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PORTLAND, OREGON, MONDAY, JANUARY 8, 1906.

BINGER HERMANN DOES NOT APPEAR

Denied That He Is in Washington.

FAMILY IS THE AUTHORITY in hiding

Attorney Gatley Does Not Know Where He Is.

DAUGHTER GROWS ANGRY

Requests That She Be Not Bothere With Questions About Congressman, as They Were Becoming Annoying to Her.

···· MR. HERMANN'S MOVEMENTS. Binger Hermann, accompanied Hermann, left Boseburg for Washington, D. C., about Thursday, December 26, expecting to travel direct to Washington. They were due at their destination on Sunday evening. it was stated by relatives at Roseburg St. Paul at the Hotel Ryan for sev-

left January 3. They were due at Washington, Friday, January 5. Dr. Miller, of Roseburg, stated that he had received a telegram announcing arrival of the travelers at Wash-

ern) days. It was ascertained that

Mr. and Mrs. Hermann had registered

at the hotel December 30, and had

Dr. Gatley, of Washington, Hermann's son-in-law, says he has heard nothing of Hermann, and that he is not in Washington.

OREGONIAN NEWS RUREAU Washington, Jan. 7 .- (Special) -- Mysterious disappearance of Representative Bluger Hermann is exciting as much interest in this city as in Oregon. As each day goes by and Mr. Hermann falls to put in apearance, interest in his case increases Though he was due in this city last Tuesday, Mr. Hermann has not yet been seen here and according to repeated statements made by members of his famfly, he has not reached Washington no been heard from since he left Portland. Whether this information is correct o ing him, for some mysterious reason cannot be positively stated. In fact, it is impossible to say with certainty whether Hermann is in Washington, whether he has skipped the country or is somewhere between here and Portland.

Family Denies His Presence.

H. P. Gaticy, Hermann's son-in-law and his attorney, stated tonight that Representative Hermann is not in Washington and that he is not able to say where he is. Gatley said he received a letter from Hermann some days ago, in which Hermann announced his intention to come to Washington, but says he has had no further information from him. and has no telegraphic advices either announcing his start for Washington or explaining his delay.

Yet in spite of this fact Gatley is an parently not concerned over the fact that his father-in-law is five or six days overdue and the caution with which he an swers all question indicates that Hermann is either in this city or else Gatley and the rest of his family know where

Time and again Mrs. Gatley, the daughter of Hermann, has stated to The Oregonian correspondent that her father is not in Washington and has repeatedly declared she did not know where he was. In fact, she has denied all knowledge of her father's intentions of coming to Washington. She repeated those state ments twice today, once about noon and again tonight, and when last asked about her father displayed considerable temper, asking The Oregonian correspondent to "stop bothering them about Mr. Hermann, as his questions and inquiries were becoming quite annoying."

Daughter Is Very Angry.

When told that Hermann's family at Roseburg had received a telegram announcing his arrival here last Friday. Mrs. Gatley said she knew nothing about it. Told of the rumor that Mr. Hermann had left the country she sarcastically answered, "Is that so?" and abruptly terminated the interview.

If Hermann is in Washington, that fact is not known to either Senator Fulton or Senator Gearin. Both have been expecting him for several days, but neither has had a word from him or his family and both are in total ignorance as to his whereabouts. They share the growing wonder over the mysterious disappearance of their belated colleague.

Francis J. Hency, who is to conduct the trial of Hermann in Portland, does not know anything about his whereabouts further than that he left for Washington and is several days overdue. Secret Service Agent W. J. Burns is also in the dark and while Government men are not alarmed over Hermann's disappearance, they are curious to know what has be-

Gearin's Secretary Delayed.

