UNWRITTEN DEAL NOT TO COMPET

Harriman and Santa Fe Pull Together.

EXTENDS TO ASIATIC COAST

Lane Learns How Competition Died on Pacific.

GRAHAM'S LINE DRIVEN OUT

Independent Steamers From Portland Made Money Till Harriman Canceled Contract, Though

Portland & Asiatic Loses.

SAN FRANCISCO, Jan. 30 .- Testibrought out by the Government at today's hearing of the Harriman mer-Commissioner Lane, W. A. Bissell, assistant traffic manager of the Santa Fe egatem and a director of the North-western Pacific Railroad, conceded under oath that the Santa Fe and Southern Pacific managements are ob-serving an "unwritten agreement," whereby they share about equally the citrus fruit traffic of Southern Caliter the fruit has been packed.

R. A. Graham, of New York, ex-manger of the Oregon-Oriental Steamship company, agreed to produce as evidence a letter which he testifled he had received from Benjamin Campbell as traffic manager of the Oregon Railroad & Navigation Company, peremptorily canceling a traffic contract between the two companies because the latter road had acquired a fleet of steamships and refusing to longer give Graham's company any traffic or the use of O. R. & N docks at Portland or rail rates other than tar full local tariff.

Harriman's Own Steamers Today's hearing was conducted for the Government by C. A. Severance. R. S. Lovett appeared for E. H. Harriman, and Feter F. Dunne for the South ern Pacific. Among the witnesses called by the prosecution were W. J. Shotwell. general Coast agent for the Denver & Mansfield, assistant to Mr. Shotwell. and E. E. Calvin, general manager of the Pacific Coast divisions of the South-

ern Pacific. P. Schwerin, manager of the Pa cific Mail Steamship Company, testified that besides the fleet of steamers owned by the company it operates the Mongolia and Manchuria, which are owned by Mr. Harriman. Mr. Severance called attention to the minutes, which showed that the Oregon Short Schwerin said that so far as he knew, Mr. Harriman owned them personally. and charged the Pacific Mail \$30,000 a month for the use of the steamers, the money being sent to New York.

Coincidence in Raising Rates.

Mr. Schwerin testified that the San Francisco & Portland Steamship Company, of which he is president, had recently raised steamship rates and that at the same time the Southern Pacifi raised its rate to Portland. Mr. Lane the steamer rates followed a conversation on the subject with Traffic Manager Luce, of the Southern Pacific, but Mr. Schwerin explained that increased wages to stevedores, etc., made this advance necessary, These increases did not affect the railroad, he admitted, Mr. Severance characterized the raise of both rates at the same time as "a coincidence," smiling as he spoke.

This natiled Mr. Schwerin, and he

volunteered the statement that there was no real competition between the railway and the steamers, because the steamers give better service and get more freight than they can handle without solicitation. This statement was not relished by the railroad men present. It was afterward modified by Mr. Schwerin as applying only to present temporary conditions.

"You mean that owing to the poor character of railway service at pres-

"I shouldn't say that," answered Mr. Schwerin: "we give better service."
Mr. Harriman's lawyer, R. S. Lovett,
then took Mr. Schwerin in hand. He explained that the basis for the differestial between railroad and steamer freight rates is the additional security of rail transportation. The differential is 60 cents a ton, which Mr. Lane

Reemed to consider too great.
The discontinuance of the Sa trans-Pacific line out of San Diego and Mr. Schwerin's efforts to induce Paul Morton to give the Pacific Mail his freight business were next adverted to by Mr. Lovett. Mr. Schwerin said absolutely that no conversation of his with Paul Morton was responsible for the discontinuance of the San Diego The service was stopped because it ald not pay, and the Pacific Mail afterwards got the freight business, a mutual arrangement for the exchange of the business being made.

Can Do Oriental Traffic at Portland.

A statement of interest to shippers

made by Mr. Schwerin was to the effect that all trans-Pacific freight could be moved without coming to San Francisco at all, owing to the railroad facilities of the North. The Pacific Mail is willing to make concessions to get Santa Fe business. For this purpose also it makes a through reight rate from Hongkong to Chi

Mr. Schwerin said that he does no onsider Mr. Harriman or the Southern Pacific is endeavoring to get business. His freight arrangements with the Southern Pacific be makes with J. C. Stubbs, and Mr. Harriman, he said, had nothing to do with them.
"It is not left to the Southern Pacific to decide what shall go to the Santa Ferinat is up to us," said Mr. Schwerin in answer to a question by Mr. Lane.

