

REFUSE THE TERMS

Russian Envoys Will Not Consider Payment of Indemnity.

NOR WILL THEY YIELD SAKHALIN

Peace Prospect is Black — Witte Delivers Reply to Japanese — Both Sides Firm.

Portsmouth, N. H., Aug. 12.—Russia's reply to the Japanese terms of peace were delivered by M. Witte to Baron Komura at 9:30 o'clock today. The reply is written, there being two texts, one in French, the other in English. Upon the two crucial points, indemnity and the cession of the island of Sakhalin, the reply is an absolute nonpossumus. Other points are accepted as a basis for discussion, while others are accepted conditionally.

The reply is rather long, because, in enumerating the conditions on which discussion is admitted and those on which consideration is declined, reasons and arguments are given. The Japanese plenipotentiaries asked for an immediate adjournment to examine and prepare their reply. M. Witte intimated that the Russian plenipotentiaries expect the Japanese to display as much expedition as they, "the Russians, have shown in the preparation of their response." Monday, therefore, is expected to be the day on which the real discussion of the negotiations will begin. Neither side wants to indulge in diplomatic sparring. The time for fencing is over and less than a week must decide whether a basis of peace is possible.

The tactics of the Japanese are inscrutable. They have shown throughout the war their ability to guard their secrets, military, naval and diplomatic, and now not the remotest clue comes from behind their closed doors as to whether they are prepared to make substantial concessions. Silence and secrecy are their watchwords. But, should the conditions as submitted constitute their last word, hope of peace may be regarded as having disappeared, if the feeling reflected in Russian circles is a true criterion. And that no substantial concessions on the main issues will be made is the belief both in Russian and Japanese circles. M. Witte, it is positively known, believes the prospects of an agreement are so remote as to be practically nil. He has no desire to prolong the agony, and instead of fencing when the envoys come together after the Japanese have had the opportunity to examine the reply, there is strong reason to believe he will not only welcome but will insist upon an immediate discussion of all the proposed bases. So pessimistic is he that he has already been talking to his colleagues of his plans when the rupture comes. Before sailing for home he contemplates a visit to Chicago.

Texas Guards Against Infection.
Austin, Tex., Aug. 12.—State Health Officer Tabor has submitted a report to Governor Lanham concerning the yellow fever situation in the South, in which he says:

"Yellow fever exists now in Louisiana, Mississippi, Alabama, Florida and the Republic of Mexico. Texas is sandwiched between the infected districts, with very little hope of escaping invasion by the scourge with the long summer before us. We are guarded as closely as possible, but it is very hard to maintain a successful quarantine. I would most certainly insist that there be no mobilization of citizens or soldiers at this time, as any excitement might cause a general stampede and a general quarantine that could tie up the entire railroad service of the state."

The officer has also called upon the governor to hold the entire state ranger force in reserve subject to his orders, as he may need them at any time to control the quarantine situation.

Control Another Road.

Chicago, Aug. 12.—By the recent purchases of large blocks of Wisconsin Central stock, it is now said the owners of the Great Northern and Northern Pacific roads now own a majority of the securities and important changes in the management and operation will result. The reason for the purchase is said to lie in the fact that since the Great Northern and the Northern Pacific purchased the Burlington, the volume of through traffic has increased to such an extent that it cannot be handled without other outlets.

Gentle Bakers May Strike.

New York, Aug. 12.—According to Samuel Kurz, leader of the striking Kosher bread bakers, a telegram was sent today to the secretary of the International Bakers' & Confectioners' union at Chicago by a committee representing the Gentile bakers of New York, asking for advice as to a sympathetic strike here. Fourteen unions, numbering 7,000 bakers, were represented. The telegram declared that the bakers were overworked and underpaid.

More Typhoid at Washington.

Washington, Aug. 12.—There were 25 new cases of typhoid fever reported to the health officers today, the greatest number for any one day during the present outbreak of typhoid fever in this city.

