

HOLDS STANDARD GUILTY OF CRIMES

Government Decides to Prosecute.

MOODY DECLARES PURPOSE

Will Accuse Oil Monopoly of Taking Rebates.

MAY INVOKE SHERMAN LAW

Greatest of Trusts Will Be Attacked Next, by Order of Roosevelt. Special Attorneys Probe Further into Crimes.

WASHINGTON, June 22.—Formal announcement of the purpose of the Government to prosecute the Standard Oil Company was made today by Attorney-General Moody. It appears from his statement that the proceedings in the first instance will be had under the terms of the Elkins law, which prohibits rebates in interstate commerce. The Attorney-General, however, gives notice that in all probability, should the investigation he is still making justify it, he will bring further action against the Standard Oil Company under the terms of the Sherman anti-trust law, and also will take steps to insure against the continuance on the part of the company of discrimination in trade and transportation not now a subject of prosecution under existing law, but especially provided against in the pending rate bill. The Attorney-General's statement follows:

Criminal Charges to Be Made.
"After full consideration of all information now available, including the report of the Commission of Corporations and the evidence taken by the Interstate Commerce Commission, I have reached the conclusion that criminal proceedings against the Standard Oil Company should be begun in certain cases where there appears to have been a violation of the laws regulating interstate commerce and prohibiting rebates and other unlawful discriminations. Accordingly such proceedings will be begun at once in the appropriate judicial districts. These cases are regarded and will be treated as of importance.

"It seems clear that, insofar as the Standard Oil Company has obtained non-political control of interstate trade, commerce and of such commodities as have been or may be brought to the attention of this department, with the view of ascertaining whether or not there has been any violation of the anti-trust act or any other Federal law. This investigation will require the assistance of the department and I have employed a special counsel, Frank B. Kellogg, of St. Paul, who was one of the counsel for the Government in the recently terminated litigation against the Western paper organization, and Charles B. Morrison, of Chicago, now United States Attorney for the northern district of Illinois. Mr. Morrison will in the near future resign his place as District Attorney.

GIBBON'S SUIT THROWN OUT

Colorado Judge Gets No Damages From Military Commissioners.

DENVER, Colo., June 22.—Judge R. E. Lewis, in the United States District Court, today dismissed the suit of Michael Gibbon, ex-Police Magistrate of Victor, Colo., for \$20,000 damages against the military commission appointed by Sherman Bell, Adjutant-General of the Colorado National Guard, to investigate the case of prisoners who were thrown into the gulches during the labor war of 1904 in the Cripple Creek mining district. Gibbon accused the defendants of conspiracy to deprive him of his office, of false arrest and imprisonment.

up. President Gompers was authorized to sound the attitude of the unions and to prepare the position of the executive council for action at the next general convention.

The executive council discussed the political program already inaugurated, and President Gompers, Vice-President Duncan and Treasurer Lennon were appointed a committee to report their views to the executive council, and to keep the workmen of the country and their friends acquainted with the political movement.

Federation Bars Coalminers.
DENVER, June 22.—By a unanimous vote the executive board of the Western Federation of Miners has turned down the application of the coalminers of Ohio and Illinois, affiliated with the United Mineworkers of America, for admission to the federation. Acting Secretary Kirwan, of the federation, said today that as the interests of the coal and metalliferous miners are identical, it is only a question of time before the two organizations will consolidate. To take in the coalminers who have applied, said Secretary Kirwan, would mean a fight between the two organizations, which might end disastrously to one or both. For this reason, the executive board decided to await a time when the organizations can get together on some mutual basis.

Jacketmakers Go on Strike.
NEW YORK, June 22.—A general strike of the Children's Unbasted Jacketmakers' Union, which is an independent organization, went into effect yesterday for a nine-hour work day. There are about 6000 members in the union, which takes in the whole city.