Portland & Asiatic Loses.

Enquiry into the affairs of the Portland & Asiatic Steamship Company, belonging to the Oregon Railroad & Navigation Company, a Harriman property, developed the fact that its monthly steamer are operated at a loss and have been for the past four years, except during the



Senator W. B. Heyburn, of Idaho, ************************

Japanese War. The O. R. & rail traffic.

"This year," said Mr. Schwerin, the lose like the northern line every year i it depended on freight—it is the passen ger business which makes it pay." Shotwell, general agent of the lines, was called at the opening afternoon session. He testified

of the afternoon session. He testified that the business he is able now to get for the Denver & Rio Grande and conecting Gould lines is less by 50 per cent than it was prior to 1901, since which devoting its efforts to secure the Business it can for the Union Facilic. To the cause if attributed, the great streng a Gold business can could from the Pacific Coast. The Union Facing was acquired by the Southern Pacific in 1901. Answering a question by Mr. Lane,

ess said; and that the business got by the Southern Pacific invariably goes to the between those two routes. The test ap-Rio Grande and other Gould lines; J. D. | plies to both freight and passenger traf-

Mr. Shotwell's testimony was corrobe rated by his assistant, J. D. Mansfield.

No Competition for Fruit. Mr. Bissell, assistant traffic manager the Santa Fe, also a director in Northwestern Pacific, was called by the prosecution. Answering questions by Mr.

don't make any effort to get fruit traffic in Southern California that originates on Southern Pacific lines-we have been giving all our time to getting our own cars back from the East. The citrus fruit business in Southern California is so situated that it practically takes care itself. The routing of most of the it grown between Los Angeles and a Bernardino is determined by the lo-

cation of the various packing-houses."

Testifying as to the alleged Harriman merger-Pacific Steamship Company pact. Mr. Bissell said that by a three-cornered agreement the Santa Fe was to fill certain space on each Pacific Mail steamship leaving the port of San Francisc brought out the fact that the rise of the Southern Pacific to have the remaining 75 per cent. He presumed this arhas made no effort to get more than the agreed 25 per cent. "The competition is all in the Orient and with Puget Sound bottoms," he said.

Graham's Canceled Contract.

R. A. Graham, of New York, formerly manager of the Coos Bay Railroad Company and of the Oregon-Oriental Steamship Company, testified that the latter to writing but not signed, and at that time the steamship company was in competition with every other trans-r steamship company on the Coast. contract with the Oregon Railroad Navigation Company was that the Orethe Orient via the O. R. & N. and its connections receiving in exchange from lowed to maintain offices for solicitation of traffic in New York and Victoria, B. quired its own fleet of vessels (the Portand & Asiatic line), I received a letter by Benjamin Campbell, traffic ger of the O. R. & N., canceling entract at 30 days' notice, notifying me that the O. R. & N. would give my company no more traffic and refusing me the further use of the O. R. & N. docks at Portland unless I paid the full wharf-age and full local freight rates."

His Steamers Made Money.

"Have you that letter here?" demanded r. Lade. Witness replied that he had in New York. "Will you produce it in this courses evi-

dence?" inquired the Commissioner. Mr. Graham replied that he would be glad to. Mr. Severance called the witness' attention to testimony given by Mr. Campbell that the O. R. & N.'s Asiatic steamships had been operated at a loss. vessels were not operated at a retorted Mr. Graham. "We had

CHICAGO FIGHTS INSIDIOUS FOES

Every Family Must Be Shut in Its Home.

ALL GATHERINGS FORBIDDEN

Returns of Epidemic Show an Immense Increase.

CITY'S POWERS OVERTAXED

New Cases in Four Days Equal Whole Month's Ordinary Total. Every House Establishes

Its Own Quarantine.

