

JAPAN REMOVES BLOCK TO PEACE

Decision of Meeting of Mikado's Cabinet.

DEMANDS NO INDEMNITY

Decision of North Sakhalin to Be Fixed by Commission.

RUSSIA TURNED ON RUSSIA

She Rejects New Offer, Burden Will Rest on Her—St. Petersburg Admits Stumbling Block Is Gone.

PORTSMOUTH, N. H., Aug. 28.—To

day. It had met with denials high and low, and was decided to be impos-

able, if the Japanese proposition was to be carried out.

Mr. Witte, by consummate skill in conducting the real issues of the war, had

turned tables on Russia. The Japanese, by now foregoing the demand for indemnity, practically turn

tables upon Russia and shift the burden back to her shoulders if she does

consent to submit a minor issue to impartial judgment of a tribunal.

Mr. Witte publicly dissents vigorously in the proposition, and there will still

be a struggle with Peterhof, but if Japan agrees to formally renounce all

claims to direct or indirect compensation for the expenses of the war, the big

stumbling-block to peace is out of the way.

Everything will depend upon the form which the proposal is submitted, and

whether the renunciation be so coupled with the other proposition that Russia

claim it was still only a disguised demand for tribute, the suit might once

be narrowed but not bridged. The

advice that the Russian proposition was still of "blood money," of refusing

It is fair to assume that the question of finance was not entirely ignored.

PLOTS NEW FACE ON AFFAIRS

Russia Admits Japan's Proposition Removes Stumbling Block.

ST. PETERSBURG, Aug. 28.—(3:15 A. M.)—The Associated Press dispatch

from Portsmouth declaring that President Roosevelt was authorized several

days ago, on behalf of Japan, to waive all claim for indemnity or reimbursement

for the cost of the war and to cede back to Russia the northern half

of the island of Sakhalin, leaving the "redemption" price of it to the arbitration

of a mixed commission, was received too late here last night to reach

the general public, but its significance was instantly recognized in the quarters

where it became known. There is every reason to believe, judging

from the official expression persistently given out by the Foreign

Office since the beginning of the negotiations at Portsmouth, that this propo-

sition at Japan to waive the question of indemnity goes far toward removing

the last and, according to official explanations, the only stumbling

block in the way of peace. The Foreign Office has said that every

disputed point between Russia and Japan, with the exception of payment

of indemnity, had practically been arranged on a basis satisfactory to both

sides, but that Russia would never pay an indemnity. If the latest proposals

of Japan mean that she waives all claims to indemnity of any kind or description,

giving up all idea of reimbursement for the expenses of the war in any guise whatever, and in place

thereof is prepared to accept for the restoration to Russia of the northern

GETS OPTIONS NEAR TO YARDS

Northern Pacific Will Obtain Much Land Adjacent to Terminal.

TITLE WITHIN THIRTY DAYS

It Has Worked So Secretly That Neither Owners Nor Agents Knew for Whom Properties Were Wanted.

Unmistakable evidence of the growing commercial importance of Portland

in the estimation of officials of the Northern Pacific Railroad Company is

had in the purchase being made of the property adjacent to the tracks of that

road below the western limit of the Northern Pacific Terminal Company

yards at the Union Depot. Holdings of the Terminal Company already extend

somewhat beyond the depot yard tracks and to the ground on which is

located the plant of the Cold Storage Company. Beyond this plant are about

16 lots with water frontage on one side and tracks on the other, making them

most valuable as a site for yard extension property and that may be advantageously

adapted to other transportation purposes, extending through to the

Weidner property, which was long under negotiation before any transfer

took place. On the opposite side of the tracks are lots and portions of blocks

traversed diagonally by the railroad right of way that are understood also to be

included in those upon which options have been acquired and payments made.

These are located in what is shown on the map as blocks 243 and 244

of Couch's Addition and portions of Watson's Addition.

Options secretly obtained. So secretly has the work of securing this property been carried forward

War Office for army reforms, one result of which is that it is now proposed to do away with the officers' personal military

Japan Gives Up Hope of Peace.

TOKIO, Aug. 28.—The public remains unimpressed regarding the latest developments at Portsmouth, but some con-

tinued to hope. The market reflected this sentiment. After the opening today, prices sharply declined.

