

BARNETT SMILES WHILE UNDER FIRE

Accused Bankwrecker Gives Evasive Answers to Cross-Examiner.

DENIES BROWN'S CHARGES

Says He Shipped Cotton Bonds to Bank Without Ordinary Precautions—Never Told Brown Spirit Directed His Actions.

SAN FRANCISCO, June 19.—With a set smile upon his face and in a manner that was well-mollified and firm, Walter J. Barnett went through the ordeal of an hour and a half of cross-examination, fierce, denunciatory, insinuating at times, at the hands of Hoff Cook, Assistant District Attorney, who has alone conducted the trial of Barnett for the embezzlement of the Cotton Securities. At the end of this ordeal, still smiling, Barnett left the stand to be embraced and patted on the back and shaken by the hand by his half dozen prominent attorneys and to hear the attorneys for both sides say that the evidence in his case was all in.

Careless About Bonds.

Thomas J. Geary, attorney for Barnett, called Barnett to the stand early this afternoon. It was, however, a voluntary move on his part and made at his own request. Mrs. Barnett, accompanied by a score of woman friends, sat in the courtroom. Mr. Geary asked Barnett slight questions, all relating to testimony given by J. Dalzell Brown, one-time friend and business associate of the accused man, and to all of these questions Barnett answered "no." In every one of them he, in effect, gave the lie to Brown. Then he was turned over to Mr. Cook.

Many of the answers of Barnett were evasive. He testified that he had shipped the Cotton Securities from Washington, D. C., to the California Safe Deposit & Trust Company in San Francisco without taking the numbers of the bonds of the Western Pacific Railroad Company, which were assigned them. He had taken no insurance against their loss in transit, and he had placed a valuation of \$100,000 on them when he knew that their market value was over \$300,000. He did not even place his own name as sender on the package, and for some time after they had had time to reach California he did not ask for a receipt for them or inquire about them.

Refuses to Give Reasons.

"Why did you omit all of these ordinary precautions of business?" asked Mr. Cook.

"Because I did," replied Barnett. "For no other reason?" asked Mr. Cook. He was trying to show that the bonds were never sent, as testified to by Barnett.

"For no other reason that I can remember of," replied Barnett. Barnett testified that he never directed Brown to hypothecate or sell the Cotton Securities in order to save the falling bank, nor did he tell Brown, he testified, that the spirit of the law was against him, because, directed him to use the bonds placed in his custody as executor of her estate, for the use of the bank. To all the questions asked by Mr. Cook, Barnett gave absolute denial, except in some cases where there had been testimony of others to corroborate the testimony of Brown, and in these instances his memory did not serve him well and he was in doubt. The jury has been locked up until Monday morning, when the arguments will begin.

VICTORY FOR LUMBERMEN

(Continued From First Page.)

Commissioner Harlan dissented, taking the position that the advanced rates are, in the main, justifiable, in view of the changed conditions since the old rates were established. The decisions take up over seventy printed pages.

Forty-cent Rate to Missouri.

The lumbermen won a distinct, though not complete victory in the two leading cases involving the rate on lumber shipped from the Pacific coast to points East. In general the Commission, in opinions by Messrs Clark and Clements, restored the old rate in territory West of the Missouri river and compromise on the rate to points East of the Missouri river, granting an advance in this territory of not over five instead of ten cents. Strictly speaking the Missouri river is not the dividing line in actuality. The Commission holds that the rate to all points on and West of a line drawn from Pembina, N. D., through Grand Forks, Moorhead, Breckenridge, Sioux City, Council Bluffs, St. Joseph and Kansas City, thence to Port Arthur, Texas, including all points East of that line which now take the same rates as points on that line and including Sioux City and Kansas City, were unreasonable, and restored the rates that were in effect prior to October 31, last, where the forty-cent rate in this territory was raised to fifty cents, the Commission directs that the forty-cent rate be re-established by August 15. Other rates are similarly restored to the former basis.

Five-Cent Advance to Last.

But in the territory East of the line above described, the Commission concedes that some advance is justifiable. "Though the increase should in no case exceed the rates in effect immediately prior to November 1, 1907, by more than five cents per hundred, and must be in conformity with the differential rates prescribed in the Potlatch case." The opinion continues:

The rates to points in Minnesota east of the line mentioned should be graded up from the line so as to reach a maximum increase of 5 cents at St. Paul, Minnesota transfer and Duluth. The rates from Missouri River crossings should be graded up and a maximum increase of 5 cents be reached at the Mississippi River. Chicago rates should apply to all points between the Mississippi River crossings, East Du-rouge to East St. Louis, inclusive, and Chicago. Rates to St. Louis and points taking the same rates should not exceed rates to Chicago. This adjustment preserves the differential rates by carriers under advanced rates between Missouri River crossings and Chicago and also maintains the parity fixed by the defendants between St. Louis and Chicago.