JAPAN STATES PEACE TERMS

Russia Must Pay Entire Cost of War and Give Up Sakhalin.

Portsmouth, Aug. 11.—The peace envoys assembled promptly for the second day's session. A formal exchange of credentials was made in making presentation. The ride to the naval yards was made in automobiles. Arrangements for privacy are complete. Cards of admission to the grounds will not be issued during the period of negotiations.

Conditions on which the Japanese desired to make peace were presented to the Russians in writing this morning. The conference decided that the Russians shall study the question and will as soon as possible give an answer in writing. Until then the meetings of the conference are adjourned.

St. Petersburg, Aug. 11.—The government officials now take a more optimistic view of the outcome of peace negotiations. It is reported that M. Witte telegraphed the czar that he already knew the Japanese terms and that they are acceptable with a few amendments. He believes that the Japanese will agree to the changes he will propose.

Portsmouth, N. H., Aug. 11.—Reimbursement of the expense sustained in the prosecution of the war and the cession of the island of Sakhalin constitute the main features of the peace conditions handed by Baron Komura to M. Witte at the conclusion of the morning session of the envoys in the general stores building of the Portsmouth navy yard. The word "indemnity" was carefully avoided, the term applied being "reimbursement" for the cost of the war. No sum is fixed, the amount being distinctly withheld for mutual adjustment between the two countries after the Japanese expenditures have been ascertained.

The other terms are substantially what the world expected and with one or two exceptions could probably be entertained as a basis of negotiations. They include the following:

The cession of the Russian leases to the Liaotung peninsula, comprising Port Arthur and Dalny.

The evacuation of the entire province of Manchuria, the retrocession to China of any privileges Russia may have in the province and the recognition by Russia of the principle of the "open door."

The cession to Japan of the Chinese Eastern railway below Harbin, the main line through Northern Manchuria to Vladivostok to remain Russian property.

The recognition of the Japanese protectorate over Korea.

The grant of fishing rights in Siberia northward from Vladivostok.

The relinquishment to Japan of all Russian ships interned in neutral ports.

Finally, a limitation in the naval strength of Russia in Far Eastern waters.

RESCUED FROM ARCTIC.

Expedition of 1903 Found by Relief Party Just in Time.

Christiana, Norway, Aug. 11.—Anthony Fiala's expedition to the north pole has been rescued. The Terra Nova, the relief ship sent out in March to find the explorers, was sighted today off Honigvag. She signaled that she had on board Anthony Fiala and his party. One Norwegian seaman in the party died of natural causes.

The party reached a latitude of 82 degrees 52 minutes north latitude. William Ziegler, the late baking powder millionaire, sent out Anthony Fiala in 1903 to discover the north pole. The party sailed in the steamship America. They penetrated to the latitude given when their ship became locked in as the ice grew solid in the Arctic winter. There was nothing to do but to battle with the ice, cutting away that nearest the boat that the upheaval of the great blocks of ice might not crush the vessel. These efforts, however, were vain, and early in the winter the America was ground to pieces in the polar pack.

Hotel for Canal People.

Colon, Aug. 11.—Theodore P. Shonta, chairman of the Panama Canal commission, and D. W. Ross, purchasing agent, left last night by the steamer Mexico for New York. Before the departure of Chairman Shonta from Panama for Colon, the commission had a meeting at which it was decided that the bodies of employees dying on the isthmus should be sent to the United States at government expense. The commission approved the erection of a 250-room hotel for the canal employees.

Enforced Strike at Riga.

St. Petersburg, Aug. 11.—The rumors of serious trouble at Riga were today officially confirmed. Twenty thousand men are on strike there. Many of the strikers are desirous of working, but the Socialists deter them with threats of murder. It is declared that there is a sufficient number of soldiers at Riga to handle any disturbances arising from the strike. A regiment of infantry is patrolling the streets and keeping order.

Linievitch Outfanked.

St. Petersburg, Aug. 11.—General Linievitch reports that the Russian forces were compelled to retreat after assuming the offensive near the village of Chagon on August 5, the Japanese turning both flanks.

