REPORT SEVERELY INDICTS SCHIVELY

Brands Him as Wholly Unfit to Be Head of Insurance Department.

CHARGE OF GRAFT MADE

Board of Control and State Fair Commissioner Censured and Sam H. Nichols Condemned-Various Offices Not Mentioned.

OLYMPIA, Wash., June 23.-(Special.)-Accompanied by a message recommending the removal from office of J. C. Schively, Insurance Commissioner, either by impeachment or abolishment of the office, the continuation of the investigation and the continuation of the investigation and the probing of all offices, departments and institutions in which suspicion has been directed, Governor Hay presented the report of the legislative investigating committee to the special session of the Legislature this afternoon. The message was read before the joint assemblage at 5 o'clock, and refers only to the office of insurance Commissioner, although the committee report takes up several other departments.

Report Calls Schively Unfit.

Message and report allike contain a severe indictment of the insurance department and charge that Schively is wholly unfit to be the head thereof. The committee report is devoted principally but not wholly to the insurance matter. Its condemnation is directed at the actions of Sam H. Nichols, who resigned as Secretary of State while under fire in May, and at Schively, who was Nichols' deputy in charge of insurance matters for eight years, when the insurance department was an adjunct of the Secretary of State's office. Schively is now insurance commis-sioner, the office having been made elec-tive by a law passed in 1907.

Charges Thousands Pocketed.

Summarized, the report of the committee is that Schively and Nichols have been charging insurance companies for admission to do business in this state and for examination of their securities from \$50 to \$200 each in excess of the statutory fees, this additional charge, in the majority of instances, having exceeded their expenses, and that the excess was pocketed by them. The committee charges that in five years about \$5000 has been collected and retained for examinations never made. Summarized, the report of the commit-

aminations never made.

It is also charged that Schively has been charging an unlawful fee of \$2 for affixing his certificate of publication to the published annual reports of insurance companies and retaining the fees for his own use.

The committee does not attempt to esti-The committee does not attempt to estimate the total amounts collected by these methods, not having found any record of them, but says the sum is "several thousand dollars."

Nichols Is Dismissed.

The report dismisses Nichols from con-

The report sismisses Nichols from consideration with the statement that after his resignation from office the committee did not pursue its investigations of his conduct further.

Schively's conduct is characterized as "highly reprehensible." in that he accepted salary and commissions amounting to \$2500 for acting as president of the Pacific Livestock Association of Spokane and at the same time acted as Deputy Insurance Commissioner and received a regular salary from the state. He is condemned also for collecting \$200 as Insurance Commissioner for examining his own ance Commissioner for examining his own company and is further charged with hav-ing failed to make the annual investigation of domestic companies as required by In concluding, the committee arraigns Schively as follows:

How Schively Is Arraigned.

How Schively Is Arraigned.

"He issued and revoked licenses, and conducted and managed the entire department; that his wrongful, arbitrary and unwarranted conduct, as set forth in the above findings, was not only highly reprehensible, but extremely injurious to the interests of the insuring public in this state; that his gross neglect of official duties has caused insolvent, irresponsible and fraudulent companies to flourish and prosper for a time; that his failure to perform the duties imposed upon him by the insurance laws shows him to be incompetent and inefficient, and has brought the insurance department of the State of Washington into great discrepute, both in this state and abroad; and that his practices in wrongfully collecting excessive fees and retaining them arands him as a corrupt and unworthy public official."

Board of Control Censured.

The committee censures the Board of Control for accepting the new building at the Eastern Washington Hospital for the Insane and paying the full contract price therefor. Although pointing out many defects, the committee concludes that the building is safe.

The State Fair Commissioner is mildly censured for not maintaining a better

censured for not maintaining a better system of accounts and for maintaining a too expensive management for an institution of that magnitude.

Several Offices Untouched.

The committee reports that the time and money at its disposal did not permit it to make exhaustive examinations of the office of State Auditor and of the State College at Pullman, but recommends that both, be fully investigated.

Bishop of Jefferson declared the House was not organized, and said he had heard of such tricks being played in party caucuses, but never supposed a member of the Legislature would do

a resolution had been presented. Loren Grinstead, Chief Clerk, read a resolution providing for the appointment of a committee to notify the Senate the House was ready for business, giving Taylor of King as the author.

Taylor, who was for Slayden, promptly withdrew the resolution, but F. C. Jackson leaped into the breach and immediately presented it as his own. Then member after member, who favored Slayden, speaking on the resolution, condemned the seizure of the chair by Meigs and argued that the House was not legally organized.

Palmer interrogated Meigs from the floor, first addressing him as "Mr. Speakor," and then correcting the title to "Mr. Chairman."

"If you hold that you are speaker of this body without an election, why did you take the oath of office?" demanded Palmer.