CHICAGO, Jan. 30 .- (Special.) -- With diseases in the city and a fresh outbreak in the suburbs that brought the otal number of victims over the 15,-J. Whalen, under fire in the most serious epidemic of a decade, today issued a public proclamation calling on the people of the city to suspend public and social gatherings and thus ald in checking the pest.
Further drastic action may follow, including the closing of all schools of

the city, a move which was considered spirit of the Commissioner's appeal is followed generally, Chicago will place withering under a plague.

Fearing that the epidemic in violen orm will spread into the Ghetto and south into the stock yards dis tricts led to the issuance of the publiplea for assistance. Scarlet fever broke out in several neighborhoods on the Wes Side, showing a tendency of the diseas to spread from the Northwest Side, in th vicinity of Humboldt Park, and from Department, did not come to its office early enough to get the first returns In his absence his assistant, Dr. Her-man Spalding, with the perspiration running down his face from overwork

"It must be admitted now,' said Dr Spalding, "that the epidemic is on the increase. I was in hopes that yesterreports were coming in. The new record today shows I was mistaken and that the conditions are most serious, with 300 cases a day. One or two days of such returns leaves no room for further doubt. It means that during the incubative period of 24 hours to seven days, thousands of persons have been

and excitement, admitted for the first

Records of the Health Department shi the present epidemic to be one of most serious the city has known. The records show the number of cases of scarlet fever in the last four days vastly exceeds the total for the whole month January in a normal year.

CAUSES INSURANCE ELECTION

INSPECTORS TO QUIT.

Says Radical Change Is Necessary or Canvass Will Not Be Com-

pleted for Months.

NEW YORK, Jan. 20.—Two me f the board of election inspects he New York Life Insurance Con have tendered their resignations to Otto Kelsey, State Superintendent of Insur-ance. They are E. G. Kinkead, of Cin-cinnati, the representative of the inter-national policy-holders' committee, and

Frederick W. Marks, of this city.

It is my opinion that, unless some radical months more to complete the canvass. While I have no desire to criticise any of my fellow inspectors, I am so entirely out of work, as I find it utterly impossible for me to do my duty as I clearly see it and,

Sued Gillett in Wrong Way. NEW YORK, Jan. 30.-Supreme Cou-Justice Bischoff in an opinion handed down today sustained in part the de-murrer entered by sounsel for Dr. Walter Gillett, formerly vice-president of the Mutual Life Insurance Company, in the action to enforce an accounting for money alleged to have been expended with his sanction from a fund which was kept by him for the Mutual Com-pany in a Morristown, N. J., trust com-Justice Bischoff held that an ac tion at law by the corporation for dam-

Mutual Life Loses London Suit.

LONDON, Jan. 30.-Justice Sir Charles Swinfen Eady, in the Chancery Division a profit on every steamship we brought of the High Court of Justice today, pro-back from the Orient."

The hearing will be resumed tomorrow.

The hearing will be resumed tomorrow.

Mutual Life Insurance Company of Amer-ica and the North British and Mercantile Insurance Company, in his appeal from the suit of the Mutual Company, asking for an injunction and indemnities. Jus-tice Eady said that he was satisfied that Mr. Haldeman had not done anything in-consistent with his duty.

The Mutual asked for an injunction and indemnities against Mr. Haldeman and the North British Company, alleging that while the former was still in their employ, he suggested to the North British Company a scheme to transfer the British policy-holders of the Mutual to the North British, and that upon the day of the termination of his engagement with the Mutual Mr. Haldeman sent out a circular to all the British policy-holders inviting them to surrender their policies in the Mutual and to transfer them to the North British. It was further contended by the Mutual that Mr. Haldeman wrongft used information which he obtained London manager of the Mutual.

ASK ROOSEVELT TO STOP IT

Western People Protest Against New Railroad Stock Issues.

WASHINGTON, Jan. 30 .- President Roosevelt has received letters from ersons inquiring as to whether there cas any Federal legislation which right be invoked to stop the issues of additional stock which have been it contemplation by various Northwestobtaining an opinion on the subject.

Oppose Equal Car Distribution.

CINCINNATI, Jan. 30.-That the recent order of the Ohio Railroad Commregarding the equal distribution freight cars, whether the property railroads or not, was illegal and uncon stitutional was the contention of the Mas

The Wheeling & Lake Erie is a party to the suit, because its lines and cars are those to which the order was directed insofar as it affected the Massillon Coal

Santa Fe Votes New Bond Issue. TOPEKA, Kan., Jan. 30.-By almos unanimous consent the stockholders of pose of this issue of bonds is to secure apital for the improvement of the prop

Reduced Rates in Alabama.

