order to further his political ambitions. One of Mr. Dunne's closest advisers is authority for the statement that Mr. Johnson aspires to succeed William Jennings Bryan as the leader of the radical element of the Democratic party. He figures that Bryan will drop out as a Presidential possibility and that the lightning bolt will strike the Cleveland Mayor, if he is instrumental in pushing public ownership to the front.

Each Will Help the Other. Mr. Johnson figures that by financing this Dupont system he can make a neat financial turn and at the same time place Mr. Dunne under obligations to bring in the Illinois delegation either to the Cleveland Mayor or to his Presidential candidacy at the next National convention. And date of the committee on insurance law and the Ohio and his friends have promised to help Mr. Dunne in his traction plans, according to one of the Chicago executive's closest friends.

## TALK PEACE AND INSURANCE

Bar Association Approves Roosevelt's Mediation and Shelves Insurance.

NARRAGANSETT PIER, Aug. 25.—The most striking feature of the American Bar Association convention came today when on resolutions approving President Roosevelt's efforts to end the war between Russia and Japan were adopted. The resolutions were brought before the convention just previous to the adjournment of the business meeting, and were adopted unanimously. The text of the resolutions follows:

Resolved, That the American Bar Association desires to express to President Roosevelt its warm approval of the efforts to bring about a peace to millions of people abroad who are devastated and made desolate by war. And that it hopes that he will continue to use his utmost endeavors to aid in every way possible those who are trying to end the war between the great nations who have always been friends of this country.

Presentation of the majority and minority reports of the committee on insurance law and the dispute that followed their presentation occupied a great deal of time at the morning session. Before action was taken a resolution was introduced which held that, in view of the recent Supreme Court decision that it would be unconstitutional for the National Congress to enact laws for Federal regulation of insurance matters, it would be improper for the American Bar Association to request that such action be taken. A motion to refer the resolution to the committee on insurance laws was passed after considerable discussion.

The majority report recommended legislation by Congress providing for the federal supervision of insurance; the repeal of all valued policy laws; a uniform life policy, the terms of which shall be specifically defined; the repeal of all retaliatory tax laws; stricter incorporation laws in the several states, insofar as they affect the creation of insurance companies, and a federal statute prohibiting the use of mail to all persons, associations or correspondents transacting the business of insurance in disregard of state and federal regulations.

The minority report, presented by W. R. Vance, declares that no reason has been shown why the business of insurance should be regarded as interstate commerce. Therefore, the report says, it is clear that the regulation and control of the business is beyond the powers of the Federal Government. It is the opinion of the minority that federal supervision, if it were constitutionally possible, would probably remedy many of the existing evils, but that such supervision is not possible without a constitutional amendment.

The report characterizes existing methods of state regulation as "most defective," as they are inefficient in preventing "wild cat" companies from engaging in the business, are needlessly expensive to the policyholders, who, in the last analysis, bear the expenses incident to the business.

CHICAGO, Aug. 25.—(Special.)—I want to know who is Mayor of Chicago, said a burly looking man as he strode into Corporation Counsel Lewis' office with the air of a man who is thoroughly enraged at not finding the one in authority.

"The Mayor of Chicago is Edward F. Dunne, my kind friend," said the suave Colonel James Hamilton Lewis with a bow.

"I know that, but he is out of town," said the stranger, who proved to be a West Side saloon-keeper who is a factor in ward politics and whose license had been interfered with by some official. "What I want to know is who is Mayor pro tem, you or Commissioner Patterson?"

"Well," said Colonel Lewis, "out of my high regard for Mr. Patterson and my extreme modesty, I should say that Mr. Patterson is the Mayor and that I am the pro tem."

The saloon-keeper looked at the Corporation Counsel for a moment and then turned on his heel and left the office at the City Hall without discussing his license trouble with any city official.

## CORWIN WINS FIRST PRIZE

New York Guardsman Makes Highest Slow-Fire Score With Rifle.

SEAGIRT, N. J., Aug. 25.—The most expert of riflemen of the United States and Hawaii proceeded today with the firing in the national individual match through a steady rain.

Captain Corwin, 1st Regiment National Guard, New York, earned the distinction of being the first competitor to win a prize, capturing a gold medal and \$50 in cash provided for the rifeman making the highest score in the slow-fire portion of the national individual match. Out of about 200 points, Captain Corwin scored 182.

The total scores of the leading competitors in the first four stages of the national individual match at the conclusion of the firing this evening follow: Captain Corwin, New York, 182; Captain McAlpin, 150; Lieutenant Bauslin, Georgia, 179; Coxswain Hamilton, Navy, 178.

Many thousands of carloads of grain have accumulated along the southern lines, and the exporters will sustain heavy losses, owing to their inability to fulfill engagements.

Prize Louis at Toronto. TORONTO, Ont., Aug. 25.—Prince Louis of Battenberg arrived here today. There will be no formal ceremonies in honor of his visit until Monday.

Bloody Outbreak in Poland. ST. PETERSBURG, Aug. 25.—Sanguinary disorders are reported from Siedlice, Russian Poland.