"So that these would be selected."

"So that there would be no question," replied Meigs.

"If you don't want any question about it, why didn't you be elected?" returned Palmer, but Meigs declined to reply.

Slayden Forces Switch.

Edge of Spokane, replying to statements made by Beach concerning the Democratic caucus, declared the Demo-

ments made by Beach concerning the Democratic caucus, declared the Democratic caucus, declared the Democrata would support a party candidate but practically all had decided to vote for Meigs. Edge, who had been for Meigs, protested against his assumption of the chair without a vote. His remarks disclosed to the House that Meigs could have been elected if the latter had gone to a vote, and the Slayden forces started a movement to switch to J. R. Burke of Wahkiakum County.

With the Slayden members scurrying back and forth between deaks, Slms started a new row by presenting a written protest which read:

"I object to any further proceedings in this House of Representatives because I have been deprived of my constitutional rights to voice my vote for Speaker by a self-appointed speaker or chairman."

Meigs promptly ruled the objection could not go on record without an arinrative vote. A dozen offered motions to incorporate it in the record and on a roaring viva voce vote Meigs declared the motion lost. There was a storm of cheers, jeers and hisses.

"I have been in political conventions dominated by low-browed politicians," shouted Oile Hanson, "But such a proceeding as this would make Soapy Smith turn over in his coffin and bite the name plate." With an appeal from the decision of the chair pending and a roll call demanded, several members were on their feet trying to gain the floor when Meigs ruled that the protest could go in the record by unanimous consent. There was no objection.

Then Megs declared his resignation. Meigs Tenders Resignation.

"It has been entirely immaterial to me whether I became Speaker of this House for the special session or not, he said. "If the matter had been presented to me at the proper time, there would have been no contest on my part, but I have felt all along that reorganization was unnecessary. This view has been upheld in 19 states and by three others within the last year where speakers took the chair in special sessions without vote or eath.

chair in special sessions without vote or oath.

"This morning I consulted the Attorney-General on the subject and he informs me that there is absolutely no question but that the presiding officers of the regular session continue in that capacity. I shave been treated generously in the regular session and feel that I have had honors enough. I do not desire to intrude myself into the situation and engender had feeling. Therefore, in the interests of harmony and of the party we represent. I hereby tender my resignation."

Palmer favored accepting the Speaker's resignation and announced that the name of a brand new candidate would be presented if the resignation were accepted. On the vote there was practically a wet and dry line-up, the House declining to accept the resignation by a vote of 48 to 43. Palmer then moved that the record be made to show that Meigs had been elected Speaker. This carried with but two opposing votes, those of Ole Hanson and Farnsworth of Lincoln.

Senate Session Peaceful.

In the Senate the vote which retains In the Senate the vote which retains Ruth as president was on an appeal from a decision by the chair, Booth, of King, presiding. After Ruth had called the Senate to order and some preliminary routine business had been transacted, Hutchinson, of Spokane, moved that the Senate proceed to organize by electing a president and secretary. Ruth asked president and secretary. Ruth asked Booth to preside and the latter declared

president and secretary. Ruth asked Booth to preside and the latter declared Hutchinson's motion out of order. On appeal the ruling was sustained, 21 to 19, the old liberal and dry line-ups remaining intact, with the exception of Cotterill, who had been counted among the Rosenhaupt supporters.

Cotterill, several days prior to the convening of the session, had declared himself opposed to reorganization. Stewart, of Cowiitz, who maintained a conservative attitude in the local option fight, and who had been claimed by Rosenhaupt, voted to sustain the ruling. Cotterill and Stewart did not reach the city until a few minutes before the session convened. There was no discussion over the procedure.

The vetoed Senate bills were made a special order for tonforrow at 2 P. M. They are the Sunday hotel liquor license bill, the anti-campaign pledge and a bill amending the eminent domain act. The Senate proceedings were brief, the members flocking to the House chamber to witness the storm there.

Fay Freeman, an American girl, both of

Governor in His Message Says Honor of State and Party Is at Stake.

WANTS FURTHER PROBING

Transmits to Legislature Report of Investigating Body, With Recommendation That Work Be Continued in State Offices.

OLYMPIA, Wash., June 23 .- The State OLYMPIA. Wash., June 23.—The State Legislature met in special session at 2:30 o'clock this afternson. Governor M. E. Hay sent a message transmitting the report of the legislative committee that has investigated state offices, and recommending that the Legislature take action by impeachment or abolition of the office, to remove John H. Schively, State Insurance Commissioner, who is consured in to remove John H. Schlyely, State insur-ance Commissioner, who is censured in the committee's report for misconduct. The Governor further recommends that the present committee be continued in of-fice, to complete its investigation of state offices and institutions. The Governor's message follows:

Message of Governor Hay.