MONTGOMERY, Ala., Jan. 30.—The labama Senate today passed a bill assifying all the railroads in the lassifying all the state, and reducing freight rates on more than 100 commodities. It is lieved that the bill will pass

Charles L. Stevens, Leading Mason. DETROIT, Jan. 30.-Charles L. Steven grand master of the Michtgan Grand Lodge of Masons, dropped flead of heart disease tonight. He was the father of Mrs. McHarg, of Portland, Or., whose

hustend is secret CONTENTS TODAY'S PAPER

The Weather.

YESTERDAY'S Maximum te TODAY'S-Rain and warmer; southeasterly

French government rejects offer of bishops.

Epidemic expected to follow Chinese far Page 4. National.

Senators attack Hitchcock's land policy. Roosevelt arranges settlement of Japanese question with California delegation, Page 1.

Polities. Governor Hughes prevents whitewashing National Guard officer. Page 4. Taft may succeed Fuller as Chief Justice Page 4.

Epidemic of disease in Chicago causes dra-tic measures. Page 1. Pirst bodies recovered from wrecked Stuar mine, Page 4. mine, Page 4. Haskin on the Salvation Army, Page 1.

More light on Harriman's stifling of compe-tition. Page 1. "Salome" not to be produced in New York. Only one juror needed to start Thaw trial.

Negro narrowly escapes lynching by Pitts-Dissension among insurance election can blockade of Great Northern freight. Page 4.

enver women refuse to play Shakesp if they have to wear tights. Page 1. Father of Chester Thompson makes argu-

ment to jury in murder case today. Page toria millwright meets accidental death. Page 5. Mysterious poisoning case near Lebanon, Or.

Oregon Legislature, for purchase of Oregon City locks n rowly escapes death in House; will amended. Page 6. Malarkey introduces bill to curb Coos Bay land monopoly. Page 7.

Jamestown Fair appropriation bill killed. antine bill passes Senate. Page Baker County man fathers bill for State

Mine Inspector, Page 7. Eastern wheat markets affected by weather

news, Page 15.

news, Page 15.

arp break in stock brices. Page 18.

tp Arthur Pitger fined by collector
Asioria, Page 14. Portland and Vicinity. of James Tracy, who was wordentling affray New Year's more loug. Page 16.

Mayor acts on Council appropriation ordi-

Bank clearings increase in all Pacific Coast cities except Seattle. Page 14. Archie Turnbull thought to have com-cated with confederates in City Page 10. Nine thousand telephones are out of com-mission and electricians will be brought here from other cities. Page 10.

Joint building fund committee of Y. M. A.-Y. W. C. A. meets to discuss pin Page 10. Rader's friends in Anti-Saloon League probably will defeat attempt to oust him.

ABOUT JAPANESE

Californians Confident of Solution.

CONFERENCE AT WHITE HOUSE

New Treaty May Provide Exclusion of Coolies.

JAPAN IS QUITE WILLING

Wants Concessions in Return, but Ambassador and President Have Agreed-San Francisco School Officials Are Summoned.

WASHINGTON, Jan. 30.—After two bours' conference at the White House tonight regarding the Japanese question on the Pacific Coast, the California delegation in Congress authorized the follow

"The California delegation had a very questions relating to the Japanese on the Pacific Coast. The character of the dis-cussion leads us to feel confident that a solution will be reached satisfactory to

delegation has tonight telegraphed to the president of the San Francisco Board of Education and the Superintendent of Schools to come to Washington at for a conference with the President the Secretary of State."

Exclude Coolies by Treaty. The existing treaty between the Unite States and Japan will expire March 12, this year. President Roosevelt has here tofore assured the members of Congress from California that he would endeavo o form a new treaty with the Japane. Empire which would meet with their entire approval and at the same time near. The Californians have it the past tiating ported. ese coolies out of the United States, but it is hinted tonight as a result of the conference that Senator Perkins and Flint and the members of the House of Representatives from that state have pract cally agreed to waive this demand and leave it to the President to negotiate

coolie labor out of this country. Japan Wants Concessions.