Denounce Idaho Authorities.
MILWAUKEE, Wis., June 22.—The International Boot and Shoeworkers' Union passed a resolution denouncing the authorities for prosecuting Moyer, Daywood and Pettibone for the murder of ex-Governor Steunenberg, of Idaho.

POPE OPPOSES NEW IDEAS

Will Issue Encyclical Urging Strict Observance of Dogma.
BRUSSELS, June 22.—(Special.)—Belgian missionaries returning from Rome say that the Pope is preparing a new encyclical urging stricter observance of religious dogma and prohibiting all tendencies toward the modern spirit of non-Catholicism which is infecting and causing its present troubles.

MADE HOMELESS BY FIRE
Two Blocks Burned at Golconda, Ill., and Sufferers Need Tents.
SPRINGFIELD, Ill., June 22.—Secretary of State Rose this afternoon received a telegram from Golconda, Ill., stating that five today had destroyed two blocks of the city, excepting two houses, part of which were business houses and part dwellings, and requiring that 25 families were homeless. Request was made that Governor Dineen send tents to Golconda to shelter the homeless. Adjutant-General Scott dispatched 25 tents by express.

CONTENTS TODAY'S PAPER

- The Weather.**
YESTERDAY'S—Maximum temperature, 72 degrees minimum, 49.
- FOREIGN.**
Report of Douma committee on massacre at Bialystok. Page 5.
Douma blames government for massacre and coronation of King Haakon and Queen Maud. Page 4.
- National.**
Government announces prosecution of Standard Oil Company. Page 1.
Senate passes bill for President's traveling expenses. Page 3.
House has warm debate on pure food. Page 2.
Congress adopts report on rate bill, but Tillman refuses to sign it. Page 4.
Danger of diversion of irrigation fund to drainage. Page 1.
Fine and imprisonment for rebaters. Page 3.
Expelled Massachusetts Legislator turns state's evidence on fellow-grafters. Page 1.
Insurance companies refuse to pay losses on Santa Rosa. Page 2.
Transcontinental Insurance Company can only pay 10 per cent of losses. Page 3.
- Sport.**
College boat races at Poughkeepsie today. Page 7.
Miss Sutton wins tennis match in England. Page 5.
Western golf championship decided. Page 5.
San Francisco defeats Portland, 9 to 1. Page 7.
- Pacific Coast.**
Hoquiam box factory burns entire township of fine timber land in Clatsop County, Washington. Page 6.
Linn County picnic picnic closes. Page 6.
Montana cattle baron indicted for fencing public lands. Page 6.
Joint rate hearing at Colfax comes to abrupt close; railroads offer no testimony. Page 1.
- Commercial and Marine.**
Stronger demand for hops. Page 15.
Two reactions in Chicago wheat market. Page 15.
Stock market closes firm. Page 15.
General trade of immense volume. Page 15.
Freight piles up at local docks on account of lack of transportation. Page 14.
United shippers petitioned to have rejected Mayor Schmitt's plan of arbitration. Page 14.
- Portland and Vicinity.**
At least 12 and possibly 14 men have been indicted for election frauds in Sellwood precinct. Page 11.
Word makes gain of eight votes, reducing Stevens' lead to two in the recount and seven in all. Page 10.
Daughter taken from mother when 5 years old; now young child of 19 rejoins her parent in Portland. Page 14.
Hawthorne avenue may be paved for \$700,000. Page 10.
Laid tells of his administration of the Johnson estate. Page 10.
Government ready for land-fraud trials. Page 11.
Rose show given at Grace Methodist Church. Page 11.
Excused Board dismisses Patrolman Issakson, fined Kienan one month's pay and refuses to insure City Hall in any six-bit company. Page 16.
Fire Wagon: Fire Wagon expects to keep his office. Page 11.
Young woman ends her life with a bullet. Page 11.
Governor Chamberlain and other members of the Land Board pleaded with inspection of Clatsop County lands and plans to irrigate them. Page 7.

GETRO TURNS ON OTHER GRAFTERS

Many Bay State Legislators Tremble.

