

HARRIMAN COULD NOT BLUFF RYAN

His Threats Related Before Committee.

USE INFLUENCE AGAINST HIM

Strenuous Interview Between Money Kings.

RYAN CALLED HIS BLUFF

Bootless Efforts of Railroad Magnate to Force Partnership—Dryden Tells History of Prudential Life and Fidelity Trust.

NEW YORK, Dec. 12.—Thomas F. Ryan today appeared before the insurance investigating committee and told what E. H. Harriman did and threatened to do when he demanded that Mr. Ryan concede him a share in the control of the Equitable Life Assurance Society last June. Mr. Ryan assured the committee that he had meant no disrespect by his former refusal to disclose their conversations and said that he had determined to answer the questions to which he had refused replies on Friday last, because District Attorney Jerome said he ought to do so.

Mr. Ryan's version of what Mr. Harriman demanded and what he threatened to do upon the refusal of his demands was in substance as follows:

That Mr. Harriman demanded one-half of the 502 shares of the stock of the Equitable Life Assurance Society which Mr. Ryan had purchased from James H. Hyde, and which gave Mr. Ryan control of the property.

That Mr. Harriman threatened, unless he was conceded this share in the control of the society, to exert his political and all other influences against Mr. Ryan and his project.

That Mr. Harriman declared there probably would be legislative action and that in that event his influence would be important.

That Mr. Harriman demanded the right to name two of five trustees to vote the controlling stock in the election of directors.

In reply to questions by Charles E. Hughes, counsel of the committee, Mr. Ryan stated that Mr. Harriman did not threaten that there should be legislative action unless he was given a share in the Equitable control, but said there probably would be such action. Neither did Mr. Harriman threaten any action by an officer of the Government.

Was Strenuous Interview.

It was a strenuous interview, Mr. Ryan said, and was held in the presence of E. H. Harriman, then Mr. Ryan's counsel, now Secretary of State, and Paul D. Cravath, also Mr. Ryan's counsel. Mr. Ryan told the committee that he drew the inference from it that Mr. Harriman did not want anybody to control the Equitable Society unless he had a share in it. Mr. Ryan also stated that he paid no attention to Mr. Harriman's statement that his influence would be important in the event of legislative action, and informed him that he wanted no partners in the enterprise. Mr. Harriman did not get the coveted shares in the stock. Mr. Ryan declared that this interview took place within a few days after he got control of the Hyde stock.

United States Senator John F. Dryden, of New Jersey, president of the Prudential Life Insurance Company of America, was first connected with insurance in 1865. The Prudential's capital stock is now \$20,000,000. Witness said it was organized as a stock company pure and simple, and its surplus was regarded as belonging to the company.

Mr. Dryden testified that in 1869 the Prudential expended \$5,800 for legislative expenditures. Of this sum, \$500 was paid to Andrew Hamilton, but no money was paid by the Prudential to Andrew C. Field, the Mutual Life Company's agent, who maintained a house at Albany.

Harriman's Threats to Ryan.

In opening his testimony, Mr. Ryan said: "I did not mean any disrespect to the committee. I wish to preserve harmony. I did not wish to answer the questions until I was satisfied that I was obliged to answer them. The District Attorney has decided that I shall answer the questions, and I shall give my best recollection of the conversation."

"What did Mr. Harriman say to you about sharing the Hyde stock?" asked Mr. Hughes, counsel for the committee.

"Immediately after my purchase of the stock," said Mr. Ryan, "Mr. Harriman called on me. We had several conversations. Mr. Harriman said that I should not have come into the situation without consulting him, and that I ought to let him have an equal share in the Hyde stock. I declined. He objected to the trustees and wanted to name two of them. He said he did not think I could carry out my plan without his aid. I said I intended to divest myself of control of the Equitable, and I regretted very much to have his opposition, but I was going to carry out my plan whether I had his opposition or not."

The purchase of the Hyde stock, Mr. Ryan said, was made on Friday, June 3. Mr. Ryan first heard from Mr. Harriman on that day. Mr. Harriman, said the witness, suspected that he (Ryan) was in on the deal, and had a talk with him on that day. Mr. Harriman saw him again on the following Monday or Tuesday in company with E. H. Root and Paul Cravath. Most of the

things said were said at the second interview. Mr. Ryan told Mr. Harriman who the trustees were to be. Mr. Harriman then said that he had given much time to straighten out the Equitable. The witness then said that Mr. Harriman gave no other reason than that for demanding a share in the purchase of the Hyde stock.