Japan has made it clear that she will mly consider a treaty that is mutual, and what concessions this Government has been asked to make have not been made Embassy tonight that Viscount Aoki, the Japanese Ambassador, has discussed the proposed treaty with the President, and that they are in perfect accord. The second secretary of the Embassy, Mr. Hanihara, refused to say what concessions had been promised by this Govrnment, or what would be satisfac to the Tokio government. He stated, however, that Japan did not encourage her laborers to come to this country.

Secrecy About Conference, Members of the California delegation who participated in tonight's conference have been pledged to secrecy and refus o talk of the matters discussed with the President, further than what is contained in the statement of the California delegalion. The statement was given out by Representative Hayes and was prepared in the President's office and approved by the President.

SCHOOL BOARD TO STAND PAT

Directors Will Accept No Compre mise on School Question.

SAN FRANCISCO, Jan. 30 .- School Diectors Walsh and Roncoviert will le sponse to President Roosevelt's invitation. They declare that they are determined not to accept any compromise in the matter of Japanese attending public schools other than those set aside for Orientals.

The Board of Education will have a special meeting tomorrow morning to onsider the subject.

ASK STATE TO DEFER ACTION

ernor, Who Will Comply.

SACRAMENTO, Cal., Jan. 30 .- Go nia delegation urging him to ask the Legislature to defer all action on Japa-nese matters. The message caused a considerable stir among the members of both Houses when the knowledge of

its receipt and contents became noised with the leaders of the Senate and Assem bly and has prepared a formal messa the Legislature, which will be read to both Houses tomorrow morning. Leading Senators and Assemblymen declared toulght that the request from the Congressional delegation will be granted.

Japan Will Await Decision. TOKIO, Jan. 30.-Viscount Hayashi, Alishie

Foreign Minister, in reply to a ques tion in the House, expressed deep ap probation of the sympathetic attitudof the United States Government in the

"Having the sympathy of the Ameri can Government," he said, "Japan must remain a looker-on until a decision event of an unfavorable decision the anti-Japanese movement in California will be considered to represent the opinion of the whole United States, which would require diplomatic adjustment."
Viscount Hayashi said he did not believe there would be such a develop-

ment.

Japanese on Recent Steamers Evade Law by Stop in Hawaii.

MANY COME UNDER CONTRACT

WASHINGTON, Jan. 30 .- The Immlgration Bureau today received a long



His Action on Meat Inspection Bill

San Francisco reciting the circumstances attendant on the landing of about 800 Japanese immigrants on the steamships Alameda and Korea last week from Hawaii.

Statements made by the immigrants indicated that perhaps 50 of them were contract laborers, and the Commis-sioner expresses the opinion that, had it been possible thoroughly to examine those arriving on the Korea, a very large percentage would have been found to have been contract laborers. He believes practically all the Japanese arriving on the two vessels are recruited in Japan for work on the Ha-wallan Islands, and after remaining there for a time decided to come to the United States.

Strict surveillance will be had over those believed to be contract laborers and, if evidence can be found substan-tiating this belief, they will be de-

SPEARE TRUE TO LIFE.

Ambitions to Show Talents in "Merchant of Venice," but Not Nether Limbs, Oh, No!

DENVER, Colo., Jan. 30 .- (Special.)-If old William Shakespeare had not put so many cavallers and couriers wear ing tights in his "Merchant of Venice," the eager Denver public would enjoy the rare treat of witnessing the great pro the public hopes have been shattered and and she was confined against her will the women with ambitions to display in what she found to her horror was a their talents in Shakespearean roles have given up the idea. There will be no 'Merchant of Venice' and the wicked liberty. What other denomination in old tights are to blame.

The enthusiasm at the club was at fever height when the crushing blow The matronly mothers of the club were told that all who took the masculine parts in the play would have and grime of a dirty city street? wear the garbs of the time of Shytook their breath away and a storm of "navs" made the daring manager and ainer seek safety behind a big "Well, ladies, it wouldn't look well to have the courtiers and cavallers make love to fair lovers when they were

sights of a twentieth-century pleaded the unhappy man coach. had formed parts in the great drama,

WOMAN SERVES ON JURY Helps to Try Divorce Suits and Em-

barrasses Judge.

