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PRICE FIVE CENTS.

DIVIDED HIS GRAFT WITH THE MAYOR

Ruef Directly Contradicts Schmitz.

PAID HIM THREE AMOUNTS

Dethroned Boss Admits Promise of Leniency.

MANY TALKS WITH BURNS

Trap Into Which Schmitz Jumped Is Sprung on Him—Argument Begins and Extortion Goes to the Jury Today.

EVEN BETTING ON CONVICTION. SAN FRANCISCO, June 12.—(Special.)—In the parlors and other resorts in Fillmore street tonight bets were made at even money and 10 to 1 that Mayor Schmitz would be convicted. Mr. Heney and Mr. Burns are generally confident.

SAN FRANCISCO, June 12.—This was an embarrasing day for Mayor Schmitz. Seated at the counsel table before the altar in the Jewish synagogue on Bush street, he heard Abe Ruef, his former political friend, philosopher and guide, practically call him a perjurer to the jury, and with that same burning he listened to a scathing denunciation of himself at the hands of Special Prosecutor Hiram Johnson.

And if there was harm for scoured feelings in the speech that closed the day, the speech of his own attorney, Mr. Barrett, he took no open heed. Indeed, during most of the two hours and 55 minutes Mr. Barrett was speaking, the Mayor was either glancing over newspapers or buried deep in typewritten pages of testimony. But no word of the prosecutor's address escaped his sensitive ears.

Ruef was, of course, the sensation of the day. His appearance on the stand as a witness in rebuttal for the prosecution is now credited to the tactical error of the defense in letting the Mayor testify, for it was to refute the Mayor's denials under oath that he had participated in Ruef's "fee" that the prisoner's ex-boss was called.

Says He Gave Schmitz Money.

Ruef told the jury that he went to Schmitz former residence and there handed to the Mayor at stated intervals one-half of the "fees" of \$500 and \$300 paid him by the proprietors of the five foremost French restaurants of San Francisco before the fire.

"I said substantially this: 'Mayor, I have received the \$500 from the French restaurant men and I would be glad to hand you half.' Then I handed him \$250 in currency." Is the way Ruef put it to the jury. This was after the defense had exhausted its best efforts to shut both question and answer out on the ground that the former was not properly relevant because in his direct examination no such matters had been broached to the Mayor. Judge Dunne decided that the pertinency of the question could not be doubted.

Arguments Are Begun.

The opening address for the prosecution by Hiram W. Johnson, son of ex-Congressman Grove L. Johnson and one of the foremost criminal lawyers of the state, occupied one hour and 15 minutes. It was masterly in argument and in eloquence. Mr. Johnson avoided anything like an attempted résumé of the evidence in all its voluminous details. He selected rather the main peaks and, steering by them, endeavored to plot the jury over a short course to conviction.

Mr. Johnson was followed by J. J. Barrett, who spoke for two hours and one-half in behalf of the defense, making much of the argument that had the court permitted Ruef to tell the whole story, he would have testified that the restaurant men came to Ruef and besought his services as an attorney, and that no threat was made to or held over them that they would lose their licenses if they did not pay him money, and that Ruef's contention would have been that he did not exercise any control over the license board.

Mr. Barrett told the jury that under the testimony adduced the most that might be proved was that money was extorted by Ruef from the French restaurant men by threat to close the bedrooms on their upper floors.

Ruef Ordered to Answer.

When the trial was resumed Judge Dunne's temporary courtroom was crowded from gallery to altar, as it was recognized that this was the crucial day in the trial. Ruef looked pale and a trifle apprehensive as he took the witness stand. He had him-

self apparently well under control, however. Schmitz looked better and seemed in better spirits than at any time since the trial began. As soon as court had fairly well opened argument as to the admissibility of the pending question was begun. Mr. Campbell, of the defense, arguing against its admission, and Mr. Heney, of the prosecution, arguing for it.

The question was: "Did you in January, 1906, in the house at 280 Fillmore street, give this defendant, Eugene E. Schmitz, \$2500 in currency?"

"When the court ruled in favor of the state, Ruef in a hush that was almost painful answered the question clearly and distinctly:

"How much?" asked Mr. Heney. "Twenty-five hundred dollars in currency," was the reply. "What did you say when giving him the money?" "I said I had received \$500 from the French restaurant men and I would be glad to share it with him and then I gave it to him."