Gentlemen of the Sanate and House of Representatives of the State of Washington: Since your adjournment on March II last, the State of Washington has sustained a severe loss in the death of Governor Samuel G. Coegrove, who died at Pamo Robles, Cal., Sunday morning, March 28. III health after election gave Governor Coegrove little opportunity to devote himself actively to the affairs, of Mate, but we all know from the example he set as a citizen, the spotless record of his private life and his high ideals of the duties of an official as expressed in his public utterances, that, had he lived, he would have conducted his administration with an unselfiah devotion to the general welfare, fearless in the performance of what he prosecution of wrong.

Fully aware of the confidence reposed in Governor Coegrove by the people of Washington and the exceptional services they anticipated he would render the state, it was with full appreciation of the grave responsibility thrust upon me by the provisions of our state constitution that I took the oath of office as Governor on March 28.

Just prior to the adjournment last March of the 11th regular seasion of your honorable body you passed a resolution creating an investigating committee. This action was taken as a result of serious and alarming charges that had been made in open session upon the floor of the Legislature, involving the integrity and official conduct of creating sand conduct of such state committee with authority to "Investigate the affairs, doings and conduct of such state officers and such departments of the state government as said committee shall deem proper" and provided that it should "report the result of such investigation to the Governor of this state on or before the 12th day of July, 1909."

Committee Recommends Special Session. message follows: Message of Governor Hay.

a Governor on March 28.

Just prior to the adjournment that March of the proper of the adjournment that March of the proper of the adjournment that March of the proper of the adjournment that make the proper of the proper of the proper of the floor of the Legislature involving the integrity and official conduct of certain which the floor of the Legislature involving the integrity and official conduct of certain which the floor of the Legislature with authority Tou clothed your committee the integrity and official conduct of certain which the floor of the state government as the proper of the state of the stat

Schively Must be Bemoved.

Because of these reveilations, one of these officials has resigned his office and the evidence that has been gathered brands the other as unfit to continue in a position of responsibility. There is no denial of the moral obliquity on the part of the accused official—merely the specious plea that the letter of the law has not been violated. In the face of the evidence adduced and the admission of the charges made, one course only appears open to the Legislature, which is, the removal from office of the delinquent officer. There are two methods open to you by which this official may be removed:

1. By impreschment proceedings.

The vetoed Senate bills were made a special order for tomorrow at 2 P. M. They are the Sunday hotel liquor license bill, the anti-campaign pledge and a bill amending the eminent domain act. The Senate proceedings were brief, the members flocking to the House chamber to witness the storm there.

CHINESE WEDS WHITE

CHINESE WE THE MEMORIAN THE VANCOUVER, B. C., June 23.—That the six robbers who held up the Canadian Pacific train early yesterday morning east of Kamloops did not cross Shuswap Lake to the north, but turned south toward the American boundary, is the theory of the police. Half a dozen horses were stolen from ranches in the neighborhood and toward the south, and it is regarded now as a certainty that the men made their first attempt by boat, headed for the north, simply as a bluff to confuse the chase. No matter how rapidly they traveled, the holdup men could hardly reach the Washington boundary line before tonight. If they are not caught before tomorrow night the chances of getting them in British Columbia are regarded as slim. Indian hunters who know the country perfectly are now out endeavoring to track the robbers. That they were looking for a shipment of cash being sent from the East to a Vancouver bank is the belief of railway offi.

RUTH AND MEIGS STAY IN

(Continued From First Page.)

(Continued F

had heard of such tricks being played in party caucuses, but never supposed a member of the Legislature would do such a thing.

ST. AUGUSTINE, Fia., June 23.—Rev. Father Buckley, assistant rector of the cathedral in this city, was drowned at was made when Meigs announced that

Priest Is Drowned.

ST. AUGUSTINE, Fia., June 23.—Rev. Father Buckley, assistant rector of the cathedral in this city, was drowned at South Beach today while surf bathing.

Party Must Uphold Its Honor.

This legislative body is almost unanimous by Republican in its composition, and in the interests of your constituents and the reputation of your party. The people who gave you their suffrage will not only hold

Harbor lumber cut is reduced about 1,500,-000 feet a day, which means considerable to the regular channels of trade into which this money flows when the mills

which this money flows when the mills are running.

The Grays Harbor mills will not join in the general shutdown of two weeks from July 1 to 15, proposed for the mills of Washington, Oregon and Idaho, to give the lumbermen and loggers an opportunity to attend the Alaska-Yukon-Pacific Exposition.

However, so far as the Aberdeen mills are concerned it is not yet settled that they will be started after the Fourth, as has been promised. The lumber market has not improved and the owners have decided not to begin operations until there is a decided improvement over present conditions.