There is one little bit of evidence which would seem to confirm the statement made at Hermann's home. John E. Lathrop, of Portland, was appointed private secretary to Senator Gearin, and about December 28 telegraphed that he was leaving for Washington. Lathrop has not of inquiry.

yet arrived, but two or three days ago telegraphed Senator Gearin he had been delayed, first by a snowslide and later

by a wreck in Minnesota. Lathrop came East on the Northern Pacific, and it is barely possible Hermann is snowbound along with Gearin's eceptary. Lathrop has not been heard since Friday. He was expected here today, but did not put in an appearance Senator Gearlo believes he will be here

If Hermann traveled on the same train with Lathrop his delay is explained, but Hermann usually traveled on the Union Pacific, which has been running on schedule, as evidenced by the regular arrival of mails from Portland. This fact. coupled with the secretive manner of Hermann's family, tends to confirm opin ion that Hermann is in Washington, but

Why Should He Hide?

But why should be concell himself? It true the Government will arrange to try him here, early in February, if he will consent; but he knew the Government's plans before he left home. Fur thermore his attorney has repeatedly expressed the opinion that the Governmen has no case against Hermann on the let er-book indictment and has said that Hermann has nothing to fear from that

Herniann himself repeatedly declared that his indictment in this city was porely persecution and was satisfied, so he said, that he would never be convicted. Then why should be hide? It has been suggested that he is coming to Washington to get his mlleage and then to skip out, but that seems hardly probable, because it would east reflection upon him in a trip would not him little, since he is bringing his wife with him to Washing-

Colleagues' Little Joke,

Some of his colleagues who know his characteristics have jokingly suggested that Hermann got as far as Chicago and then stopped because he could not get a pass to Washington; but a week's stay in Chicago with his wife would cost him nore than his fare to Washington, and that explanation does not fit.

There is no reason known why Her mann should secret himself upon arrival here, and no satisfactory explanation found for the mystery injected into the case by the Hermann family, who absolutely and on all occasions refuse to give any information about his whereabouts and who profess utter ignorance regarding his movements. It is utterly absurd to think they do not know where he is, but they do not tell what they know,

If Hermann does not turn up pretty soon, it is probable the secret service will set their men on his trail and hunt him down, if for no other reason than to ascertain why he makes these mysterious moves, and to find out what he is afraid He has already brought fresh suspicion upon himself, and the attitude of his family is not tending to turn public sentiment in his favor.

New York newspapers are wrestling with a similar mysterious disappearance of Senator Depew, and with no better

KENTUCKY IS RAMMED

NEW YORK HARBOR.

Alabama, Following, Hits a Glancing Blow Before Her Course Can Be Altered.

NEW YORK, Jan. 7 .- While the battle ship squadron under command of Rear-Admiral Evans was proceeding to sea to. day, the battleships Kearsarge and Ken tucky ran aground in the harbor off the West Bank lighthouse. The Alabama and Illinois were following next in line and before they could alter their course, the Alabama collided with the Kentucky, striking her a glancing blow. The Illi eeded down the bay, anchoring outside

the bar with the flagship Maine.

The starboard side of the Kentucky above the water line was quite badly damaged. She will come up to the Navyyard tomorrow for repairs. The accident occurred shortly after 1 P. M. The Alabama stood by to render assistance to the Kentucky and Kearsarge and wireless messages were sent to the Brooklyn

navy-yard for tugs. At 2:45 o'clock the Kearsarge and Kentucky were both floated and started for sea, accompanied by the Alabama. The Kentucky, however, was ordered back and returned to Tompkinsville, where she

anchored late this afternoon.

The Maine, Illinois, Alabama and Kearsarge remained off the bar until 5:29 o'clock, when they weighed anchor and

The squadron of battleships was bound for Hampton Roads, where the several divisions of the North Atlantic fleet in home are to be assembled under Rear-Admeral Evans, preparatory to satting for West Indian and South American waters for the annual Winter maneuvers. The battleships had gathered in New York harbor after undergoing extensive repairs. some at Boston, and some at the Brook-lyn Navy-yard. The fleet had been died following the visit of Prince Louis

of Battenberg to New York.