HE GIVES EVIDENCE TO MORAN

Receivers of Bucket-Shop Bribes to Be Indicted.

FIFTY MEMBERS GUILTY

District Attorney Secures Aid of Expelled Grafters in Punishing Men Higher Up—Perjury Will Be Charged.

BOSTON, June 22.—(Special.)—Frank J. Getro, who was yesterday expelled from the House of Representatives as a result of the recent star-chamber investigation of the bucket-shop bribery scandal and other scandals of a similar nature, today, with his counsel, called on District Attorney John B. Moran. After a conference of nearly two hours, in which Getro and his lawyer placed in Mr. Moran's hands a large bundle of documents, letters and other papers, Mr. Moran, while declining to give any particulars of the interview, intimated that he believes he has in his possession evidence which will secure the indictment of a large batch of State Representatives, nearly all Republicans.

Will Indict for Perjury.
The cases will be laid before the July grand jury, which will convene July 2, and the charges in the indictments will be chiefly perjury. Mr. Moran holds that, under the state law, those who appeared before the star-chamber investigators are immune from prosecution on the charge of bribery or bribe-taking, as that was the specific purpose of the inquiry, but he can show that any were guilty of perjury in the statements made before the investigating committee, he can and will prosecute them.

Getro's action was not unanticipated. It was the fear that he would make a clean breast of the whole affair that caused a bitter fight in the House yesterday against his expulsion. Today Getro was extremely bitter against those who voted for his expulsion, and alleged that, as a Republican majority had decided to make a scapegoat of him, he would tell the whole story and compel those who deserted him to abide by the consequences, as he must do. Getro's speech in the House yesterday, virtually hurling defiance at the members to whom he had talked, who dared to vote for his expulsion and cast the burden of the entire scandal upon his shoulders, clearly evinced his determination to tell what he knew at the opportune moment.

Getro and his counsel today were reticent as to just what information they gave Mr. Moran, but it is understood that the evidence the District Attorney pos-

esses hits the Republican members of the House harder than the Democrats, for it comes from an authentic source that whatever dealings Getro had in regard to the bucket shop matter were chiefly with Republicans. The names of the men were all given to the District Attorney.

The situation in the bribery investigation that the District Attorney has been conducting has thus taken a decidedly new turn. At first things looked brilliant, then the action of the Legislature in conducting an independent inquiry dampened the ardor of the District Attorney, for it tended to checkmate his movements, in that immunity from prosecution was accorded to all who testified before the committee on rules. Mr. Moran practically determined to abandon further action, because of the fact that all the members of the House and the lobbyists likely to know anything about the bill had testified and were thus immune from prosecution. Finally the main source of information opened and practical results never appeared more probable to the District Attorney than at present.

Will Convict Men Higher Up.
"It will be a conviction or a disagreement in every case—not an acquittal in any," said a close friend of the District Attorney, who is in a position to know whereof he speaks.

Mr. Moran left his office tonight in a delighted frame of mind. In the few words he would say he plainly intimated that the prospect of getting at the "men higher up" in the bribery scandal, instead of mere scoundrels at the little fry, pleased him immensely.

All statements agree that 50 men, all members of the House, nearly all Republicans, were concerned in the bucket shop affair, and, if these names are all laid before the July Grand Jury, the sensation will be of proportions unparalleled in this state.

GEARIN SAILS FOR EUROPE

Suddenly Decides to Accompany Sweeney on Automobile Trip.

OREGONIAN NEWS BUREAU, Washington, June 22.—Senator Gearin sailed from New York for Europe yesterday in company with Charles Sweeney, of Spokane, and others. The party will make a tour in an automobile of the British Isles and the Continent, returning in August and New York Monday, and there met Mr. Sweeney and his party, and accepted their invitation to accompany them on an automobile trip over Europe. Senator will go at once to Portland when he returns to this country in September.

SETTLE OREGON'S WAR CLAIM

Fulton Asks Senate to Authorize Court to Adjudicate.