Give Reparation for Excess.

While permitting some rates to be increased, this adjustment also reduces some below what they were immediately prior to the increase complained of. We think that complainants are entitled to reparation only upon shipments upon which charges were collected in excess of the rates between

the same points which were in effect immediately prior to November 1, 1907; that in instances in which the rates herein prescribed are not lower than the rates which were in effect between the same points immediately prior to November 1, 1907, such rates should be measured by the difference between the rates actually paid and those herein prescribed; and that in instances in which the rates herein prescribed are lower than the rates which were in effect between the same points immediately prior to November 1, 1907, such rates should be measured by the difference between the rates actually paid and those which were in effect between the same points immediately prior to November 1, 1907. This case will be held open for such supplemental proceedings as may be necessary for the interested parties to formulate their respect to reparation. The foregoing was the opinion on the complaint of the Oregon & Washington Lumber Manufacturers' Association and the Pacific Coast Association.

Lumber Rate for Valley.

In what is known as the Southern Oregon case, an opinion by Mr. Prouty holds the advance from \$2.10 to \$5 per ton on lumber shipped from the Willamette valley to San Francisco was unreasonable. The Southern Pacific is ordered, on or before August 15, to cease collecting the \$5 rate and in effect to collect the rate exceeding \$3.90 per ton from points on the east bank of the Willamette and upon the west bank south of Corvallis to San Francisco and Elko points on rough, green fir lumber and lath, in car loads; and a rate not exceeding \$3.65 per ton from points upon the west bank of the Willamette north of Corvallis, not including in either rate Portland as the point of origin.

Portland Has Water Rate.

Portland is not permitted to share in the benefits of this decision, because the Commission holds it has the advantage of water transportation to San Francisco and is not competed, like Valley points, to ship by the Southern Pacific. The Commission holds that Portland, with its water rate, can successfully compete with Valley mills in the San Francisco market.

The Commission declares that the advance which the railroads made "excessive by a considerable amount" and would be obliged to close down and the larger mills reduce their output and correspondingly reduce their earnings. While \$2.10 is admittedly low, the Commission says it has always yielded and would in future yield a substantial return over and above the cost of operation, and its maintenance in the past has contributed much to the prosperity of the Southern Pacific. Nevertheless, the Commission did not restore the \$3.10 rate, but granted an increase of 30 cents, because the water rate from Portland to San Francisco has correspondingly advanced since the \$3.10 rate was first established.

Concessions to Interior.

In the Potlatch case, involving the rate from the Inland Empire to points East, the commission holds that the new rates fixed by the Northern Pacific and other roads are excessive and should be readjusted. The railroads themselves having admitted that this territory is entitled to differential under the Coast rates, the commission prescribes what those differentials shall be. This territory is favored in rates because the timber is inferior to that produced west of the summit of the Cascade Mountains and for the further reason that the haul to Eastern markets is 400 miles shorter than from the Coast, much of that haul being over heavy mountain grades. The differentials fixed by the commission are based upon the rates established in previous cases on shipments from Pacific Coast points to the East.

Gateway Opened to Utah Only.

The Portland gateway case is compromised temporarily. This outlet is opened to Washington fir, cedar, spruce and shingles originating along the line of the Northern Pacific north of Portland, when shipped to Ogden, Salt Lake and common points in Utah, but the gateway is closed to Washington lumber consigned to Colorado and to points north and east of Utah. The Northern Pacific and Harriman lines are ordered to establish through routes via Portland to Utah and to maintain a joint through rate not exceeding 40 cents per 100 pounds in carload on fir and spruce and 50 cents per 100 on cedar and shingles between the said points. The testimony shows that the Northern Pacific within a year will be able to handle all lumber offered.

"Under these circumstances it hardly seems to us that we ought to open this territory as a permanent market," says the Commission. "The statute expressly forbids it, and even if we were left entirely free to exercise our judgment it would be a matter of grave doubt whether we ought to grant the prayer of this petition."

Only Temporarily Open.

The Commission is inclined to the view that the Northern roads should be allowed to handle exclusively the lumber originating along their lines. The Commission says that a satisfactory route now exists from Puget Sound to Colorado and Northern markets, but the routing to Utah is not reasonably satisfactory, therefore routing is temporarily to be made via Portland.

It is clearly intimated in the commissioners' opinion that, had not lumber rates been generally advanced, the Portland gateway would not have been opened to any Washington lumber whatsoever, but before the commission could pass upon the gateway petition the increased lumber rate was put into effect, thus changing the entire situation. The commission is aware that the Union Pacific system is obligated to give first consideration to lumber originating along its line and admits that its capacity is now taxed in handling this lumber. Nevertheless, it is held, the lumber output of Washington is double that of Oregon, and until the Hill system increases its capacity, the commission believes it is in the general interest to permit certain Washington lumber to pass through the Portland gateway.