The battleships anchored off Tompkins-ville, Staten Island, last night, under orders to proceed to sea today. It was near-ly i o'clock this afternoon before the entire squadron was under way. The flagship Maine, with Admiral Evans on pourd, headed the column, the Kearsarge board, headed the column, the Kearsarge and Kentucky following. These latter were swept slightly out of their course, and, being deep in the water, with heavy supplies on board and coal bunkers full, grounded just off the west-bank light. The navigating officer of the Alabama made every effort to swing wide of the grounded ships, but the sweep of the

grounded sings, but the sweep of the strong flood tide that was running car-ried the Aiabama into the Kentucky with a crash. Luckily, the blow was a gianc-ing one. It fell on the starboard side. The Illinois barely missed colliding with the two vessels already in trouble. re was a rapid exchange of signals.

There was a rapid exchange of signals, the Alabama, which had not been seriously injured, being ordered to stand by to render assistance to the Kearsarge and Kentucky. When the yard tugs arrived the battleships were soon pulled into deep water, and both started for sea. Admiral Evans, however, ordered the Kentucky to turn back and proceed to the Navy-yard for repairs, which was done.

The Alabama, Maine, Kearsarge and Illinois should arrive in Hampion Roads late tomorrow night.

As soon as the Kentucky joins the fleet,
Admiral Evans will probably order a court

IDAHO HAS GOOD LAW ON BANKING

Washington Legislature Re- Banks are required to have property of fused Same Measure Despite Association.

FOUGHT BY WEAK CONCERN

Conservative Institutions Have No Objection to Proper State Supervision, Says W. H. Latimer, of Dexter, Horton & Co.

SEATTLE Jan. 8 - (Special.) - "States with the population and business and of the importance of Oregon and Washingion should have a good, strong banking act," said N. H. Latimer, manager of the bank of Dexter. Horton & Co. Mr. Latimer headed the committee of state bankers that pleaded with the last Legisla ture to pass a state banking act and he the first place and secondly because such has been insistent during a dozen years upon a Washington banking law.

The Washington State Bankers' Asso ciation has annually indersed a banking act and as regularly as the Legislature has meet a faction of the state banks has fought the bill. They have been uniform ly successful in defeating banking legis lation. Aside from thhe act of 1965, which prohibits new foreign banks from doing business in this state, practically the only regulation of state banks in Wash. ington is one requiring an annual report, There is no supervision.

Nor is there any supervision in Oregon. In that state banks are under no other regulations than those which apply to orporations and partnerships and individuals generally. Any company or individual can engage in the banking busisess, no matter with what resources or capital, as did A. C. Probert, at Dayton Or., two years ago, who started a bank and received deposits, without any subscriptions of stock, and when creditors began to press for payment of their noney, skipped out with the funds of the This would have been impossible had Oregon had a state banking

Conditions Alike in Two States.

Mr. Latimer hesitated about discussing Oregon banking conditions, but the situaion in Cregon and Washington is so nearly identical that he commented upon both states. He said:

The strong, conservative banks have no ob-ection to a state banking act. In fact, the onservative banks have insisted there should some protection for the public against intutions that have little or no cap a almost certain to collapse if a

tringency should occur,
It is very probable that no matter how strong, conservative banks would be even more conservative and safe than the law demanded. Such banks cannot be hurt by banking legis lation and they are not the open

Just a short time ago an instance occurred that illustrated the necessity for bank legis-lation. A so-called bank was opened where the only investment was that required by the first payment on a sufe purchased on the in-scaliment plan. Of course, the bank falled. There have been others of these wildest bank schemes and the public is entitled to a guarantee of bona fides when a bank opens. There should be more capital invested than that shown in the gold lettering on the windows.

Put on a Safer Basis.

State supervision, the regular examinations and reports and the safeguards that state leg-islation throw around banks incorporated under proper restrictions establish the banking busness upon a firmer and safer basis. Then should be no objection to such supervis-

It is not fair to say that all the opposition comes from weak banks. But much of it does and much of the fight in Oregon will probably come from the same source. There are always, where no state law prevents, a number of lightly capitalized banks in towns accepting big risks and doing business on unsafe lines. These banks naturally object to restrictive legislation. So long husiness is prosperous they are safe, but there should be a state guarantee that the banks could weather a financial storm. It should be regarded by the conservative banks as a movement in their interest when such a pro-tective law is proposed.