OREGON STATE ITEMS OF INTEREST

FAVOR FARMERS' COMBINE.

Evening Star Grange Discusses Subject, Also Worm Pest.

Members of Evening Star grange, No. 27, held an institute in their hall on the Section line road, in which the matter of farmers forming a combine and organizing a bureau of information, and the worm pests, were considered. C. H. Welch spoke strongly in favor of the farmers of the state forming a combine in the sale and handling of their products, setting forth that in this way they would get better prices. Others favored the plan.

Arthur H. Nichols spoke on "The Worm Pest," and claimed that the present worm that is doing so much damage is not the army worm at all, but the cut worm. He said that the army worm was longer and had yellow stripes on its body. C. Miley, A. F. Miller, Mrs. Barbara Cromwell, of Gray's river valley, Wash., Judge J. F. Caples, and others spoke.

Mrs. Cromwell told of the experience of farmers in Gray's valley, and said that she got much valuable information at the government building on the exposition grounds, and recommended the farmers to go there for information.

The discussion took a wide scope and it was decided to continue it until next meeting, when all are invited to come prepared to suggest remedies for the pests. Many visitors from out of the state were present.

COUNTERFEITERS' MOLDS.

Extensive Outfit Found in Old Residence at McMinnville.

McMinnville.—While the residence of John Newell was being reshingled recently a complete outfit for making spurious coin, evidently left by a former occupant of the house, was discovered. The house has been built for 50 years, and in the remembrance of the oldest settlers here it has not been reshingled for 40 years. Since then it has been occupied by a photographer and a jeweler before it became a residence. The jeweler, during his stay here, bore the suspicions of the entire community, and now the late find fastens greater suspicion upon him. His whereabouts now are not known.

The outfit, which consists of three \$5 molds, dated 1837, 1846 and 1854; one \$10 mold, dated 1847, one \$2.50 mold, dated 1851, are now in the hands of the sheriff.

LOST NINE YEARS AGO.

Remains of Dave Woodward Found in Blue Mountains.

Elgin.—A sheep camp tender has found the bones of a man in the Blue mountains a few miles north of here. The camp tender was going through a very thick patch of brush to a spring when the discovery was made. There are no doubt the remains of Dave Woodward, who was lost in these mountains nine years ago last February. Woodward, who was living at the toll gate, on the summit of the mountains between Elgin and Walla Walla, came to Elgin during the winter after a load of supplies. He secured the needed provisions, which were loaded on a hand sled, and started on snow shoes for his mountain home. Woodward was never again heard of. Searching parties were sent out, but no trace of him was ever found.

Doctors Fail in Examinations.

Out of 58 applicants who took the examination before the State Board of medical examiners early in July, to be permitted to practice medicine in the state of Oregon, only 22 passed. The report of the State Board of medical examiners has been completed by Secretary Dr. Byron E. Miller. The examination was held at the Y. M. C. A. headquarters. Dr. Miller, of Portland, stated upon submitting the report that nearly all of those who failed were recent graduates from medical colleges.

Ore Runs \$50 a Ton.

Eugene.—According to miners who have just come down from Blue river, a very rich strike has just been made in the Great Northern mine, which surpasses all previous finds in this promising property. The strike was made during the past week and consists of a fine vein of very rich ore, which has been uncovered in the lower tunnel, about 700 feet in. Estimates are that the ore will assay \$50 per ton and the stockholders are elated.

Prior Rights of Way.

La Grande.—Two more suits have been filed by the O. R. & N. Co. in addition to the injunction proceedings instituted last week against the Walla Walla valley railroad. These pertain to the validity of the deeds given by land owners below Elgin to the new railroad incorporation. The O. R. & N., as plaintiff, alleges prior rights of way.

State Engineer Summoned.

Pendleton.—John H. Lewis, state engineer, will be summoned to Umatilla county at once to make a hydrographic survey of the entire stream system of the Walla Walla river as the result of litigation of property owners living along the river and using the water therefrom for the purpose of irrigation.