A failure of the peace negotiations would be generally regarded as the press and other widespread expressions

would be generally regarded as the press and other widespread expressions would be generally regarded as the press

and other widespread expressions would be generally regarded as the press and other widespread expressions would be generally regarded as the press

and other widespread expressions would be generally regarded as the press and other widespread expressions would be generally regarded as the press

and other widespread expressions would be generally regarded as the press and other widespread expressions would be generally regarded as the press

and other widespread expressions would be generally regarded as the press and other widespread expressions would be generally regarded as the press

and other widespread expressions would be generally regarded as the press and other widespread expressions would be generally regarded as the press

and other widespread expressions would be generally regarded as the press and other widespread expressions would be generally regarded as the press

and other widespread expressions would be generally regarded as the press and other widespread expressions would be generally regarded as the press

and other widespread expressions would be generally regarded as the press and other widespread expressions would be generally regarded as the press

and other widespread expressions would be generally regarded as the press and other widespread expressions would be generally regarded as the press

and other widespread expressions would be generally regarded as the press and other widespread expressions would be generally regarded as the press

and other widespread expressions would be generally regarded as the press and other widespread expressions would be generally regarded as the press

and other widespread expressions would be generally regarded as the press and other widespread expressions would be generally regarded as the press

and other widespread expressions would be generally regarded as the press and other widespread expressions would be generally regarded as the press

and other widespread expressions would be generally regarded as the press and other widespread expressions would be generally regarded as the press

and other widespread expressions would be generally regarded as the press and other widespread expressions would be generally regarded as the press

and other widespread expressions would be generally regarded as the press and other widespread expressions would be generally regarded as the press

STEAMER SINKS WITH TWENTY MEN

Only Two Survive of Crew of Peconic Swamped Off Florida Coast.

ONE HUGE WAVE DOES IT

Terrific Storm Sweeps Down on Collier—Italian and Spaniard Rush for Boat and See Another Sink.

FERNANDINA, Fla., Aug. 28.—Twenty men, constituting all but two of the officers and crew of the American steam-

ship Peconic, Captain Jones, bound from Philadelphia to New Orleans with coal,

were drowned by the sinking of that vessel off the coast of Florida today. The

disaster was the result of a fierce gale which raged along the coast during the

night and morning. Lashed by the storm, an immense wave struck the vessel with

terrific force about 12:35 o'clock this morning. The impact, coming just as the

vessel was making a turn, caused a shift of the cargo and the vessel leaned over

and sank immediately. The accident occurred so quickly that only two of those aboard her—an Italian

and a Spaniard—were able to save themselves. They succeeded in getting into

a lifeboat, reached Amelia Beach about noon and on landing told the story of the

disaster. Cargo shifts and ship sinks. About midnight on Sunday, according

to their story, during the heaviest part of the storm, which had raged all day,

the officer of the deck gave the order to put farther out to sea, fearing they were

approaching the coast too nearly. In the endeavor to turn, the ship was struck

by a heavy sea; the cargo shifted and she began sinking rapidly. In less than

ten minutes after the alarm was sounded she had gone to the bottom.

One of the two survivors was at the wheel at the time the order was given;

the other was upon watch. As soon as the ship began to careen, these two men

the Corair, which sailed soon after they went aboard. It can be said positively that the conference had no relation to the

PROTEST FROM JAPAN.

Press Unanimous in Condemning Proposed Concession to Russia.

TOKIO, Aug. 28.—(8 A. M.)—The press opinion is almost unanimous in condemning the proposal to divide Sakhalin in

consideration of a monetary remuneration. The Hochi says: "It would be an abominable

disgrace identical with selling the national territory. The country's honor forbids

the continuance of the conference. Russia will not yield, Japan's patience is not without limit."

The Asahi advises the breaking off of the conference owing to Russia's "unreasonable obstinacy." "The fact remains

indebted," it says, "that Japan has been victorious in war. Japan is not impoverished to the extent of thirsting after a

paltry sum of money to be paid under the name of prisoners' expenses."

