PRICE FIVE CENTS.

Rules Transportation From Mississippi to Pacific.

EXTENDS ACROSS OCEAN

Contrary to Public Policy, Laws and Constitutions.

NO LIMIT TO HIS AMBITION

Oregon Neglected That Empire May Be Enlarged.

HOW ALTON WAS WRECKED

Commission Proposes to Forbid Joint Control of Competing Lines and Regulating of Stock Issues. Harriman Cries "Politics."

REPORT ON HARRIMAN.

The full text of the Interstate Commerce Commission's report on the Harriman system will be found on pages I and S, section d, of this issue of The Oregonian.

WASHINGTON, July 13 .- A report was made public today by the Interstate into railroad operations of E. H. Harriman and operations of the so-called Harriman lines of railway, which has been in progress for several months. The report, which was written by Commissioner Franklin K. Lane, is the unanimous expression of the Commission. report has been transported to President Roosevelt and the Department of Justice.

it will be determined by the President and Attorney-General Bonaparte from the report whether the Government will institute any sort of proceedings against Mr. Harriman or the corporations involved in the inquiry. No recommendations are made by the Commission as to whether criminal prosecutions be insti-tuted as a result of its inquiry.

Only Law Checks Ambition.

The report is an exhaustive summary of the evidence adduced at the several hearings held by the Commission in the course of its inquiry. It enters fully into a discussion of the policy pursued by Mr. Harriman in obtaining and maintaining control of the various lines of presents a fairly complete history of the ties of other rallway and steamship comoperations of the various lines. Ex-Mr. Harriman are given to show, as stated in the report, "that it is only the law which prevents the concentration in Mr. Harriman's hands of every railroad line lying between Canada and Mexico. This is the frank admission of Mr. Harriman himself, made at the hearing." "To gather under one head all exist-

ing transcontinental lines, or as many as possible, and to exclude the incon ing of all competition became manifestly the Harriman policy, which was inau-gurated in 1901 by the issuance of \$100,-000,000 of convertible bones by the Union Pacific," says the report. Mr. Harriman's eventual control of many of the competing transcontinental lines was prevented, it is pointed out, by the Supreme Court's decision in the Northern Securities case. It is shown by the report that it has not been the Harriman policy to permit the properties brought under Union Pacific control to decline, as in every case they are better today than they were when Mr. Harriman ac quired them.

Competition Is Eliminated.

Particular stress is laid by the Commission on the elimination of competi-tion in transcontinental business among the Harriman lines, and the Commission indicates that that is the matter of large significance developed in its in

Special reference is made to the deal by which Mr. Harriman secured control



E. H. Harriman, Whose Railroad Monopoly Is Declared Hiegal by the Interstate Commerce

of the San Pedro road and the manipulation of the Chicago & Alton, a very careful synopsis of the financial operations in both instances being given. Concerning the Chicago & Alton transaction, the Commission says:

"It was admitted by Mr. Harriman that there was about sixty millions of stock and liabilities issued against which no property had been acquired, and this is undoubtedly an accurate statement of the

The Commission further says concern ing the Alton deal that "It is evident that its history is rich in illustrations of various methods of indefensible financing,"
In its conclusions the Commission says:

"The effect of the control of the Southern Pacific by the Union Pacific has been to unify and amalgamate the management of these two roads and steamship lines and to eliminate competition between them in transcontinental business ports.

way by the Union Pacific and the Chicago, Rock Island & Pacific Railway Japan's operations in Mexico. Company has undoubtedly eliminated competition between the Alton and the Rock Island between Chicago, St. Louis and Kansas City.

"These are conspicuous illustrations of the 'community of interests' and 'harmony of management' which Mr. Harriman suggested when he demanded representation upon the Santa Fe board. "If the policy of purchasing and con-

trolling stocks in competing lines is permitted to continue it must mean suppression of competition."

Should Forbid Joint Ownership.

The recommendations of the Commission, which are more general than specific in terms and application, say that with the United States, the Ambassador the function of the corporation should be confined to the furnishing of transportation and that railways should not be perrallway in the Harriman system and mitted to invest generally in the securipanies, except connecting lines for the cerpts from the verbatim testimony of purpose of forming through routes of transportation, including branches and feeders. Its surplus funds, says the report, should be used for the betterment of its lines and extensions. In conclusion the report says:

"Competition between railways as well

(Concluded on Page 2.)

JAPANESE READY TO FIGHT AMERICA

Hordes of Brown Men in Mexico.

PLAN TO ATTACK FROM SOUTH

Immigration Company Bringing in Mikado's Men.

FORCE IS UNDER VETERANS

Eight Hundred Japanese Landed in Diaz' Country Each Month-Plan to Capture Lower California and Then Fight Northward.