Weston Short of Water.

Pendleton.—Report comes from Weston that the city is very short of water and has been compelled for the first time in seven years to relinquish its practice of furnishing water to harvesters.

TAX BIG CORPORATIONS.

Oregon City Board of Trade Orders Thorough Investigation.

Oregon City.—In its efforts to insure an equitable assessment of the properties of the several large corporations operating in Clackamas county, the Oregon City board of trade is insistent. At a meeting last week the matter of investigating and reporting on this subject, which had been referred to a committee consisting of five members, was recalled from that committee, and under instructions from the organization, President Huntley has named a committee composed of J. U. Campbell, O. W. Eastham and W. S. U'Ren to investigate the county's assessment roll and ascertain the actual assessments that have been made against the different corporations. The board is indisposed to attack the work of Assessor Nelson, which is considered generally thorough, but is proceeding with the investigation to determine if there exists any ground for the impression that the larger corporations are not bearing their proportionate share of the burden of taxation.

Answer of Wallawa Road.

La Grande.—The Wallawa Valley Railroad company, represented by J. W. Cook, has Ramsey & Oliver, attorneys, busy preparing an answer in the injunction proceedings instituted by the O. R. & N. Co. Mr. Cook is in La Grande, and expects as soon as the answer is ready that Judge Eakin will set a date for a hearing, and he is confident an order will be made dissolving the injunction. Mr. Cook claims that the O. R. & N. Co.'s rights have lapsed, and that he then secured rights which are now ahead of anyone else.

Chinese Cook Murdered.

Baker City.—The body of a young Chinese cook at the Pyx mine has been brought to this city, and preparations are under way to have it prepared for burial in China, according to the usual methods. The prevailing opinion is that Wong Poi Yon was murdered, if appearances can be trusted. He was shot in the back of the head in such a manner that the theory of suicide is wholly untenable. He was murdered either for his money or because of race prejudice. No clue has so far been obtained.

Fire Law Very Cumbersome.

Oregon City.—While more than a score of permits to burn slashing have been granted in this county, there exists much dissatisfaction here with the new law relating to forest fires for the reason that the provisions of the measure are considered cumbersome. The main objection to the law as it now stands is that provision requiring the making of application on which the permit is issued ten days before the fire is to be started.

County Hires Timber Cruisers.

Eugene.—County Assessor B. F. Keeney returned today from Roseburg, where he made a contract with C. E. Roberts and Oscar Edwards, of that city, to cruise the timber lands of Lane county, in order to place a proper estimate upon their value. Other counties of the state, among them Clatsop, Douglas and Klamath, have adopted this plan and find that it works admirably.

PORTLAND MARKETS.

Wheat—New club, 72@73c per bushel; new bluestem, 77@78c per bushel; new valley, 78c.
Barley—Old feed, \$21.50@22 per ton; new feed, \$20@21; rolled, \$23@24.
Oats—No. 1 white feed, \$29@30 per ton; gray, \$29.
Hay—Timothy, old, \$13@15 per ton; new, \$11@12.50; clover, \$8@9.
Fruits—Apples, new, 90c@1.15 per box; apricots, 90c per crate; peaches, 65@75c per crate; plums, 75c per crate; blackberries, 50@60c per pound; cherries, 50@55c per box; pears, \$2.25 per box; prunes, 85c@1; raspberries, \$1.25 per crate; watermelons, 10@1 1/2c per pound; crabapples, 50c per box.
Vegetables—Beans, 1@4c per pound; cabbage, 10@1 1/2c per pound; cauliflower, 75@90c per dozen; celery, 75@85c per dozen; corn, 75c per bag; cucumbers, 15@25c per box; lettuce, head, 10c per dozen; parsley, 25c per dozen; peas, 2@3c per pound; tomatoes, 50@75c per crate; squash, 5c per pound; turnips, \$1.25@1.40 per sack; carrots, \$1.25@1.50 per sack, beets, \$1@1.25 per sack.
Onions—Red, \$1.25 per hundred; yellow, \$1.25.
Potatoes—Oregon new, 65@75c.
Butter—Fancy creamery, 22 1/2@27c.
Eggs—Oregon ranch, 22@22 1/2c per dozen.
Poultry—Average old hens, 12 1/2@14; mixed chickens, 12@12 1/2c; old roosters, 10@10 1/2c; young roosters, 11@12 1/2c; springs, 1 1/2 to 2 pounds, 15c; 1 to 1 1/2 pounds, 16c; turkeys, live, 18@19c; geese, live, per pound, 6@7c; ducks, old, 13c; ducks, young, 10@14c.
Hops—Choice, 1904, 17@19c per pound.
Wool—Eastern Oregon average best, 19@21c; lower grades, down to 15c, according to shrinkage; valley, 25@27c per pound; mohair, choice, 31c per pound.
Beef—Dressed bulls, 1@2c per pound; cows, 3 1/2@4 1/2c.
Mutton—Dressed, fancy, 6c per pound; ordinary, 4@5c.
Veal—Dressed, 8@7c per pound.
Pork—Dressed, 6 1/2@7c per pound.