OREGONIAN NEWS BUREAU, Washington, June 22.—A resolution will be reported to the Senate tomorrow by Senator Fulton, referring to the Court of Claims for a finding of the claim of Oregon, amounting to \$25,000, on account of bonuses, extra pay and interest on money advanced to troops enlisted in that state during the Civil War. If the Court of Claims approves the claims, an appropriation by Congress will follow in the natural course of events.

EARTHQUAKES IN CUBA.

Two Slight Shocks Do Small Damage in Santiago.

SANTIAGO, Cuba, June 22.—Two earthquake shocks half an hour apart, the first occurring at 2 o'clock this morning, slightly damaged many buildings in this city. Several persons were slightly injured by falling articles, but no serious damage remained in the streets the rest of the night.

FARGE COMES TO A SUDDEN CLOSE

Railroads Offer No Evidence at Colfax.

ONE LONE FARMER ON STAND

Puget Sound Millers and Grain- dealers Vent Spleen.

ALL JEALOUS OF PORTLAND

Attorneys for Transportation Com- panies Protest Confidence in Rail- way Commission, but Reserve Testimony for Appeal.

BY E. W. WRIGHT.
COLFAX, Wash., June 22.—(Staff Correspondence.)—The celebrated joint-rate hearing of the Washington State Railroad Commission came to a sudden close this afternoon when the Commission concluded the examination of its witnesses. As was expected, no evidence was offered by the railroads. In flinging a few oratorical bouquets at the Commission, they intimated that they had great confidence that august body would not subject them to the injustice of the joint rate—but at the same time they retained their testimony for future use in a higher court.

Perhaps the most remarkable feature of the hearing was the fact that among the 17 witnesses examined but one farmer appeared. Two were railroad men and the other 14 were Puget Sound millers or graindealers, whose grievance was that the Portland dealers were better located for securing large quantities of wheat than those on Puget Sound.

Portland Mills Make Money.
The peculiar grouch of the millers was that the Portland Flouring Mills were making more money than the mills on the Sound, and the graindealers, or middlemen, who do not export, but are forced to sell what they buy to the exporters, or millers, testified that the competition of the big fellows was forcing them to the wall.

Fred Hayfield, a warehouse man at Farmington, was the star witness for the Commission, acting for those who are suffering from lack of a joint rate and the competition of Kerr, Gilford & Co., Balfour, Guthrie & Co. and T. B. Wilcox. He said he formerly handled 100,000 bushels of wheat each season, but his business had run down to 10,000 bushels per year. He attempted to blame Portland and the O. R. & N. Company for it, but cross-examination developed the fact that he was trying to make a profit of from 2 to 5 cents per bushel and that his closest touch with the market prices was through circular letters.

Nothing in It for Farmers.
He admitted that he was not infrequent-

ly forced to sell his wheat to exporters, who were buying in competition with him, for all of which Portland and the O. R. & N. was blamed. The testimony throughout the hearing was of a nature which would hardly inspire any farmer with the belief that he was to be much of a gainer by any action which might be taken by the Commission.

"I guess the farmer will get it in the neck, any way," remarked Mr. Savage, of Pullman, the only farmer who testified. It was the Whitman County farmers who were clamoring the loudest for a railroad commission, but none of them was in attendance at the hearing, although hundreds of them attended the Elberton picnic, which has been running for three days, only six miles up the road, and a large number of them were in Colfax discussing the coming county convention.

Among the latter there seemed to be a general feeling that they were not getting the worth of their money out of the \$5,000 appropriated for the Commission.

Wants to Reach Bellingham.
C. D. Francis, a graindealer of Spokane, was the first witness called, and was sufficiently unblased to admit that wheat prices at competitive points were practically the same at all times. Mr. Francis was less interested in the joint rate, as affecting the Portland market at this meeting than he was at the meeting held last Fall, but he was very anxious to secure a terminal rate and also a joint rate to Bellingham Bay. He said there was an insufficient amount of feed-stuffs grown on the Great Northern and Northern Pacific to supply Bellingham Bay.