The bill we introduced at the last session

of the Washington Legislature was prol not as strong as I would have indorsed. worked hard to secure its passage and falled in the Senate, just as we had two years earlier. But that same bill, re-jected here, was taken up in Idaho and I regard it as a good bill and one that would afford protection to depositors and customers as well as aid the banking industry.

Law in Force in Idaho.

The Idaho law and the bill which failed in the Washington Legislature last Winter provide for appointment of a bank examiner or commissioner by the Governor. to whom all private banks shall make at least two reports every year as to their resources and liabilities, such reports to be published in a newspaper of general circulation. The commissioner may call for special reports at any time he deems it necessary to obtain required information, but the special reports are not to be more than five a year.

The commissioner is required to visit each bank at least once a year, without previous notice, and to make complete examination of its affairs. He shall have authority to inspect all books, papers, moneys, notes, bonds or evidences of debt of such bank. He shall also have authority to examine on oath the officers, owners, clerks and agents of any bank touching the matters he is authorized to inquire nto, and false swearing shall be deemed to be perjury'. The fees for examination range from \$15 to \$30 a year, according to

capital stock. A banking corporation cannot begin siness until it shall have conformed to the requirements of law and received a charter from the commissioner; and should the commissioner find any bank riolating its charter or conducting its business in an unsafe manner, he shall order discontinuance of such illegal and unsafe practices. Should the bank fall to

shall apply to the court for a receiver. to administer the assets of the bank in secordance with law.

Deficiency Must Be Made Good.

Whenever the capital of the bank is duced, by impairment or otherwise, below the amount required by the act, the mer shall require the bank to make good the deficiency or reduce its capital.

ensh	value as follows at the comm	nence
ment	of business:	
In cit	ies of less than	
	inhabitants.	Valu
1,500		110,00
2,000	******************	35,00
3,000	********	20,00
5.000	******************	25,90
10,000		20,00
25,000	*******************	38,00
20,000		100.00
100		

In cities of more than 50,000 inhabitants

At least 50 per cent of the capital stock shall be paid in before a bank shall be authorized to begin business, and the other 50 per cent shall be paid in within six months, at the rate of 10 per cent a nonth on the whole of the capital. Should any stockholder become delinquent in such payments, the directors may sell his stock. and if no buyer can be found, the mone previously paid by him shall be forfeited to the bank. If not then sold within six onths, the stock shall be canceled and deducted from the capital of the bank.

Purchase of Real Estate.

Banks shall be permitted to purchase real estate, first, for a place in which to do business, but not to exceed in cost 50 per cent of the paid-in capital, surplus and undivided profits; second, such as may be acquired in satisfaction of debts, previously contracted in the course of business; third, such as may be acquired at sale under judgments, decrees, liens or mortgage forcelosures.

At least one-tenth of the profits of a bank for the preceding half-year, or for such period as shall be covered by a dividend, shall be carried to a surplus, until such surplus shall amount to 20 per cent

of the capital stock. The owners or officers of an insolven bank, who shall receive deposits fraudulently, shall be deemed guilty of felony, All these provisions are now absent from the statutes of Oregon and Washington, and their absence shows the need of banking legislation in the two states, for protection of depositors.

FORGOT HIS ORDERS.

Engineer Causes Wreck, in Which Three Men Are Killed.

CORRY, Pa., Jan., J.—To an engineman's allure to unnesses of core is attributed he wreck on the smalldelphia & Erie road last night, when three men were killed and 20 persons injured. Engineer Kavaasked today how he happened to be on the main track, is alleged to have ex-

claimed: "My God! I forgot all about the passen-

It is believed all the injured will recover.

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ARMOUR TO TASK

Flays Author of Article in Defense of Private Freight-Car System.

GROWERS ARE OPPOSED

President of Western Fruit Jobbers Association Prepares Statement Refuting Packers' Story. Says Public Is Misled.

WHAT J. O. ARMOUR WRITES. J. Optica Armour discusses the pet vals cor system in the Saturday Evening Post of January 6, in which he tells of the inception of the plan and

what it has accomplished. Mr. Armour contends that the storm center of the whole controversy He in the fruit and produce car, but that the meat-car was the pioneer in the private car business. The first mean refrigerator car was built by Hammond, of Detroit, in 1871.