"For what reason did Mr. Harriman want half the stock?" asked Mr. Hughes.

"For the reason that he had been in the Equitable as a director and was not satisfied that the stock should be in my hands," replied Mr. Ryan.

Whole Influence Against Ryan.

"He said his whole influence would be against me. He said his political influence would be put against me, but he did not mention any names. He said the Legislature would probably take action, but I don't think he mentioned any investigation. I think he said that legislative action would probably result, and that his influence would be important. Mr. Harriman did not say anything about legislative action, in the event that I acceded to his request. He did not say how his actions in the matter would be important."

In reply to questions by Mr. Hughes, Mr. Ryan said that Mr. Harriman did not say in so many words that his political influence would be against Mr. Ryan, but the witness understood Mr. Harriman to mean his entire influence, whether political, financial or otherwise. The witness understood this to include the possibility of legislative action.

Ryan Could Not Be Bluffed.

The witness was not willing to allow Mr. Harriman to name two trustees, because he did not want anybody as a partner in the enterprise. The witness talked with Mr. Harriman over the telephone, and finally Mr. Ryan said to Mr. Harriman that there was to be no talk about it. He would not change his mind.

"Did Mr. Harriman say there would be anything injurious to your interests if you refused to sell?" asked Mr. Hughes.

"He said his entire influence would be against me," replied Mr. Ryan.

"Did he refer to the political influence he would assert at the interview at which Mr. Root and Mr. Cravath were present?" asked Mr. Hughes.

"My recollection is that he did."

"Did he refer to the probability of legislative action at that same interview?"

"He did."

"And you understood fully that in refusing to meet his wishes you were taking the chance of whatever opposition he could bring to bear upon it?"

"I did."

Management to Be Independent.

"And you told him that you intended that the management of the Equitable should be entirely independent?"

"I did."

"Independent of what?"

"Independent of me and everybody else."

"Did he threaten any action by officers of the state government?"

"He did not."

Mr. Ryan testified that Mr. Harriman offered, if Mr. Ryan would sell, to put his share of the Equitable into a trust.

"My conversation with him was strenuous," said Mr. Ryan. "I think he said he did not want anybody to control this property unless he had a share in it. Mr. Harriman did not say anything to indicate what action the Legislature would take. No other person made any such threats."

As Mr. Ryan left the stand, Senator Armstrong said to him that the committee appreciated his coming to testify, and recognized the motives of his unwillingness to reveal the actions of another man.

"But we are here on serious and important business," said Mr. Armstrong.

United States Senator John F. Dryden, of New Jersey, president of the Prudential Life Insurance Company of America, was next called.

Dryden on the Prudential.

Senator Dryden said he has been president of the Prudential for 24 years. He first became connected with insurance in 1865. The Prudential's capital stock is now \$20,000,000. Witness said it was organized as a stock company pure and simple, and its surplus was regarded as belonging to the company.

Mr. Dryden testified that in 1869 the Prudential expended \$5,800 for legislative expenditures. Of this sum, \$500 was paid to Andrew Hamilton, but no money was paid by the Prudential to Andrew C. Field, the Mutual Life Company's agent, who maintained a house at Albany.

"Tried to Be Honest."

"Mr. Hughes, we have worked hard and tried to be honest."

Since 1856, the Prudential has paid to the Metropolitan Life Insurance Company as a share of legislative expenses the sum of \$24,540. Healy Pike, vice-president of the Metropolitan, had charge of the expenditures and, witness said, always made sufficient explanations of them.

The Senator said all his company's legal expenses were fair, open and above board and honest, and the company never spent a dishonest dollar in legislation. He frequently argued before legislative committees without contact to his company, he said. His practice of appearing before committees was before he became a public officer.

Gave Nothing for Corruption.