He was followed on the stand by J. G. Woodworth, traffic manager of the Northern Pacific, whom Attorney Falkner soon pumped dry of his information regarding former joint rates.

The Commission kept H. Blakely, Western freight agent of the same road, on the stand for several hours, endeavoring to prove that the trackage agreement between the Hunt road and the Northern Pacific and between the Central Washington and the Great Northern via the Adrian cut-off were, in effect, joint rates.

Thomas Savage, a farmer living near Pullman, testified that he had hauled his grain several miles farther to reach a Northern Pacific warehouse in Portland to the O. R. & N., because he believed prices were higher than on the Portland road.

Price Higher in Tacoma.
Louis Lindstrom, a Fairfield wheat-buyer, complained that he was unable to secure as much for wheat in Portland as in Tacoma.

C. J. Brown, a Waterville miller, who is desirous of starting a mill at Bellingham, testified that it would be impossible for him to do so unless he could secure a joint rate and also terminal rate for Bellingham. His complaint was seconded by H. M. White, president of the Bellingham Bay Chamber of Commerce, who modestly, would become as great a city as Seattle.

Attorney Gordon asked Mr. White if he thought it the province of the Railroad Commission to correct the error made by the original locators of the Great Northern terminals on Puget Sound.

Bellingham Man's Testimony.
George E. Brand, a Bellingham grain merchant, failed to make the customary claim at Portland, but was as anxious for a joint rate and a terminal rate to get Bellingham Bay and oats out of the market as Mr. Hayfield was to get the market for the purpose of putting Palouse hay and oats into the Bellingham market.

The testimony of H. M. Adams, of the Great Northern, and W. E. Coman, of the O. R. & N., taken at the hearing last Fall, was admitted as part of the record.

The state completed the examination of its witnesses, Judge Gordon, on behalf of the railroads, Judge Gordon, that they would rest. He then made a brief argument, mostly devoted to the railroads' demand for terminal rates. He said it was unjust to expect the Great Northern, which had spent millions for terminal facilities at Seattle, to divert its grain to Bellingham, and even should the company do so, he expected other ports with the same claim for recognition.

Unfair, Says Judge Gordon.
He said the demand for a joint rate out of O. R. & N. territory was most unfair. The road would not only be deprived of the revenue to which its enterprise in building entitled it, but it would be subjected by being deprived of the use of its cars for many weeks while they were going over the mountains empty and returning loaded.

Attorney Spencer, of the O. R. & N., called attention to the fact that all of the companies were coming from the millers and middlemen and not from the farmers, who he alleged were not suffering an injustice at the hands of his road. He requested the assertion that the millers and middlemen were less prosperous than those on the big roads crossing the mountains. He wanted to know why, if Portland was such a poor market, that year after year at competitive points from 75 to 90 per cent of the wheat was shipped over the O. R. & N., instead of over the mountain roads.

Farmers Would Be Injured.
He asserted that if all lines were managed together by a joint rate by the railroad commission, the millers and Puget Sound millers would combine and every farmer in the Pacific Northwest would be at their mercy. He called attention to the testimony of one witness who had stated that a Portland firm had paid three cents per bushel more for wheat for Tacoma shipment than it paid on the same day for Portland shipment. "I want to know," asked Mr. Spencer, "whether when the railroad commission has eliminated all competition the buyers will pay the high or low price for wheat?"

He called attention to the building of the Hill North Bank road as an admission that the highway route was the natural route of commerce, and that the precedent, if established, would cause all roads endless trouble and expense.

Attorney Falkner, for the commission, made an excellent speech defending the constitutionality of the measure and attacking the arguments put forth by the railroad attorneys.

The commission adjourned at 4:30 P. M. to meet at Walla Walla Monday and take up the distance tariff matter.