Philip D, Armour saw the advantages of the refrigerator car in other lines besides meat, and ordered the construction of 1000 of the cars. He became vitally interested in the business of fruit shipping and was instrumental in winning the growers to the system of refrigurator cars until the siners has grown so large that 12,-000 fruit-cars are now in use.

As a result of this, Mr. Armour cotends, fruitgrowing has risen from a gamble to a business of National import. He states that the whole agitation is caused by the commission men and not by the growers. These men are trying to put the car lines out of business by fostering the idea that a fight for fair profits is being waged behalf of the growers.

Mr. Armour holds that the growers are satisfied with the private car, the service and the system.

********************* DULUTH, Minn., Jan. 7 .- (Special.) - E. M. Ferguson, president of the Western Fruit Jobbers' Association, has prepared an article commenting on the leading statements by J. Ogden Armour, in his defense of "The Private Freight Car naugh, engineer of the lecomotive that System," appearing in the Saturday Evencrashed into the passenger train, when ing Post of January 6. The Duluth man characterizes the packer's article as a dangerous one. "Timed," he declares, "as it is, just at the opening of Congress. it is manifestly intended to mislead the public and relieve the pressure that is now being brought to bear upon Congress for legislation designed to protect public against the further encroachment of the car line system." Mr. Ferguson

"He talks blandly about liberating the fruitgrowers. The kind of a liberation referred to was accomplished years ago for the cattleraisers, who, during the past two years have expended nearly \$30 -609 in a single legal proceeding in an effort to be freed of the liberation bestowed upon them by the Armours.

"Mr. Armour would have the public believe that had there been no Armours we would now have neither refrigerator cars nor service. His statements in this connection, I think, will not arrest the serious attention of any thinking person; yet, unless he can make good on such a proposition and the further proposition that the carriers are under no obligations to the public to furnish this service, his whole argument falls flat.

"Por perversion of facts, his article is certainly a masterpiece. I call attention first to his allegation that the fight against the private car lines is one in which the commission men only have interested themselves, and that their opposition to it, he alleges, is because of the Armour car line system, having operated to prevent the commission men from robbing the growers, which, he states, had been the common practice before the advent of the allegedly benevolent Armour system. Almost in the same breath he claims there was no fruit business to speak of prior to the operation of the Armour cars.

"In this connection I state (and unqualifiedly so), that Armour's principal houses are also engaged in the commission business and solicit consignments on a commission basis of 3 per cent. In a circular letter to shippers, of which I have a copy in my office, it is pointed out that Armour's commission is 2 per cent under the regular commission charged by Chicago commission merchants. The fruit dealers who have been particularly active against the Armour car line system are ommission merchants only in a limited way; they purchase outright, at the least, \$\$ per cent of the commodities they handle. They buy their goods at ship ping points and are compelled to use the our car in making shipments and pay the Armour price therefor, a portion of which oftentimes rebates to favored shippers, as is now being done on all shipments of deciduous fruits from Northern California.

Growers Do Protest.

"Armour alleges growers are not or posed to the system. Thousands of growers throughtout the country who are not able to stand the expense of a trip to Washington have sent their written protests, but of these the public never hears. The records of the Interstate

"For the information of the public, the California Fruitgrowers' Exchange is purely and entirely an association of fruitgrowers through which the products of the growers are marketed on a cooperative plan, the officers of the exchange being elected by the growers and serve as salaried employes only. More dard.

than 50 per cent of all the fruitgrower in Southern California are embraced in this organization, which has publicly declared against the car line system, and, according to the statements of its man ager, he expended more than \$5000 of owers' money in an effort to obtain

has constantly reduced the charges for refrigeration. In this connection, I adnit that in some instances Armour refrigeration charges have of necessity been lowered from what Armour's refrig eration charges were several years ago, such instances being at points where refrigeration has always been performed by either Armour car lines or some pri vately owned cars, and may be likened into freight rates 20 years ago compared with present rates. In no instance, however, and I challenge the car lines to point out the contrary, have the car lines lowered the refrigerator charges be low what they were when the carriers themselves performed these services but on the contrary, in all such instances where the duty of performing the leing services has been transferred from the

relief from the burdens imposed upon the growers by the Armour ear lines. "Mr. Armour states that his company

carrier to the car lines, I repeat that the charges have advanced from 200 to 500 per cent.