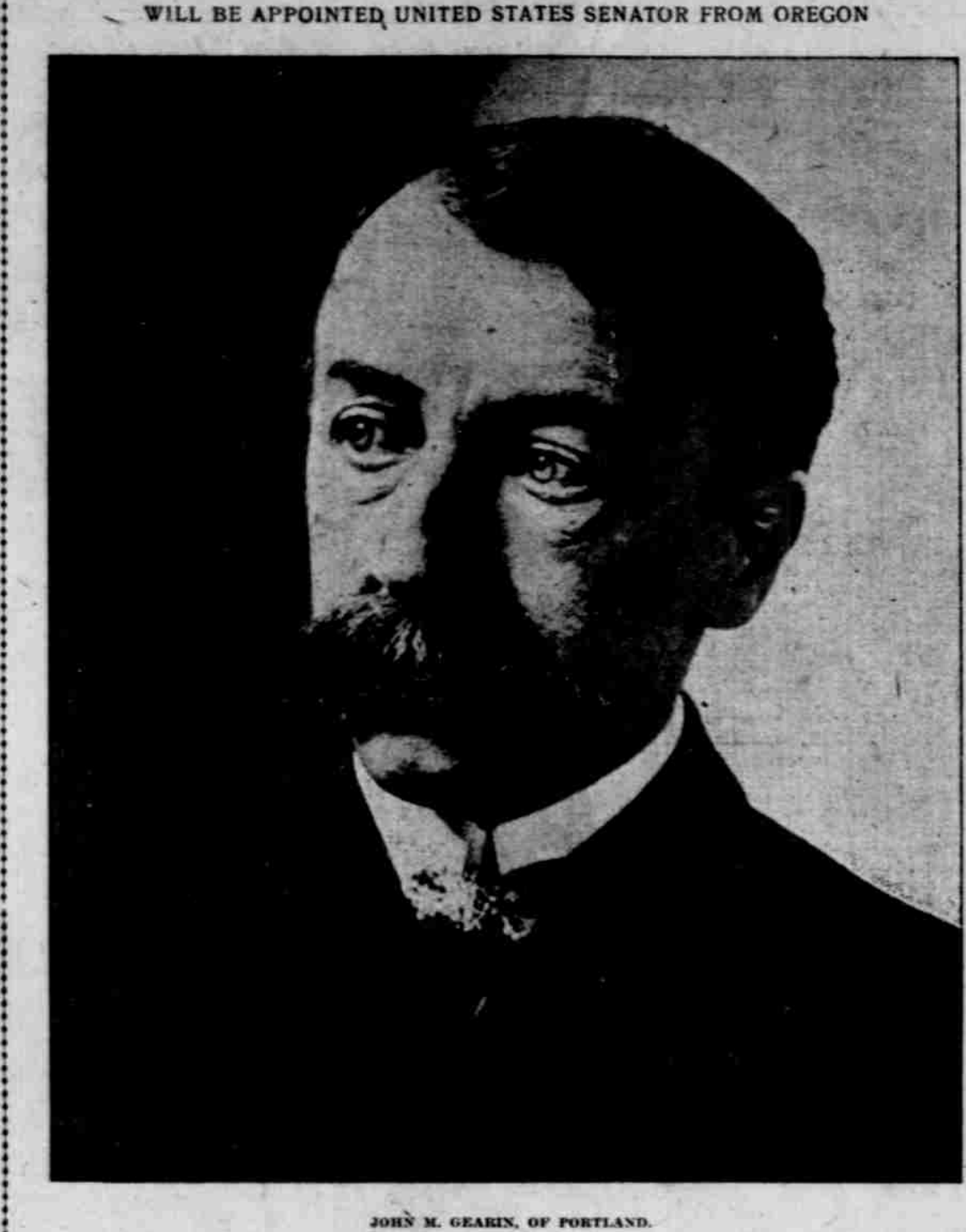
"I have heard a great deal about corruption," said Mr. Dryden, "but I never found it necessary. Never to the extent of one dollar did my company contribute to any corruption."

Witness said the John Hancock also contributed with the Prudential and Metropolitan to oppose hostile legislation. The expenses were divided, so that the Metropolitan and Prudential Companies each bore two-fifths and the John Hancock one-fifth.

The witness described the legal expenses of 1864 amounting to \$45,225, and of 1865, when they were \$50,044. The suit growing out of the insurance of Mr. Blair, of St. Louis, who committed suicide, cost \$15,000. The attempt of the Wisconsin Insurance

Company to secure a share in the Hyde stock, he said, was a case in which it would be wise to see each business, of course, according to the witness.

WILL BE APPOINTED UNITED STATES SENATOR FROM OREGON



JOHN M. GEARIN, OF PORTLAND.

WAR ON REBATES BEGUN BY MOODY

Orders All District Attorneys to Investigate and Prosecute.

ACTION ALREADY BEGUN

Prosecute Shipper or Carrier or Both and Try to Have Them Imprisoned—Chicago and Philadelphia in Lead.