The Nichi Nichi, which is under the guidance of a diplomat of recognized ability, says:

"The idea of dividing Sakhalin is not to be entertained. An inefficient and unsatisfactory peace simply amounts to the inviting of a future

menace to our interests. An indemnity must also be insisted upon. A strong

adherence to our demands might invite a rupture, but no other course is open. Under the circumstances, a rupture

is preferable to a patchwork peace. The nation is determined to realize the aim and purpose of the war

and establish a lasting peace. "We trust that the Cabinet and elder statesmen

who met in the presence of the Emperor yesterday are united and prepared to carry out this national

determination even if it involves the lamentable continuation of the war."

"The Kokumun does not believe that a rupture of the negotiations will take place and trusts that Russia will yield to Japan's

frank proposal. "Other- wise," it says, "Russia must bear the whole responsibility for the continuation of the terrible war."

Plans for Convention. The convention is composed of between 200 and 400 commercial bodies and boards

of trade throughout the country, and was the chief instrumentality in starting the

present agitation for rate legislation. No plans have been formulated for the proposed

VOICE NEED OF ACTION ON RATES

Commercial Bodies Will Hold Convention on Interstate Commerce Law.

TO OFFSET RAILROAD TALK

Demand of Nation for Prompt Legislation Will Be Impressed on President and Congress.

CHICAGO, Ill., Aug. 28.—(Special.)—The executive committee of the Interstate Commerce Law Convention has

practically decided to hold a National convention in Chicago early in October with a view to formulating further

plans to induce Congress to pass remedial railway legislation. E. P. Bacon, who is chairman of the committee, has notified the various

local commercial organizations which are members of the convention that an early session may be looked for in this

city. There was some doubt in the minds of the committee whether another gathering would be necessary, but in view of

the fact that the railway educational bureau claims that the danger of legislation has passed, Mr. Bacon believes that

the situation should be discussed. Plans for Convention. The convention is composed of between 200 and 400 commercial bodies and boards

of trade throughout the country, and was the chief instrumentality in starting the present agitation for rate legislation.

No plans have been formulated for the proposed session, but it is supposed to have the discussion of the situation, to receive reports of various committees regarding work already accomplished, to make additional

plans to impress the President and Congress with the necessity of immediate legislation. One of the members of the committee said:

"We do not propose to let the agitation cool off. The country is aroused over the railroad situation, and every one save the railway officials agrees that some

legislation is essential. The convention realizes that tons of literature containing spurious arguments are being sent broadcast over the country, purporting to tell

people why no further legislation is needed. We do not think this campaign has had much effect, because the press has not given much publicity to the material

sent out and it is not of such a character as to appeal to the reason."

Bay State Socialist Ticket. BOSTON, Aug. 28.—Ex-State Representative James F. Carey, of Haverhill, was

nominated for Governor today at the Socialist State Convention. Patrick F. Mahoney, of Boston, was nominated for

Lieutenant-Governor, and C. C. Hitchcock, of Ware, for Secretary of State.

LIFT BOYCOTT ON COTTON. WASHINGTON, Aug. 28.—Of particular importance to the Southern cotton spinners and weavers is the announcement by

GREAT FIRE AT JOHNSTOWN

LOSS OF \$500,000 IN BIG DEPARTMENT STORE.

Rubbish Near Elevator Starts Blaze in Flood-Famous City—Several Firemen Injured.

JOHNSTOWN, Pa., Aug. 28.—The building and stock of the Penn Traffic Company, which operates the largest department

store in the city, are a total loss as the result of a fire that started about 11 o'clock last night among some refuse

near the elevator shaft in one of the wings of the building. The estimated loss is \$500,000, which is almost covered by insurance.

The entire fire department was called out. For a time the Crystal Hotel and other buildings across the street from the Penn Traffic building were threatened,

but the fire department succeeded in confining the blaze to the building in which it originated.

Four firemen were seriously hurt by the explosion of boilers in the electric plant, a number of others by falling beams, but none are believed to be fatally hurt.

SOLD UNDER THE HAMMER

Lincoln's Birthplace Brings Nothing Extra for Association.

HODGEVILLE, Ky., Aug. 28.—Abraham Lincoln's birthplace, a 10-acre farm, was sold today at auction to E. J. Collier, of New York, who probably bought it as an investment. The price paid for it, \$300,

is not more than it would bring for farming purposes. The property was sold by order of court in the bankruptcy case of A. W. Bennett,

of New York, who had purchased it 15 years ago from the Crand family, into whose hands it came at the time the Lincoln family removed from the state.

Death of Colonel Baldwin.