MEXICO CITY, July 11 .- (Special)line thousand veteran Japanese soldiers are now in Northwestern Mexico. They are stationed at points in the States of Sonora, Sinoloa and Chihuahua. Each group is commanded by skilled commanders, who saw service in the Russo-Japanese war. Thirty thousand Japanese, the vast majority of whom are veterans of the Russian campaigns, are in the southwestern section of the United States and Lower California. Three Japanese Generals who held high rank the Russo-Japanese War have been Mexico for three months. They dress like Mexican rancheros and are ostensibly buying land.

The Trans-Oceanic Immigration Company, whose vice-president is T. Hinata, a member of the Japanese Parliament, is subsidized by the Japanese Governnent to bring Japanese soldiers to Mexico. They have been coming into Mexico at the rate of 800 per month, landing at Salina Cruz, Manzanillo and other Pacific ports.

In case of war, the plan is for the Japanese fleet to sail up the Gulf of California, capture the port of Guaymas and use the State of Sonora as a base of operations in a campaign against the United States. This plan will practically duplicate the operations against Russia which Japan selzed Corea at the out break of the Russo-Japanese War. Japan, in her war against the United

will despoil Mexican territory, which has no navy, just as she did that of Corea in the war with Russia. Foreign diplomats here, and especially those of Europe, are watching the dement because of the inadequate Ameri-

can secret service officials, who not to be thoroughly informed of This story is al ately correct in

every detail. AOKI URGES INTERMARRIAGE

Japanese Ambassador Declares It Is

, Solution of Race Difference.

NEW YORK, July 13 .- (Special.)-Viscount Aoki, the Japanese Ambassador, who came here to meet Admiral Yamomoto, made the startling statement today that intermarriage will solve the race problem, which of late has been markedly manifest on the Pacific Coast. After declaring that Japan had no thought of going to war discussed the causes and the cure for the difficulties in California. He said:

"I believe it possible for the race question to adjust itself. I deny that difference of race implies a necessarlly ineradicable enmity. I hold that the meeting of the East and West, which it is given our own wonderful age to witness, will result in a mutual contribution to a larger human ideal than either hemisphere now possesses, and to the erection of a leftier, more tolerant and richer civilization than time has yet seen.

"The factors in the peaceful solu-

OREGONIAN TELEPHONES TODAY.

nected this morning by the city central operator until 11 A. M., and thereafter by The Oregonian's exchange operator in the usual manner. If a subscriber desires to communi-

Trunk 1-Advertising, including want" and classified advertisements.

Trunk 4-City news. Trunk 6-Mailing room. Trunk 7-Engine room

A 1670-Advertising, circulation

Trunk 9-Managing editor.

(Concluded on Page 3.)

CONTENTS TODAY'S PAPER

YESTERDAY'S-Maximum temperature. TODAY'S-Showers; southwesterly winds.

farriman says report is political doc

The Japanese Question Japanese veterans gather in Mexico, ready to invade United States. Page 1. Sec-

Ambassador Ackl proposes intermarriage to cement Japanese-American ailiance. Page 1, Section 1.

Foreign. gue conference will adopt nearly all American propositions. Page 2, Sec-Stoessel and other defenders of Port Ar-

Morgan testifies against woman swindler | London Page 1, Section 2, Domestle. Stensland makes money off victims, in prison. Page 3, Lection 1.

Voliva threatens to build new Zion. Page 3, Section 1. Rate law prevents ratiroads coming to re lief of farmers. Page 1, Section 2.

strike. Page 2, Section 2, Riot between Americans and Greeks at Roanoke, Va. Page 2, Section 2. Rich Illinois banker accused of murdering his wife. Page 5, Section 1.

Peter Pan wins Brighton handicap. Page 2, Section 2.

Pacific Coast. Appeal Court refuses to mandamus Judge Dunne in Schmitz case. Page 3, Sec-tion 1.

Strong rebuttal evidence in Haywood case, followed by charge of perjury against witness for defence. Page 1, Section 1.

Monster crowds at Gladstone Park. Page 11, Section 1. Two desperate men break jall at Enterprise: Page 5, Section 1. W. O. (Dad) Trine, well-known athleti-

tion 1. Commercial and Marine. Record-breaking hop crop predicted by Carmichael of Salem. Page 9. Sec

Page 9, Section 4.

New York bank statement shows unex-pected cash gains. Page 9, Section 4. Ocean traffic gaining between Portland and coast ports. Page 7. Section 4.

Portland and Vicinity.

our policemen tried before Executive Board Committee. Page 12, Section 2.