No Election in Costa Rica. WASHINGTON, Aug. 25.—The Costa Rican Legation in Washington has received an official cablegram dated yesterday which conveys the information that in the recent Presidential elections, no one of the candidates obtained the necessary majority. Mr. Calvo, the Costa Rican Minister, says that there was much division of opinion, not precisely on questions of principle but about the candidates, all of whom he characterized as liberal, progressive men. Mr. Calvo says that the might be a compromise among the parties before the electoral college meets; if not, Congress will have to decide the election.

Taggart Servant Tells New Story. WOOSTER, O., Aug. 25.—There were indications today that the end of the Taggart family scandal was near. Emma Little, the colored servant formerly employed in the Taggart family, was again on the stand during the morning. It was pointed out that the woman's story on the stand quered somewhat from her deposition, but all efforts on the part of Captain Taggart's counsel to make her change her testimony of yesterday were futile.

Czar's Liver in Bad Condition. VIENNA, Aug. 25.—Secret reports just received here state that the Czar is again showing symptoms of serious indisposition, the court physicians having, after a consultation, diagnosed an affection of the liver. His Majesty retires more and more into the privacy of his own apartments, and the Czarina is said to have several times expressed uneasiness regarding the health of the Emperor.

## RUSHING TROOPS TO MANCHURIA

### Russia Prepares for Supreme Struggle.

## HALF MILLION MEN MAY GO

### New Railroads and Cars Will Carry Soldiers.

Linievitch Prepares for Great Battle and Japanese Eager to Fight. Disaffection Among Russians Spells Defeat.

CHICAGO, Aug. 25.—(Special.)—The Daily News' correspondent at St. Petersburg says:

That the war is to continue is indicated by the feverish activity shown everywhere in preparing for the supreme struggle. Four hundred soldiers of every guard regiment left yesterday for the front; half a million troops that participated in the Summer maneuvers are available for duty in Manchuria, and a large proportion of them are to be dispatched there as rapidly as possible. They will be replaced in the Russian garrisons by the regular Fall conscription.

New Railroads and Cars. Twelve thousand cars and 300 locomotives have been hired in Austria and Germany to convey men and supplies to the war. Prince Hilkof, minister of railways, is personally hurrying to completion the St. Petersburg-Viatka Railway, which will add greatly to the transportation facilities of Russia. The new minister of Siberian railways and waterways, M. Ivanitski, is refitting the Siberian homeways to relieve the strain on the trans-Siberian Railway.

Prince Witkovsky said to your correspondent today:

Czar Dare Not Pay Indemnity. "Peace is impossible. President Roosevelt's last attempt to bring Russia and Japan to an agreement has failed, because the Czar has solemnly promised his people to pay not a single kopek of tribute and to surrender not an inch of territory. Never since it became an empire has Russia paid tribute or ceded territory. The first ruler of the nation who does either of these things signs his own death-warrant. Such payment, however disguised, would provoke a revolution.

Revolution Would Result. "Linievitch now commands the greatest army that Russia ever put into the field. The fruits of the vast sacrifices made to bring this about must be utilized. A great victory would bring genuine peace at home and abroad, but a humiliating treaty would be the signal for the bloodiest revolution in history, the armed army joining with the despised people and turning their terrible anger against the established order of government.

JAPANESE HUNGRY FOR FIGHT. Russians Prepare for Battle, but Troops Are Disaffected.

CHICAGO, Aug. 25.—(Special.)—A staff correspondent, cabling from Marshal Oyama's headquarters in Manchuria via Fusan today, says:

"The prospect of the peace conference is pleasing to the Japanese army. The new officers and troops, who have arrived in large numbers since the advance after the battle of Mukden are especially anxious to participate in a great conflict. The veterans of the army also feel a friendly rivalry with the navy and hope that the seafighters have not secured the last laurels of the mighty struggle with Russia. The long wait caused by the phenomenal down-pour of the rainy season has rendered Oyama's tremendous fighting machine more effective than ever.

"The heavy rains have come to an end and the roads are now in fair condition. Occasional showers are expected for a time, but they are not likely to affect the operations of the armies.

"The Japanese commanders have information that the Russians are busily preparing for a great battle. They also know on good authority that the Russian soldiers have no heart in the preparations on this point. A reliable European resident of Mukden said today to your correspondent:

"I doubt whether the Russian troops will make another serious stand. If a general engagement is brought on, I am certain that many of them will not do so. Previous to the Japanese occupation of Mukden, I was intimate with the men of all ranks in the Russian army and small patriotism was shown by any of them. Many begged me to help them to reach the Japanese lines in order that they might become prisoners.

"In the early stages of the war they accepted it as a religious crusade, but actual contact with the Japanese soon dispelled this belief and left them without any good reason for fighting."

The best estimate obtainable here places the forces of the Russian commander-in-chief at not fewer than 200,000 and not more than 400,000, the probability being that the actual number is about half way between these outside figures.

## RUSHING TROOPS TO MANCHURIA

### Russia Prepares for Supreme Struggle.

## HALF MILLION MEN MAY GO

### New Railroads and Cars Will Carry Soldiers.

Linievitch Prepares for Great Battle and Japanese Eager to Fight. Disaffection Among Russians Spells Defeat.