WASHINGTON, Dec. 12.—Attorney-General Moody today sent a circular letter to all United States District Attorneys, \$5 in number, directing them vigilantly to enforce the provisions of the 3232a act against rebates and discriminations of all kinds by carriers. The method of proceeding suggested is by way of indictment. It is the expectation that this letter will result in the prompt investigation of all complaints made of discriminations by carriers, followed by indictments, where the evidence warrants.

The department itself, it is said, has investigated thoroughly all cases of discrimination brought to its attention, but it has no facilities for a prompt investigation of discriminatory practices all over the country and it has been felt that these cases were of a nature that could not be safely entrusted to the discretion of the District Attorneys. Following is a copy of the letter sent today to the District Attorneys:

All Attorneys Must Prosecute.

An act entitled "to further regulate commerce among foreign nations and among the states," approved February 19, 1862 (12 Stat. 871), commonly known as the Elkins act, is directed against rebates and other discriminatory practices by common carriers. It makes such practices misdemeanors, and provides for their punishment by fines. It further provides for their prohibition by the injunctive process of the courts. There is no provision that criminal prosecution shall be by special direction of the Attorney-General, but in section 2 it is provided that proceedings for injunction shall be begun "whenever the Attorney-General shall direct."

You are directed diligently to investigate all complaints which may come to you from any source of violations of this law, and upon your own initiative to make investigations, if there appears to you to be any reasonable ground for suspecting violation of this law. In every case in which you can secure sufficient evidence you will submit that evidence to the grand jury, with a view to securing an indictment. Whenever it is practicable it is desirable that indictments should be returned both against the shipper and the carrier. In some cases, however, it may be impossible to obtain sufficient evidence without aid of the testimony of one of the guilty parties to the transaction. In such a case it would be wise to see each business, of course, according to the witness.

COSSACKS ALSO JOIN IN MUTINY

Decide to Begin Campaign for Reform of Government.

TERROR AMONG PEASANTS

Hundreds of Leaders Arrested and Maximovich Sends Cossacks Against Mobs—Witte Denies He Has Abandoned Reform.

PARIS, Dec. 12.—A dispatch to the Journal from St. Petersburg dated December 12, says that Minister of the Interior Durnovo has ordered the arrest of hundreds of agitators in the agrarian districts. The dispatch says that the installation of wireless telegraphy between St. Petersburg, Moscow and Wirtallen is nearing completion.

The correspondent of the Matin at St. Petersburg confirms the report of the mutiny of the Cossacks at Moscow. He adds that the Peasants' Alliance has issued a proclamation advising those adhering to the alliance not to pay taxes and to withdraw their money from the banks.

Another St. Petersburg dispatch to the Journal of the same date, sent by way of Eydikuhnen, says the officers and troops at Moscow held a great meeting at which it was decided to begin a campaign for economical and political reforms. Another meeting has been arranged and official intervention is expected.

WITTE WILL MAINTAIN ORDER

Denies Suppression of Violence Implics Change to Reaction.

ST. PETERSBURG, Dec. 12.—(By way of Eydikuhnen.)—(Special.)—Count Witte remains at the head of the government, notwithstanding the powerful influences which are at work against him. There has been no change in his pacific policy, notwithstanding the arrest of President Krustaleff and other members of the Workmen's Council. These arrests were due to the fact that the men had openly incited their followers to violence. Addressing a deputation of zemstovists last evening the Premier said that everything possible would be done by the government to prevent the return to absolutism.

"But," cried a member of the deputation, "you are making injudicious arrests and mobilizing the military."

"Any government," replied Count Witte, "is compelled to preserve order. We can work with moral reformers, but we cannot permit violent assaults on life and property. Russia's hope lies in the consolidation of moderate opinion in support of practical measures of reconstruction. It is imperative that, while we move as fast as possible, we prevent any element of

CHINESE QUARTER IN RUINS

Ghastly Effect of Mutineers' Reign in Harbin.

LONDON, Dec. 12.—The Daily Telegraph prints the concluding part of the dispatch from Moji, Japan, begun Monday, giving detailed accounts by refugees of the sacking and burning of Harbin, Manchuria, by mutinous Russians. It says the mutineers set fire to and pillaged houses in every direction and seized all the weapons and ammunition they were able to lay their hands on. When dawn came, according to these accounts, all the mutineers crept to hiding places.

Daylight revealed the Chinese quarter in ruins. The Chinese quarter in Harbin, Manchuria, was a scene of ghastly destruction. The mutineers had set fire to and pillaged houses in every direction and seized all the weapons and ammunition they were able to lay their hands on. When dawn came, according to these accounts, all the mutineers crept to hiding places.