Second and Third Payments. "Did you in January, or February, 1906, give Mayor Schmitz at his house any money, and if so, how much and at what time?" "Some time after January, 1906, I handed him \$1500 in currency at his home at Vallejo and Pierce streets. I told him that the French restaurant keepers had paid me a second installment of \$3000, which was \$2000 less than they had agreed to pay. I gave Schmitz \$1500 in currency."

"Did you at any time give Mayor Schmitz any money you received from what is known as the little French restaurants?" "I am not positive. My recollection is that I gave him \$250."

Ruef said that he did not recollect having given Schmitz one-half of the \$500 paid him by the proprietors of the old Poodle Dog, Jack's and Frank's.

"Take the witness," said Mr. Heney. "Mr. Ruef," asked Mr. Campbell, without a moment's pause, "where do you reside now?" "A ripple of laughter ran through the room.

"In San Francisco," was the imperturbable reply.

His Temporary Abiding Place. "But in what particular place?" "My temporary abiding place is at No. 2549 Fillmore street," he answered, with a half smile of amusement. "Again the audience tittered.

"And how long," persisted Mr. Campbell, "has that been your abiding place?" "Since Ellzor Biggy selected it as the place for my detention," said Ruef.

"Now, Mr. Balluff," declared Judge Dunne sternly, "if there is any more disturbance here, I will adjourn court in order to allow you to clear the room, then we will proceed."

This put a quietus on the risibilities of the big crowd.

"And how long has that been?" asked Mr. Campbell.

"Since the latter part of March of the present year."

"Do you know Detective William Burns?"

"I know him."

"I have met him frequently since you became an inmate of Mr. Biggy's house?"

"Yes, and before that at the St. Francis as often as twice a day."

"Do you know what relation he has to this case?"

"Kindly state what it is."

"He is employed in securing and attempting to secure evidence to assist the prosecution."

"Do you know by whom he is employed?"

"Not of my own knowledge," said Ruef.

"As a matter of fact, do you know that he is employed by Rudolph Spreckels?"

Mr. Heney objected to this. "The witness says he doesn't know," reminded Mr. Heney.

"Ah, yes," responded Mr. Campbell, "but I'm not bound by his answers.

Addressing himself to Ruef, he asked:

"How frequently have you seen William J. Burns in the last 60 days?"

"Do you mean how many times he has visited me?"

"Yes."

"Probably one hundred and fifty times."

"What has been the character of those visits in regard to the testimony to be given in this case?"

The objection of the prosecution was overruled.

"Do you mean," asked Ruef, "what has transpired at those visits?"

"Y, s, sir."

"I have spoken to Mr. Burns about this case, but only two or three times."

Long Talks Before Testifying.

"Where were you last night?" demanded Mr. Campbell, sharply.

"At home," answered Ruef, calmly.

"In whose company?"

"In the company of William J. Burns from 8:30 to 7:30 P. M., and from 8:30 to 11 P. M."

"What was said last night about the testimony you would give in this case?"

"Nothing."

"Anything said Sunday night?"

"Yes—Sunday or Monday."

"All right; Burns was with you that night until 3 o'clock in the morning, wasn't he?"

"No, I think he left between 1:30 and 2."

"You were talking to him about the testimony?"

"It was being discussed, yes."

"Mr. Ruef," asked Mr. Campbell, coming about abruptly on a new tack, "you are under indictment, are you not?"

"The witness said he was."

"About 30 times, eh?"

"Well, a very large number of times."

Responding to other questions by Mr. Campbell, Ruef said that during the last 60 days he had been guarded in the Fillmore-street prison house by Ellzor Biggy and eight guards.

Promises of Leniency.

"Did Burns say to you that if you testified in this case it would go easy with you?"

"He did not put it that way. He said if I would make a full statement, he would do what he could to secure leni-

SCANDAL AMONG GERMAN ROYALTY

Kaiser Banishes His Cousin Frederick.

VILE ORGIES AMONG HIGH-BORN

Zu Eulenberg Slapped by the Kaiser and Dishonored.

SYBARITIC ROUND TABLE

Daughter-in-Law of Von Moltke Starts Exposure, Which Stains Names of First Families and Convolves the Empire.