Oregonian departments will be con-

cate with this paper before II o'clock he should call The Oregonian's regular number-Main 7070-and ask for Trunk 2. If an advertiser, he should ask for Trunk 1. The several departments will be connected as folws until II o'clock: Main 7070;

Trunk 2-Subscription and circula-

Trunk 5-Telegraph news. Trunk 8-Composing room

Home Telephones:

tion of the racial differences will be commerce and marriage. What is needed is understanding - mutual understanding. The instruments by which that is brought about are chiefly the process of trade and the institution of marriage. The Romans knew that. By these agencles they welded the in congruous elements of their mighty empire. The meeting of people from

The Weather. *

Interstate Commerce Commission reports declaring Harriman monopoly illegal, and Attorney-General will decide on ac-tion. Page 1, Section 1, and Pages 1 and 8, Section 4.

and is being pursued personally. Page 3.

anada also wrestles with Japanese influx Page 1, Section 1.

thur on trial. Page 2, Section 1.

Prohibition law sure to pass in Georgia. Page 2, Section 1.

Chicago operators warned to be ready for

Beavers defeat Seals, 6 to 2. Page 2. Sec-

Jerome K. Travers wins golf championship. Page 2, Section 2.

"Enemy" is foiled in night attack on Fort Stevens. Page 11, Section 1.

trainer, dies from cancer. Page 5, Sec

Better bank showing helps stock market

Chicago wheat market advances on cro-damage reports. Page 9, Section 4.

Secretary Garfield visits Porland and spenda busy day, probing land grant. Page 1, Section 1.

COMES TO PROBE LAND MONOPOL'

Object of Secretary Garrield's Visit.

SPENDS BUSY DAY IN CITY

Holds Important Conferences With Oregon Men.

ATTENDS PUBLIC BANQUET

Dinner at Commercial Club Brilliant Affair-Head of Interior Department and Subordinates Are Among the Speakers.

To secure information that will enable him to lift the blight of the Southern Pacific land grants in Oregon is one of the leading objects Secretary of the Interior James R. Garfield had in visiting Portland yesterday. With a party of high Government officials in the Forestry, Reclamation and Land Departments of the Federal Governnent, Secretary Garfield arrived here yesterday morning. In discussing the needs of this section of the country in relation to his department, Secretary Garfield's attention was brought prominently to the Southern Pacific land monopoly and the complete resistance made to any attempt to force the sale of lands held in trust by that company.

It is believed that the Secretary's visit will result in the loosening or the grip of the railroad corporation on hundreds of thousands of acres in this state that are sought by actual settlers.

Confers With Mr. Bristol.

Long conferences were held yesterday by Secretary Garfield with United States District Attorney Bristol on this subject. Vigorous efforts, it WRA learned, are to be put forth, with the full co-operation of the Secretary of the Interior, to force the hand of the Southern Pacific and to compel the sale of lands held by that company in defiance of the terms of the compact entered into with the Government when the lands were granted.

So earnest is Secretary Garfield in this work, that after a splendid banquet given him last night at the Commercial Club, which did not end until I o'clock, he went into a conference with District Attorney Bristol on the subject of Southern Pacific land grants which lasted nearly until dawn. concerning the grants, which has been secured under the direction of the District Attorney, was carefully examined by Secretary Garfield and it is understood that he has his mind fully made up to insist that the Southern Pacific accomplish the sale of these lands to bona fide settlers.

Good News for Settlers.

This is the most significant result of Secretary Garfield's visit to Portland. In this work he will accomplish what hundreds of Oregon people are seeking and with the assurance that he will proceed actively along this line the hopes of many claimants of these lands will rise accordingly. A fitting climax to the visit of Sec-

retary Garfield and his party to Portland yesterday was the banquet last night. There have been few public dinners given in the city that have called forth a larger attendance, and many brilliant speeches were made. Secretary Garfield was the center of attraction, naturally, but there were have come out here to shake your hand, many other speakers of prominence, to look you in the face, that we might notably Judge Stephen S. Lowell, of Pendleton, who made an eloquent address, in which he pleaded for justice to all, irrespective of their station in

life. In this speech, he echoed the seatiments expressed by Secretary Gar-

After a day spent in Portland, in which the Secretary and his party sought to learn the needs of the great Pacific Northwest in land and irrigation matters, the party will leave the city at 7:45 this morning for Klamath Falls, where they will inspect the Klamath irrigation project.

Banquet Brilliant Affair.

The banquet last night was a great success from every standpoint. The affair was under the personal direction of Steward Breckenridge, of the Commercial Club. The long tables were handsomely decorated with lilies, sweet peas, smilax and other greens, and the dining room presented a brilliant ap-

pearance. Judge George H. Williams was toast master. On his right sat the guest of honor, Secretary James R. Garfield. Governor Chamberlain sat next to him while Commissioner Ballinger, of the General Land Office; Gifford Pinchot, Chief Forester; F. H. Newell, Director of the Reciamation Service; W. J. Mc



Franklin K. Lane, Who Wrote mission's Report On the Harriman System.

Kee, secretary of the Inland Waterways Commission, and others prominent in the Pacific Northwest were also seated at the head table.