WATER PROJECT APPROVED Idaho State Land Board Sanctions Goose Creek Segregation.

BOISE, Ida. June 2: .- (Special.)-The State Land Board has approved the

tract of the Kuhn Bros. for the recla mation of the Goose Creek segregation of 50,000 acres of land lying in and around Oakley. The price of water rights was fixed at \$55 an acre, and the amount of water to be furnished at 1½ feet per

Two Million Dollars for a Bakery

that's a big price to pay for a bakery

-you could build one for a few hun-

dred-but you couldn't bake eight

Shredded Wheat Biscuit

in it every week in the year, and if

you could, they wouldn't be so clean,

pure or wholesome as the Biscuit

that are baked in our two million

dollar sunlit bakery. Food Fads may

come and go, but Shredded Wheat goes

on forever. A perfect food for the complete

nourishment of the human body. Always pure, always clean, always nutritious, always

the same. Two Shredded Wheat Biscuits

with hot milk for breakfast will supply all the energy

needed for a half day's work. . Your grocer sells it.

Shredded Wheat is made of the choicest selected white wheat, cleaned, steam-cooked and baked. Try it for breakfast

to-morrow with milk or cream. The Biscuit is also delicious for any meal in combination with fresh or preserved fruits.

THE ONLY "BREAKFAST CEREAL" MADE IN BISCUIT FORM

million

ANGRY CHINESE CUTS SELF

Stabs at Servian Boy, but Nearly Severs Own Hand From Arm.

WALLA WALLA, Wash., June 23 .-WALLA WALLA, Wash., June 23.—
(Special.)—Becoming enraged at some trivial mistake committed by his Servian assistant, Kid Lee, a Chinaman employed as cook in Oisen's restaurant, of this city, last night endeavored to stabhim with a butcher knife. Rushing at him with the knife in his hand, the enraged Celestial pursued the assistant around and around the kitchen, until finally, coming close to him, he attempted to stab him. ed to stab him In this he was unsuccessful, for striking at the Servian, who dodged,

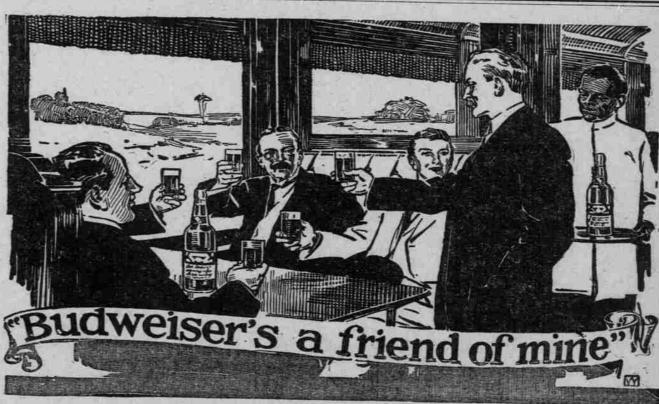
came down upon Lee's hand, nearly sev-ering it from the arm. This stopped the row and the wounded man was immediately taken to a local hospital for

knife, which was driven with great force,

MORPHY

THE OAKS 4 Nights

FREE EXCURSION SUNDAY SUBURBAN HOMES



THE TRAVELING PUBLIC

recognize the digestant qualities of a high-grade beer while eating and as an invigorant when travel weary.

On the dining cars of America more

Budweiser

The King of All Bottled Beers

is served than all other beers. Budweiser is a friend of the traveler because it soothes fatigue and is a shield against ill-health.

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CAUTION: To guard against deception and substitution, see that the corks are branded "Budweiser" and that the "Crown Caps" bear the A and Eagle trade-mark.

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ROBBERS HEADED SOUTH Police Believe C. P. R. Hold-Ups on

Way to United States.

being sent from the East to

ver bank is the belief of rallway offi-

BOATPULLER IS DROWNED

Companion Barely Rescued When Astoria Boat Capsizes. ASTORIA, Or., June 23 .- (Special.)-

ASTORIA, Or., June 23.—(Special.)—
In the lower river this morning William Bostrom, boatpuiler, who was employed by S. Schmidt & Company, was drowned, while Ed Norgood, captain of the boat, had a narrow escape. As the men were making a drift over Peacock Spit, their boat capsized and both men were thrown into the water. The lookout at Cape Disappointment witnessed the accident and Captain Stuart and his crew went to the rescue as quickly as possible. On righting the fishing boat. Norgood was found underneath it and was rescued, as were the boat and net.

was rescued, as were the boat and net.
No trace of the boatpulier could be
found and Norgood says he did not see
him after the boat went over.

ABERDEEN STRIKE COSTLY

Wage-Earners Lose \$50,000 and All

Trade Suffers From Shut-down.