DENVER, Colo., Jan. 30.-(Special. to serve on a jury in Denver and probin two divorce cases. Divorces were

awarded in both cases. The court began his remarks to the jury in the old form "Gentlemen of the jury." then paused and added "and ladies of the

It was difficult to say which was the more embarrassed, Miss Smith or the judge. She says she enjoyed the experience, but is not sure that she cares to repeat it.

Ailshie in the Lead. BOISE, Idaho, Jan. 30 .- (Special.)-Today

Chief Justice Afishle secured a large batch of legislative indorsements for the United States judgeship. They include 9 out of 18 Republican Senators, 19 out of 40 Republican Representatives, 3 out The Governor left tonight for San of 6 Democratic Senators and 11 out of 12 Democratic Representatives. Governor Gooding is supporting him, while Chair-man Brady is for S. F. Dietrich, of Pocatello. Congressman French is also for

SALVATION ARMY ACTS ITS RELIGION

of Big Cities.

War Carried Into Slums

FIGHTS EVIL WITH ITS FISTS

Girls Rescued From Dives by Devoted Bands.

THOUSANDS ARE RESCUED

Practical Religion Carried to Poo and Vicious by Men and Women Who Forsake Luxury for

Love of Mankind.

BY PREDERIC J. HASKIN. WASHINGTON, Jan. 35.—(Special Corespondence.)—Hark, the Army is coming Listen to the thump of the drum and the call of the bugie as the halfelujah tada and tassies fall in line. No ancient knights ever fought more valiantly or tellingly in the cause of God and King than these militant servitor who pitch their tents in the holds of wickedness. Among all the sects and creeds and denominations that serve to go forth into the highways and hedges to seek for lost souls than the uniformed, accourted bosts of the Salvation Arn Let me tell you a story-a true incid of the real campaign that is being constantly waged by these lowly knights-

Army Fights to Save Girl.

the rain is falling, and all the poverty squalor and misery of the is magnified a hundredfold by the gloom that infests the quarter where the poor It is such weather that keeps smus protected from the elements. But the Army sallies forth and holdly invades the waste places which the devil cains his own. Their banners wave and their cymbals crash. Their lusty battle cry. "Come to Jesus," rings out like a chal-As they work their way through the dirty, over-crowded street, there is a sudden commotion as a slip barefooted and clothed only in a night-dress, rushes to them with arms outstretched, crying "Save me, for God's sake, save me. by a burly negro who has been her keeper in a brothel. The nearest lassie drops her tambourine and catches the quickly close in and fight the negro and his companions, who strive to recover the runaway girl. The police soon come, and the plucky band goes on its way with another inmate for the rescue home.

It is hard to think that such things can occur in free and enlightened America, my reader, but alast it is only too true. This girl came from the country in answer to an advertisement for work. Once inside the place where she had been ured, her clothes were taken from he house of ill fame. When she heard the Army coming, she made a bold dash for America would have had its representatives in such a place at such a time of night to help this innocent unfortunate fight her way to freedom-to actually

Nervy Rescue From Dive.

On another occasion in a different city the Army was holding its customfell into the circle. One of the pokebonneted lassies picked up the note. read it and quietly worked her way out of the crowd without attracting This was good logic to the women who attention. She went up three flights of stairs in the nearest building, where she found the girl who had begged for release. When the keeper tried by force to prevent the departure of the girls, the one in uniform showed she had the courage of a soldler. She boldly grappled with her assailant and called to the imprisoned girl to run was overturned, but the nervy rescuer held on until the prisoner got away. In less time than it takes to tell growd of men from below, themselve the toughest riffraff that drifts the city streets, raided the place, smashed it right and left and beat the owner of it to a pulp. If you have ever poked fun at the Salvation Army, don't do it again. As musicians its members couldn't make much competition for Sousa's band, but they are what they claim to be-volunteers in a good work. And they stay right on the job. The Salvation Army is a seven-day religion; it works every day in the week.

What the Army Is Doing.

If you will go to the busy headquarters in your city and ask the field secretary of the Salvation Army for his annual report, you will be astonished at the work its members are doing in this country. You will find that nearly 12,000,000 people attended services in their halls last year, which, of course, does not include the other millions they reached in the street millions that no other denomination

(Concluded on Page 2)