Rumors From Provinces.

Terrible rumors, nine-tenths of them wholly fantastic, are in circulation. The provinces, owing to the postal and telegraph strike, remain places of deep mystery. There are intimations of mutiny and massacre in Riga and elsewhere, but the news is scanty and unreliable. The army is believed to be honeycombed with sedition, but many powerful bodies of the forces are loyal to the remnant of authority at the capital.

Enrolling Army of Revolution.

The advanced party in St. Petersburg is enrolling new members at the rate of 1000 a day, so that the opportunity of the moderate reformers apparently cannot last much longer. Advocates of violence with unprecedented audacity parade the streets and openly preach revolution. The police and military watch these demonstrations closely, but do not check them with armed force.

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GEARIN IS TO BE SENT TO SENATE

No Longer Any Doubt of His Appointment

GOVERNOR WILL ACT TODAY

Oregon's Need at Washington Is Pressing.

ALBANY MAN TURNED DOWN

Democratic Lawyer From Portland, Reared in Willamette Valley, Fills All Requirements Demanded by State's Executive.

SALEM, Or., Dec. 12.—(Special.)—Governor Chamberlain will tomorrow appoint a United States Senator to succeed the late John H. Mitchell, and it is certain that the appointee will be John M. Gearin, of Portland. Though the appointment has not yet been formally announced, expressions the Governor has made in discussing the subject with friends show beyond question that unless something should happen in the next 12 hours to make the selection impossible, Gearin will receive the honor so earnestly sought by many prominent Democrats.

Governor Chamberlain returned on the late train tonight from Portland to read the scores of letters that have been received today urging the appointment of various men. It was the Governor's intention to announce the appointment tonight, but he felt that the letters on his desk should be read and considered, and his attention he cannot give them until this morning. So strong, however, have the Governor's expressions been in favor of Gearin that close friends of the chief executive say it is impossible that the letters could contain anything that would turn the appointment to some one else.

Would Delay His Action.

"I would prefer," said Governor Chamberlain tonight, "to leave the matter without definite action for a week. Nothing but the exigencies of the situation would induce me to make an appointment so soon after Senator Mitchell's death, but I feel that Oregon's need of a full representation at Washington requires immediate action. I shall make an appointment to fill the vacancy tomorrow."

"I have fully considered the request of Willamette Valley people that the appointee shall be a man who will work as earnestly for the improvement of the Coast harbors as for the improvement of the Columbia, and I believe the request is a reasonable one. I shall appoint a man broad enough and fair enough to work for the interests of the whole state."

To Represent the Entire State.

"This does not mean that a Willamette Valley man will be appointed. There is no more reason to believe that a broad-minded Portland man will work for the interests of the Columbia and neglect the coast harbors than that a similar man from up the Valley will work for improvement of coast harbors and neglect the Columbia."

"There is no reason why a Senator should favor any one section and disregard the interests of another, and I shall not appoint any man unless he is broad enough to represent the whole state."

Judge J. J. Whitney and W. R. Bilyeu, of Albany, were in Salem today to see the Governor, to urge the appointment of their fellow-townsmen, Hon. J. J. Westford, but when they left for home this evening they were satisfied that another aspirant had won the Governor's favor.

The appointment of Gearin will be generally approved in Salem, where he is well and very favorably known. Gearin was reared in Marion County, and has the entire confidence of all who know him.

SENTENCE ON MERIWETHER

IMPRISONED IN NAVAL ACADEMY FOR ONE YEAR.

Midshipman Convicted Only of Violations of Naval Regulations by Fighting.

WASHINGTON, Dec. 12.—Midshipman Meriwether, Jr., who was tried by court-martial for causing the death of Midshipman Branch, has been sentenced to confinement to the limits of the Naval Academy for a period of one year and to be publicly reprimanded by the Secretary of the Navy. Secretary Bonaparte has ordered that the sentence be carried out, but that as much of the penalty as would deter the accused from serving on any practice ship attached to the academy be remitted.

Representative Broussard, of Louisiana, who had a conference with the Secretary this morning regarding the case, after reading the findings, announced that he was entirely satisfied with them.

Midshipman Meriwether was acquitted of the charge of manslaughter and found guilty of the other two charges, namely, violation of the third clause of the eighth article for the government of the Navy, which prohibits midshipmen from engaging in fistfights, and conduct to the prejudice of good order and discipline.