BERLIN, June 12.—(Special.)—Court circles and the entire empire are shaken to the foundations by the Eulenberg scandals, the most recent development of which is the degrading of Prince Frederick Henry of Prussia by the Kaiser, who has ordered him to remain out of Germany forever because of his extreme immorality.

When undisputed evidence of the Prince's guilt had been presented, the Kaiser summoned his cousin to the palace. There the charges were read to Frederick.

Emperor William personally tore from his relative the orders and decorations he wore, struck him in the face and ordered him to leave Germany and never return, under penalty of being thrown into prison.

In tears Frederick departed and is now on his way to Egypt.

Sybaritic Affected Piety. The scandal is all the greater for the reason that Frederick has always posed as a pious man and was reputed to be the most moral member of the imperial family. He is the son of the late Prince Albrecht, regent of Brunswick, and inherited \$7,000,000.

Frederick's younger brother, Prince Joachim, recently figured in a scandal when he proposed to marry Marie Sulzer, a music-hall singer. He was banished to Africa to prevent him from carrying out the plan.

The scandal which has resulted in the social ostracism of several of the leading young men of the German semi-royal nobility, a couple of divorces, a suicide and the dismissal from the army of a young officer whose name is famous in the military history of the empire, is known as "Prince Phillip an Eulenberg's Round Table" and was first exposed by Maximilian Harden, a Berlin editor. The story reveals an unparalleled condition of sybaritic debauchery practiced by a clique of men whose names are proudest in the empire and whose circle includes as its dupes and prey the Emperor himself.

How Scandal Came Out. Berlin is ringing with accounts, extravagant and distorted in many instances, of the black rites and excesses practiced by Zu Eulenberg's "Round Table," as the coteries was known.

The climax of the revelations comes in the assurance that the information which has crept into the newspapers and so inflamed the country is given by a lady of nobility, who divorced her husband, one of the Round Table Knights, for the species of offenses against his marriage vows which does not figure in ordinary court records.

The first breath of trouble came on November 24, 1906, when Maximilian Harden, a noted publicist and friend of Bismarck, published in his paper, the Zukunft, a cryptic dialogue, veiled to the uninitiated, but sufficiently illuminating to the Round Table Knights to strike terror to their hearts.

Crown Prince Informs Kaiser. No one else had the courage to broach the matter to the Emperor, and finally the Crown Prince brought the matter to his father's attention. The Emperor believed that Harden was actuated by personal malice against Zu Eulenberg, until within the past few weeks, when his eyes were opened to the practices of his associates.

A few days ago Kuno von Moltke, dismissed from his position, challenged Harden, who refused to fight him. Von Moltke then applied to the public prosecutor to prosecute him for criminal libel. The prosecutor refused on the ground that it would involve other important people.

All Denounce Round Table. The newspapers then grew more explicit. The Berliner Tageblatt and the Cologne Gazette, the most powerful semi-official organs in Germany, referred to the Round Table in vigorous terms. Following this General von Boman, of the Round Table, a blood relative of the Emperor, being the son of the Emperor's youngest brother by a morganatic marriage with Rosalie von Rausen, handed in his resignation.

But the most striking of all was the resignation of Zu Eulenberg, who, since his return from Vienna, has remained a member of the Round Table, a blood relative of the Emperor, being the son of the Emperor's youngest brother by a morganatic marriage with Rosalie von Rausen, handed in his resignation.

HAYWOOD'S CASE HURT BY LAWYER

Richardson Injures His Own Theory.

STILL PRODDING ORCHARD

Scheme to Kidnap Children of Wallace Mineowner.

COATES DRAWN INTO CASE

Ex-Lieutenant-Governor of Colorado Implicated by Assasins—Direct Evidence Coming That Pettibone Supplied the Money.

BOISE, Idaho, June 12.—(Special.)—Again today the aimlessness of the defense in the Haywood case was illustrated on several occasions. It has been apparent all through the cross-examination of Orchard and has been commented upon by all observers that Mr. Richardson flounders around satly and leads into contradictions.