George H. Williams, who presided, in introducing Secretary Garfield, gave a few reminiscences of his acquaintance with President James A. Garfield, father of the guest of the evening, and said the father's mantle had fallen upon the son, who is heaving an heaving an empresed name with

who is bearing an honored name with credit to himself and the Nation. Governor Chamberlain was introduced as the first speaker. He said it was a great pleasure to him to welcome these distinguished guests to the state, not only for their care, worth but here were for their ewn worth, but because they represent the Reclamation and the For-estry service. He spoke of the great tracts in Oregon reserved from settlement by the forestry policy of the administra-tion and the railroads, and pointed to the progress Oregon is making despite these things. Governor Chamberlain said he believed the people of Oregon approved the forest reserve policy of the President and he pointed to the good being done by the Reclamation Bureau. His remarks

were loudly applauded. question of Southern Pacific land grants. charging that the railroads have not kept faith with the people.

Should Go Back to People.

"Without advocating a policy of confiscation," said he, "I believe the railroads and the wagon road companies should keep faith with the public and that

these lands should go back to the peo-ple to whom they belong.
"While some of our people have been proved dishonest, there are thousands of people who are honest for every one proved dishonest." Governor Chamberlain then briefly wel-

comed the visitors to the state, Judge Williams then introduced Secretary Garfield, who paid a graceful tribute to Judge Williams. He said:

"We have been traveling through the West in order to become better acquainted. Your Governor has said-that large parts of your state have been withdrawn from settlement. From what you have with the parts of it that remain. do not know what you might not have done with all of it if freely placed at your disposal. "The West is constantly moving. We

in Ohio were but a little while ago the pioneers. We have not been slow to recognize what you are trying to do. The geological and the forestry surveys were created that you people of the West might be best served. We better understand your needs and your best interests.

(Concluded on Page 3.)

"It is true we have special agents

PERJURY CHARGED AGAINST M'GEE

Haywood's Witness Accused of Crime.

STATE'S REBUTTAL EVIDENCE

Case for Defense Riddled at Several Points.

ANOTHER MAN CONFESSES

Dewey Tells of Part in Wardner Riot and Says Davis Distributed Guns - More Arrests for Perjury Likely.

BOISE, Ida., July 13 .- (Special.)-It has been known for two weeks that the state intended to prosecute some of the defense's witnesses in the Haywood. case for perjury, and it has also been known that Dr. L L. McGee was on the list, but it was not until tonight that a warrant was Issued. This is for the arrest of the doctor. The complaint was sworn to by Sheriff Bailey of Shoshone County and the officers at Wallace have been notified to hold the accused man until a deputy sheriff can get there from Boise.

McGee's testimony has always been regarded as being "away off," either from lapse of memory or from some other cause. The state knows Harry Orchard was not in the Coeur d'Alenes in 1904 and knows he was at Wardner when the Bunker Hill & Sullivan mill was blown up. McGee testified he saw Orchard in Wallace in 1904 and he also testified he thought he saw Orchard playing poker at Mullan on he day of the explosion in 1899.

Flynn and McHale in Danger. Two Mullan men, Dominick Flynn

and Pat McHale, testified they saw Orchard playing poker and one of them stated he saw McGee enter the oom where the game was in progress. One of these men is placed in an awkward position by testimony given today, and it is possible more will go In. Today's testimony was given by Dan Gainey, showing that Flynn Governor Chamberlain then took up the about May, 1899, disclaimed having n Orchard for several months

It is not known who are the others whom the state contemplates arresting, but it is possible Flynn is one of them and "Big Bill" Davis another. One of the Colorado witnesses is in the meshes deeply, there being half a dozen witnesses to show he perjured himself. The witness, William Dewey, who told such a remarkably straight story today

respecting the riot of 1899 and the part taken in it by Bill Davis, was working at Goldfield, Colo. He became wrought up after reading Orchard's story and the subsequent denials of it by witnesses for the defense and mude up his mind to come here and tell what he knew. His willingness to testify was communicated to those representing the state, and his appearance followed.

First Voluntary Witness.

His tostimony was remarkable as being the only testimony ever given by a man connected with the rioters in 1899 that ever approached the truth. What he told of the part taken by "Big Bill" Davis has been well known to hundreds of people for seven years; also the proceedings at the Gem meeting; but this is the first time anyone implicated in the work of that day has frankly told the facts on the witness stand.

promised that other witnesses will be (Concluded on Page 2.)

The state made a splendid showing in

the rebuttal testimony today, and it is

HARRY MURPHY'S WEEK-END REFLECTIONS ON TOPICS OF THE HOUR





Vice-President Fairbanks says he has adopt-



night's dream

ecretary Garfield visits Portland; devote day to business of "Interior Department."

ANVAS BACK



Uncle Sam visits the Pacific with a few