GREAT DANGER TO IRRIGATION WORK

Diverting Fund to Drainage of Swamps.

HANSBROUGH STARTS SCHEME

Bill Appropriating \$1,000,000 Passed by Senate.

MAY SLIP THROUGH HOUSE

Movement to Use Western Money to Drain Private Land in East and South Gains Impetus in Congress.

OREGONIAN NEWS BUREAU, Washington, June 22.—Early in the present session of Congress Senator Hansbrough, of North Dakota, introduced a bill authorizing the expenditure of \$1,000,000 out of the National reclamation fund for draining swamps in his state. When the bill went before the committee on irrigation, it was found that every acre to be benefited was in private ownership, and the bill, if enacted, would not open to entry a single acre of public land. Notwithstanding these disclosures, the Senate committee ordered a favorable report out of courtesy because Hansbrough is a member of the committee. It was then stated that a majority of the committee referred to the committee on irrigation, which believed that a majority of the bill would never be permitted to pass the Senate. They did not oppose it in committee, however, because they did not want to offend Hansbrough.

May Sneak Through House.
Hansbrough is no fool, and he knew when he had a good thing. Once his bill was on the calendar, he bided his time and at the first favorable opportunity called it up and passed it, not a vote being raised in opposition. Then the bill went to the House. It should have been referred to the committee on irrigation, but Hansbrough had found this committee unfavorable, so he arranged to have it referred to the committee on public lands, which has reported a great deal of shady legislation during the present session. Now that committee has reported the bill, and if the North Dakota members stand in with Hansbrough and are shrewd enough to pick a psychological moment, they are very apt to pass the bill through the House. Whether they can get the President to sign it remains to be seen.

Other Swamps Enter Claims.
At the time the Hansbrough bill was introduced, attention was called in these dispatches to the danger that lurked behind the apparently innocent measure. Unjust as it is in itself, the real danger lay in establishing a precedent for diverting money from the reclamation fund for draining great swamps. It was then predicted that if the bill met with favor, bills would be introduced to divert money from the reclamation fund for reclaiming the Dismal Swamp, the Everglades of Florida and every other big swamp that is now uninhabitable and non-productive. That prediction has been partially fulfilled. A bill is now pending to divert \$1,000,000 from the reclamation fund to drain the Dismal Swamp in Virginia and North Carolina; another is pending to divert \$3,000,000 to drain the Everglades of Florida; only a few days ago a bill was introduced to take another \$3,000,000 and expend it in draining the big swamps of Arkansas and Missouri, and, in addition, there are two bills pending for the drainage of swamps in Minnesota, and three general bills providing for the Government drainage of swamps in all parts of the United States.

May Combine to Rob West.
If the Hansbrough bill passes, it will open the way for these other measures of similar character, and it will be only a short time before the greater portion of the reclamation fund, instead of being used for irrigating the desert lands of the West, as originally intended, will be expended in reclaiming swamps in states that have contributed not a cent to the reclamation fund and never will contribute. This legislation is a rank injustice to the West, which is counting on using its own public land receipts for the reclamation of its deserts, and unless somebody calls a halt, the work of Government irrigation will soon be brought to a standstill.

It must be remembered that, once this precedent is established, it will be easy for delegations from the East and South to combine and force through bills for the drainage of the swamps in the non-arid states, and if the East and South ever do combine for this purpose, the West will never have votes enough to check the onslaught.

Excuse for Hansbrough Bill.
The Hansbrough bill received the votes of all but two members of the House committee, including Chairman Lacey, Mondell (Wyo.), Martin (S. D.), Dixon (Mont.), French (Idaho), Gronna (N. D.) and Tynand (Mo.). Smith (Cal.) and Robinson (Ark.) were the only members opposing the bill. The report of the majority goes on to say:

The Red River Valley has been for several years suffering from excessive rainfall and want of drainage. It is proposed by this bill to reclaim the wet land in the Red River Valley by a plan similar to that adopted

(Continued on Page 2.)