WASHINGTON, Aug. 28.—Colonel William H. Baldwin, Deputy Commissary General, died at Manila today of septicaemia.

CONTENTS TODAY'S PAPER

The Weather. Temperature, 70; minimum, 56. Precipitation, trace. TODAY'S SHOWERS. Southerly winds. The Peace Conference. Japan withdraws demand for indemnity and agrees to arbitrate price of North Sakhalin. Russia admits Japan's proposition removes stumbling block to peace. Page 1. Newsgathering in Tokyo. Page 4. Russia makes immense preparations to continue war. Page 1. Foreign. Interparliamentary Union meets at Brussels. Germans welcome British fleet coldly. Page 4. National. Special Agent Wilson's downfall and its cause. Page 8. Holmes surrenders and is out on bail. Page 5. Chinese boycott losing strength. Page 1. Politics. Legislature will discuss railroad rate legislation. Page 1. Governor Cummins answers Secretary Shaw. Page 7. Domestic. Strange desertion of two children in hotel. Page 1. Steamer sinks off Florida coast with all on board but two men. Page 1. Yellow fever spreads along Gulf coast and up Mississippi River. Page 4. Great fire at Johnstown. Page 1. Sport. Oakland will try to repeat success of Los Angeles on the diamond. Page 7. Festivities in honor of King Xmas. Page 7. Pacific Coast. P. H. Ross and wife murdered near Kerrytown, Wash., and bodies burned with acids. Page 8. Opening ceremonies of the regatta take place today at Astoria. Page 6. Damage done by dust storm in inland Empire. Page 7. Decisions handed down by the Oregon Supreme Court. Page 6. Youthful brigands killed by touching live wire. Page 6. Commercial and Marine. Hop-picking will be general next week. Page 15. Small stocks of 1904 hops unpaid. Page 15. Flour and stock market. Page 15. Chicago wheat market lower on large Russian shipments. Page 15. Wheat and barley easier at San Francisco. Page 15. The prospects of the jetty. Page 14. Fireboat Grille. Page 14. Lumber drift. Page 14. Another big steamer engaged. Page 14. Lewis and Clark Exposition. Admissions, 18,814. Page 10. Seattle week begins at Fair. Page 10. Festivities in honor of King Xmas. I will be held at the Exposition. Page 10. Portland and Vicinity. Mayor orders rearrange of poker players. Educational Congress begins its work. Page 10. El Rey salmon is scarce in the tolls. Page 14. Northern Pacific sets option on lands near terminal yards. Page 1. St. Johns Council orders impachment of Mayor King and Councilman Peterson. Page 11. Fire does great damage to grocery, lodging-house and livery stable. Page 14.

Rockefeller's Man on Hand. Public apparently the real negotiations leading up to today's denouement were conducted by the President at Oyster Bay, acting through Baron Kaneko on one hand and Ambassador Meyer on

the other, it is now believed that much has been going on beneath the surface. Another indication of the sudden change in events was the arrival here tonight of Frank A. Vanderbilt, vice-president of the City National Bank of New York. He is registered at the hotel at 10th Howard, and after dinner went to Mr. Witte's room and remained there

hour. When asked his mission, Mr. Vanderbilt said he was only "interested" in the situation. He had met Mr. Witte several years ago when he was at the head of the Russian finance ministry and also seen him in New York on his visit. He had talked with him about the situation and outlook in Russia, the details of the negotiations, etc. He evaded queries as to whether the subject of a had been discussed, but, considering the importance of the financial group which the City National Bank is a member and the fact that the bank took

part of one of the Russian loans, it is fair to assume that the question of finance was not entirely ignored.

Some of the Japanese were greatly excited today over the reports that the Japanese government had surrendered on the question of indemnity. They declared that, if true, it would cause a tremendous outburst of popular feeling in Japan.

There is every reason to believe, judging from the official expression persistently given out by the Foreign Office since the beginning of the negotiations at Portsmouth, that this proposition at Japan to waive the question of indemnity goes far toward removing the last and, according to official explanations, the only stumbling block in the way of peace.

It is not true that the adjournment which was agreed to last night until Tuesday afternoon was made at the suggestion of President Roosevelt. There is reason for believing that he knew nothing whatever of it, but that the adjournment was by mutual agreement between the Russians and Japanese.