Portland Has Advantage.

Portland, however, enjoys the advantage of 2 1/2 cents per hundred pounds on lumber shipped to Utah over the rate given Southwestern Washington. Portland is given a new rate of 37 1/2 cents per hundred on fir and spruce and 47 1/2 cents on cedar and shingles. The Washington rate via the gateway is 40 and 50 cents respectively. In the past the rate from Washington to Utah has been 5 cents higher than the rate from Portland. The commission holds this difference was too great.

STAMP OUT REVOLUTION

Mexican Rurales Arrest 30 Suspects of Plot Against Government.

EL PASO, Tex., June 19.—Additional arrests of alleged Mexican revolutionists were made today by Rurales at Nuevo Castes, and 30 are now in jail. Among the prisoners is Santa Ana Perez, leader of the Teosachile revolution of 1882, when the Mexican customs house of Polamos was raided.

Troops at Chihuahua are held in readiness to move to the scene of the uprising.

Today (Saturday) is the last day for discount on East Side gas bills, Portland Gas Company.

Great Values on the Center Bargain Tables Today—Summer Millinery at Very Low Prices

"OWL" DRUGSTORE. LOWEST CUT-RATE PRICES IN PORTLAND.

Established 1850—FIFTY-EIGHT YEARS IN BUSINESS—Established 1850. Lipman, Wolfe & Co. Good Merchandise Only—Quality Considered Our Prices Are Always the Lowest.

Victor Talking Machines. AT THE LOWEST PRICES IN PORTLAND.

\$1.75 Long Silk Gloves \$1.09

New Leather Shades—Pongee and Brown—Black and White. The greatest Silk Glove Bargain of the Summer at any Portland Store; full 16-button length silk gloves, with clasps at wrist, made of fine heavy silk, double-tipped fingers. All sizes, in black, white, all the new leather shades, pongee and brown. Regular \$1.75 vals. \$1.09 For Saturday.

\$1.25-\$1.50 Silk Gloves 75c

Elbow-length Silk Gloves in black and white, full elbow-length, double-tipped fingers, standard make, all sizes. A special purchase enables us to offer this regular \$1.25 and \$1.50 value at 75c.

Store Open Until 9:30—All the New \$1.18 and 50c Fiction in the Book Department

All 25c Sheet Music 2 for 25c. Illustration of a woman playing a piano.

All Infants' and Children's Wear Reduced

50c Headwear 25c Each. Infants' mull or lawn Caps, with cluster tufts, lace trimmings; new beach hats and sunbonnets; button wash hats. Values to 25c. 50c, special. \$2.50 Headwear 98c Ea. Infants' and children's mull and lawn Caps and Poke Bonnets, with fluffy trimmings of fine laces, insertion, ribbon. Values 98c to \$2.50 for. All other infants' and children's Hats, Bonnets and Caps at one-third off regular price. 85c Dresses 59c Each. Children's colored Wash Dresses, made of cheek gingham, French or plaited styles, ages 2 to 6 years, values to 85c, for. \$1.25 Children's Dresses, 85c. Children's colored chambray Dresses, in Buster, French and yoke styles, sizes 2 to 6 years, values to \$1.25, special. \$1.50 Children's Dresses, 98c. Children's colored chambray and gingham Dresses, newest styles—gimpe, French, Buster, yoke—long and short sleeves, sizes 2 to 6 years, values to \$1.50, for. \$1.25 Pique Reefers 69c. Short pique Reefers, large collar and cuffs, embroidered trimmed, sizes 6 mos. to 2 yrs., reg. \$1.25 vals. 69c.

Children's Trimmed Hats Values to \$5 at \$2.19

The largest assortment of Children's Hats we have ever shown—and such beauties. Fancy lace straw hats with flower and ribbon trimmings; many novelty effects shown for the little folks. Exceptional values \$2.19 for Saturday at. Great special values today in flowers, Foliage, Shapes, etc., of all kinds.

\$1.75 Long Lawn Kimonos \$1.29

Long Kimonos, made of fancy figured lawns, loose or belted styles, turnover collars, band trimmings and scalloped edges. Values to \$1.75 for. \$1.29 \$1.50 Short Swiss Kimonos, 79c. Short Kimonos, made of white dotted swiss, embroidered and scalloped edges, in blue and pink; loose sleeve. \$1.50 values. \$1.25 Short Crepe Kimonos, 79c. Short Kimonos, made of fancy figured crepe, Japanese cut, scalloped edges, value \$1.25, sale price. \$1.00 Short Lawn Kimonos, 47c. Short lawn Kimonos, made of fancy figured lawn, loose and belted styles, short and long sleeve, plain and fancy band trimmings. Values to \$1.00 for. \$2.75 Long Lawn Kimonos, \$2.19. Long Kimonos, made of fancy figured lawns, new designs and styles, including loose and belted effects. \$2.19 Values \$2.75, special.