This afternoon, when he was asking Orchard about the plot to kidnap the Paulson children at Wallace, one of these blunders was made. Orchard had narrated to him by Coates and Simpkins. Finally Mr. Richardson asked if it were not a fact that he had suggested it to Coates and afterward to Simpkins and that the latter warned Mr. Paulson. Orchard answered, "No." Yet in a short time Mr. Richardson asked if he had not borrowed money from Mr. Paulson on which to leave town and Orchard said he had. According to conflicting theories, Mr. Paulson loaned Orchard money after he had been warned of the plot to steal the children.

Richardson's Dates Mixed. Again, at its climax, Mr. Richardson asked Orchard if he had not conceived the plan of murdering Steuenberg after revisiting his old friends at Wallace, and finding Mr. Paulson and others had grown rich out of the Hercules mine in which he had owned an interest; whether he had not then become imbued with a desire to kill the man who had forced him to sell out and leave the country. The fact is that, earlier in the cross-examination, Mr. Richardson brought out the fact that Orchard sold his interest in the mine long before the outbreak in 1899. He could, therefore, not hold Steuenberg responsible for it.

When Mr. Richardson brought out from Orchard the story of having been invited

to spend a month at Pettibone's house and the time the federation officials knew that Orchard had the dealings with the detectives which have been testified to here, and they knew he was accused of blowing up the Independence station at the instigation of the mineowners, according to another theory of the defense. Yet this agent of the mineowners was an honored guest at the home of Pettibone.

Hull McClaughy, assistant postmaster of San Francisco, is here with the record of the receipt of the registered letter which Orchard says he received with money from Pettibone. The Denver record of sending will also be set forth before the jury. Further, the Postal Telegraph Company has found the record of the transmission of the money which Orchard says he received in that manner from federation headquarters while he was in San Francisco. Some correspondence will be introduced showing that Meyer and Pettibone agreed to send money to Mrs. Orchard while Orchard was on that same trip.

Finish With Orchard Friday. There will be about three hours of the redirect examination of Orchard on Friday morning, according to present plans, but it may require much less time. Most everything has been brought out in the cross-examination that the state wants, but the relations of the witness with the Cripple Creek detectives will be gone over to some extent, and several other matters will be fully explained which have been only touched upon by the cross-examination and were not gone into on direct examination.

ORCHARD TELLS MORE CRIMES. Desperate Kidnaping Scheme Attributed to David Coates. BOISE, Idaho, June 12.—The defense today carried the cross-examination of Harry Orchard down to the actual crime charged against William D. Haywood—the murder of Frank Steuenberg—and as it progressed, assailed the testimony and theory of the state resting upon it. The Steuenberg crime was reached at midday and counsel for the defense directed their efforts to an attempt to cloud the earlier purposes and movements of Orchard with uncertainty and indefiniteness. Then they emphasized the abandonment of all effort to kill after Orchard first tracked Steuenberg to a hotel in Boise and with a skeleton key had gained entrance to the very room in which the Governor was living. Here they delayed for a moment to prove that Orchard twice wrote and once telephoned to Bill Easterly at Silver City to urge him to come and join in the crime, and the direct implication was that Orchard was endeavoring to inveigle another Federation man into the crime, which would bring discredit and dishonor to the organization.

Plot to Kidnap Children. Then the Steuenberg crime was temporarily thrust into the background and the witness was carried over his long diverting journey into Northern Idaho and his crimes there, including the dark plot to kidnap and hold for ransom the Paulson children, were forcefully emphasized. Orchard swore that David Coates, ex-Lieutenant Governor of Colorado, and then a publisher in Wallace, Idaho, first suggested the kidnaping to Pettibone and himself at Denver. Paulson, once a poor miner, had made a fortune in the Hercules mine, in which Orchard held an interest when the property was valueless, and it was believed that, if his children were stolen, he would "come through" with \$50,000 or \$60,000 in ransom. Orchard said that, when he went to North Idaho, he got Jack Simpkins to come in on the plot and together they went to Coates to renew the scheme.

Coates, who was in court, was asked to (Concluded on Page 3.)

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Abe Ruef, Whose Testimony Clinched Charge Against Mayor Schmitz.

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Wholesale Execution at Riga. RIGA, Russia, June 12.—Eight political prisoners were executed here today for participation in the recent disorders in the Central Prison, which was the subject of an interpellation in the lower house of Parliament regarding the tortures inflicted on prisoners at Riga.