EMPEROR AS SANTA CLAUS

NICHOLAS PRESIDES AT CHRIST-MAS TREE AT PALACE.

Ideal Weather for the Day in Russia and Dissension Cease for a Time.

ST. PETERSBURG, Jan. 8.-A fine snow is sifting down from a cold sky and furnished an ideal Russian Christmas, so far as St. Petersburg was concerned. All the theaters and other places of public amusement, even the restaurants, were closed, and the day was given up to the proverbial Russian hospitality. The dissensions which have torn and distracted the country seemed to have disappeared for the moment, and even the radical newspapers, animated by the sentiment of peace and good will to all, silenced their guns.

The day passed quietly, and without untoward incident. The churches were largely attended. At the palace at Tsarskoe-Selo the Emperor himself presided at the Christmas tree. Later, eccompanied by the imperial children, His Majesty visited the quarters of his Imperial Cossack escort, to the members of which he distributed presents.

REASONS FOR ASKING A LOAN

Russian Minister of Finance Says Country's Credit Is Unimpaired.

PARIS, Jan. 7.-M. Kokovsoff, ex-Rusan Minister of Finance, who came here to negotiate another Russian loan, prac-fically confirms the statement made in these dispatches yesterday that the loan having been postponed. French bankers are now considering the making of temporary advances in order to support the fore, with a full attendance on both rse of an interview today, M. Kokovsoff made a statement in relation to Russia's real financial position. He said: "The budget for 1906, which is about to

be presented to the Council of the Empire, comprises an extraordinary budget of \$245,500,000, of which only \$5,000,000 is covered by the excess of revenue from the ordinary budget. Thus \$241,500,000 re-mains to be provided. Three of the heavlest items included therein are provisions for the repatriation of the troops in the Far East, their maintenance until their return to Russia, and the reimbursement of Japan's outlay for the Russian prisoners of war. Other smaller extraordinary expenses include the maintenance of the families of the reservists, succor for the victims of distress, railroad construction, the mobilization of troops, owing to the strikes, and subventions for the naphtha

M. Kokovsoff said Russla could without difficulty issue an internal loan to meet these expenses, but it was considered preferable not to float it until the second half of the year, in order not to affect the proper administration of the National resources. Therefore, he said, it was thought desirable to arrange for a foreign operation similar to that indicated The real object of the insurgents—yesterday, which would be of quite a that is, the object of Mr. Babcock and normal character. In conclusion, M. Ko-

kovsoff said: "The difficulties through which we have just passed, though grave, were never sufficiently serious to affect Russian

BUYING ESTATE IN DENMARK

Denied That Dowager Empress Will Not Return to Russia.

COPENHAGEN, Jan. 7 .- The Downger Empress of Russia is purchasing a beautiful estate in Denmark with a view to a lengthy residence, but the rumor that has been circulated that she not return to Russia is without

Revised Russian Budget.

ST. PETERSBURG, Jan. 7 .- According to the Novoe Vremya the revised budget as submitted to the Emperor makes the revenues for 1906 \$1,014,000,-900, as against \$1,027,000,000 for last year. The expenditures are estimated at \$1.009,000,000, as against \$1.200,000, 000 for last year.

Damages to American Property. ST. PETERSBURG, Jan 7 .- Mr. ST. PETERSBURG, Jan 7.—Mr. Meyer, the American Ambassador, has received from the Consuls at Moscow and Odessa detailed reports of the injuries suffered by American property during the recent riots. A statement of the damages claimed will be forwarded by Mr. Meyer to the state department for instruction.

partment for instruction. OLD SOLDIER WAGES WAR

Hits Commandant of Home in Head With Lead Pipe.