FERRIS NOT GUILTY

Jury in Montana Dynamiting Case Slaps at Detectives.

CONDEMNNS THIRD DEGREE

Decides That Youth Who Confessed to Wrecking Burlington Train Was Wheedled Into Making Confession of Guilt.

BITTE, Mont., June 19.—Louis Ferris was tonight acquitted of murder in connection with the alleged dynamiting of the overland Burlington train near this city May 1 last, the jury deliberating scarcely an hour. Ferris, who is 23 years of age, confessed to dynamiting the train, but the defense claimed that the confession had been wrung from Ferris by third degree methods. Ferris' mother and sister testified that they heard the officers promise the prisoner a job of driving a team, a new suit of clothes, freedom and other things if he would acknowledge dynamiting the train. The defense insisted that a broken rail caused the wreck, introducing a number of witnesses to bear out the contention. Ferris was tried for the murder of Engineer A. C. Bussey, who was killed in the wreck. Two other murder charges yet remain against Ferris.

SENDS HIS GOOD WISHES

President Roosevelt Congratulates Sherman on His Nomination.

WASHINGTON, June 19.—President Roosevelt today sent a telegram to Representative Sherman congratulating him upon his nomination, saying: "Accept my hearty congratulations and my earnest good wishes for the success of the ticket of Taft and Sherman."

On the eve of his departure for Oyster Bay for his summer vacation, the President was reminded that he, perhaps, of all men, had fairly earned a rest, to which he replied briskly and cheerily: "Do not waste any sympathy on me. I have enjoyed every minute of my stay here and my thanks are due to the American people and not theirs to me for the

KNOCKS OUT JIM BARRY.

Sam Langford Beats Chicago Heavyweight in New York.

NEW YORK, June 19.—With a terrific right hand upper-cut to the jaw, Sam Langford knocked out Jim Barry, the Chicago heavyweight, in the bout scheduled to go six rounds at the Fairmont Athletic Club tonight.

Reading Has \$75,000 Fire.

READING, Pa., June 19.—The large store of the Stichter Hardware Company in this city was destroyed by fire early today and several nearby buildings were damaged. Loss, \$75,000.

Contract Let for Big Docks.

SAN FRANCISCO, June 19.—Official advice have been received at the office of the construction quartermaster at the Presidio that the contract for three huge Government transport docks and the reconstruction of the flats near Fort Mason

General Debility

Day in and day out there is that feeling of weakness that makes a burden of itself. Food does not strengthen. Sleep does not refresh. It is hard to do, hard to bear, what should be easy—vitality is on the ebb, and the whole system suffers. For this condition take

Hood's Sarsaparilla

It vitalizes the blood and gives vigor and tone to all the organs and functions. In usual liquid form or in chocolate tablets known as Sarsatabs, 100 doses \$1.

MEET ME THERE. HYDE PARK.

Mrs. Sage Gives a Picnic.

NEW YORK, June 19.—This afternoon every child in Sag Harbor was among the guests of Mrs. Russell Sage, who had planned a picnic for the children. All the children had been asked to be present and join in the festivities. There were games and music and an out-of-doors supper for everybody.

Diamond Smuggler Arrested.

NEW YORK, June 19.—As a result of an investigation into the alleged smuggling of diamonds on the steamers plying between this port and Antwerp, Edward Stocker, a second cabin steward on the steamer Zealand, was arraigned yesterday before United States Commissioner Shields, charged with smuggling.

Bank Broken by Stupid Negroes.

LITTLE ROCK, Ark., June 19.—The Capital City Savings Bank, the only negro bank in Arkansas, went into the hands of a receiver today. Because an illiterate negro had overdrawn his account and had his check turned down, he started the report that the bank was insolvent, causing a run. Liabilities, about \$75,000.

Mulal Hafid's Army Beaten.

PARIS, June 19.—A dispatch received here from the French Consul at Casa Blanca says that the Siraghina tribesmen have defeated the followers of Mulal Hafid, the insurgent Sultan, in a series of engagements at Morocco City.

Building Grain Warehouses.

LEWISTON, Idaho, June 19.—(Special.)—The Kerr-Gifford Grain Company, which recently purchased the business of the Kettanbach Company in this field, has opened offices in this city, with E. O. Warmouth in charge. Mr. Warmouth stated yesterday that the Kerr Gifford Company would erect warehouses at Steunenberg, Fenn, Gifford, Cottonwood and Grangeville, and with these com-

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