PUGET SOUND SEES AT LAST THAT IT IS EASIER TO GO AROUND A HILL THAN OVER



(Concluded on Page 8.)

PARCEL OUT LAND LIKE EMPERORS

Hill and Harriman Divide Territory.

OREGON GETS WORST OF IT

Car Shortage More Acute Than in Washington.

SEATTLE WANTS ALL TRADE

Seeks to Use Oregon Road to Invade Portland Territory—Relief From North Bank Road—Cotton Offers Reciprocity.

OREGONIAN NEWS BUREAU, Washington, June 12.—From evidence given today before the Interstate Commerce Commission it is very plain that J. J. Hill and E. H. Harriman have mapped out the Northwest, each taking a distinctive territory, from which the other is effectively barred.

Particularly is this true of the lumber business. It is practically impossible, under the existing freight rates and arrangements, for Oregon lumbermen to compete with Puget Sound in markets tributary to the Northern Pacific and Great Northern, and likewise impossible for Puget Sound manufacturers to invade territory tributary to the Harriman lines.

Both Systems Are Swamped. And so far as the respective railroad systems are concerned, neither has any desire to invade the other's territory. Both acknowledge their utter incompetence to handle the business that is offered them and each objects to being compelled to take care of the surplus of the other. Oregon lumber manufacturers, while suffering intensely because of the inability of the Harriman roads to get their produce to market, are apparently content to hold the markets open to them, if they are only enabled to supply these markets with dispatch. Puget Sound, which now has three cars to one at Portland, is eager to invade Portland territory and is clamoring for a joint rate in this way to dispose of its surplus product.

Seattle Wants the Earth. This fact was brought out yesterday, but was even more strongly emphasized at today's hearing before the Interstate Commerce Commission. It was merely an exemplification of Seattle hogishness. Not content with three transcontinental roads as compared with two in Portland, Puget Sound wants to secure further advantages by having an equal right with Portland to the use of the O. R. & N. and connecting lines in order that it may ship its entire lumber output cognizant that any such concession will still further restrict Portland's market in proportion to Puget Sound's gain.

The hearing on Puget Sound's petition for a joint rate will conclude tomorrow morning, after W. W. Cotton has had one hour for argument against the issuance of a joint rate.

Oregon's Plight Worst. A. C. Dixon, vice-president of the Oregon Manufacturers' Association, proved the best witness who has yet testified in this case. He described the damage that has resulted to the lumber business of Oregon in consequence of car shortage, which he declared had been more acute since January 1 than ever before. He declared that Oregon mills were being supplied with only 25 to 50 per cent of the cars they ordered and could have used. The officers of his association had made a careful investigation of the lumber industry in both Oregon and Washington, and found the Oregon mills in much worse shape, largely, he declared, because three cars were being supplied the Washington mills where one car is being furnished the mills in Oregon. Smaller mills had been forced to suspend, while the larger mills were operating on borrowed money.

Would Paralyze Oregon Mills. Mr. Dixon was decidedly opposed to granting a joint rate on Puget Sound lumber, because it would mean the diversion to Puget Sound of many cars now supplied to carry Oregon lumber to market, and it was his opinion that the establishment of such a rate would produce financial paralysis in Oregon lumber circles. He said Oregon mills now have on hand more lumber than the mills of Washington, due solely to the fact that fewer cars are furnished to transport lumber to market. Mr. Dixon believed the car shortage was partly attributable to lack of competition.

Phillip Buchner, of the Eastern & Western Lumber Company of Portland, was next put on the stand, but was not given much opportunity to be heard, as his testimony in the main was intended to corroborate what had been said by Mr. Dixon. He said Portland was shipping very little lumber by the Northern Pacific, because it could not get cars. It was apparent that the road was reserving the markets tributary to its line for shipments made yesterday by the petitioners to the effect that Oregon controlled the lumber market of the Middle West, insisting that in Denver alone 75 per cent of the lumber was purchased on (Concluded on Page 8.)

Contents Today's Paper.

The Weather. YESTERDAY'S—Maximum temperature, 61 degrees; minimum, 46. TODAY'S—Showers, followed by fair and warmer weather; westerly winds.