HOT SPRINGS, S. D., Jan. 7.—James Long, an inmate of the State Soldiers' Home, was yesterday arrested on a charge of assaulting Colonel Goddard. Home, was resterday arrested on a charge of assaulting Colonel Goddard, commandant of the home, with a piece of lead pipe. Interference by another inmate of the home saved the commandant's life. This is said to be Long's second attempt on the life of Colonel Goddard.

BABCOCK PLANS A REVOLT IN HOUSE

PRICE FIVE CENTS.

Threatens Philippine and Statehood Bills.

SPEAKER CANNON DECEIVED

Wakes to Situation and Will Put Up Big Fight.

DEAL WITH DEMOCRATS

Republican Insurgents Would Prevent Admission of Arizona and New Mexico and Increase Philippine Sugar Duty.

WASHINGTON, Jan. 7 .- (Special.) --A great insurrection among Republican nembers of the House has been organized by Representative Babcock, of Wisconsin. It is probably the greatest insurrection that has ever threatened the discipline of the Republican party in Legislative affairs. It was not until yesterday afternoon that Speaker Cannon was informed of the serious as-

ects of the situation. Lulled into a feeling of security by the report which had been brought him by Representative Watson, of Indiana the whip of the Republicans, the Speaker has been confidently predicting the passage of the Philippine tariff and the statehood bills by a safe majority. He has been awakened to a full realization of the serious problem which has been prepared for him by Representative

Babcock, and has taken off his coat. Work Cut Out for Them.

When the Speaker gets to work somehing is certain to happen, and before he smoke of battle raises Mr. Babcock and his lieutenants will appreciate what it means to rebel against the President of the United States, the Speaker of the House of Representatives and their own party

There are 249 Republican and 257 Democrats in the present House. Two of the Republican members, those from Oregon, are under indictment and are not participating in legislation. Thereof 110. For the Democrats to control the House on a full vote, at least 53 Republicans must desert their party

and join them.

To Join Forces With Democrats. Representative Babcock claims that 67 Republicans have agreed to form a coalition with the Democrats to defeat the Philippine tariff bill and the statehood bill as agreed upon by the Republican caucus. The agreement which the insurgents have offered the Dem-

ocrats is this; Enough Republican votes will be pro duced to control the House, with the support of the Democrats, to amend the statehood bill, so as to give the people of Arizona and New Mexico a separate vote upon statehood, to determine for themselves whether the two territories shall be united and admitted into the Union as one state, and to increase the duty upon Philippine sugar and reduce the differential upon refined sugar

coming into the United States. the other leaders in the insurrectionis to prevent the admission of Arizona and New Mexico to statehood. They want the present system of territorial

government continued indefinitely. Grumblings in Caucus.

When the caucus on the statehood bill was held there was loud grumbling over the alleged unfair methods of the House leaders to fasten the Hamilton bill upon the party. At that time there was talk of an uprising, but Mr. Babcock and his assistants cunningly nursed the resentment without fanning it into open rebellion. They were consclous that their strength was not suffi-

cient. Then the Philippine bill came along About 12 Republicans opposed it. The three members from Colorado, Mondell of Wyoming, McLachlan of California and Fordney of Michigan, were the only Republicans courageous enough to come out into the open in opposition. But the Philippine bill was the oportunity Mr. Babcock had been waiting for. He at once quietly commenced an organization, and it was only within the last 24 hours that the formidable proportions of his insurrectionary

novement became known to the Powerful Anti-State Lobby.

The lobby to prevent the admission of Arizona and New Mexico is powerful and unscrupulous. Mining stock has been widely distributed among the Congressmen. It is not asserted that It has been made a bribe, but Congressmen have been induced by prospects of lucrative returns to make investments and in violation of their oath of office these men will soon be called upon to vote on a proposition in which

they are personally interested The Democrats who favor free trade with the Philippines look upon the pending tariff bill as a step in the right direction, but they have agreed to join Mr. Babcock and his insurgent band to prevent the duty on sugar being cut

(Concluded on page 3.)