STORE BUILDING COLLAPSES

Scores of Shop Girls Buried Under Mass of Wood and Plaster.

Albany, N. Y., Aug. 9.—Three hundred persons employed in the large department store of the John G. Meyer estate at No. 38-41 North Pearl street, had just gone to work yesterday morning when the whole center of the building collapsed from roof to cellar. More than a hundred persons, mostly sales girls, were carried down in the wreck. The first estimate placed the number of killed and injured at 40.

Up to 11 o'clock one dead body had been taken from the ruins, and 75 injured. The most of the latter are seriously injured. The manager of the store at that time made the statement that there were 50 more underneath the ruins. There is no doubt that when the rescuers reach the bottom of the heap of debris they will find a number of dead.

The catastrophe came without warning. The Meyer estate had been making extensive repairs on the building. In the morning a gang of Italian workmen started to remove the iron pillar that supported the main floor. Evidently they had failed to brace the floor properly, for scarcely had they loosened the post when down came all three upper floors within a radius of 50 feet from the fatal pillar.

The wreck crashed through to the cellar, burying the workmen and carrying down those who happened to be working in that portion of the building.

The fire department was called out and the work of rescue began at once. Considering the nature of the accident, the number of persons who escaped with only slight injuries is remarkable. Most of the injured were young women.

TAFT TOASTS CZAR.

Dinner and Reception at Manila Dazzle Old Spanish Colony.

Manila, Aug. 9.—At 7 o'clock last evening Major General Corbin gave a dinner to the gentlemen of the Taft party. Rear Admiral Enquist, of the Russian navy, and his staff, were present. General Corbin toasted President Roosevelt, and Secretary Taft toasted the Russian emperor. Rear Admiral Enquist, who was much affected, then arose and made a profound salutation. At the same hour Commissioner Forbes entertained Miss Alice Roosevelt at dinner.

At 8 o'clock about 3,000 persons attended a brilliant reception given by Governor General Wright at the Malacanang palace. Those present, from the highest official and most prominent citizen to the humblest native, were greeted by Secretary Taft and Miss Roosevelt, who shook hands with all. Rear Admiral Enquist and his staff were present. Spanish residents say that the reception surpassed anything previous in the history of Manila.

CONCESSION ANNULLED.

Venezuelan Court Decides Against the Asphalt Company.

Oyster Bay, Aug. 9.—President Roosevelt has been informed by the Department of State that the Federal court of Venezuela had rendered a decision against the Bermudez Asphalt company in the case involving the so-called Hamilton concession, annulling the concession.

What action may be taken by this government regarding the matter cannot be announced at this time. In fact, so far as can be ascertained here, no determination of the question has been reached.

It is quite probable that nothing will be done until Secretary Root, who is now on a vacation in Labrador, shall have returned to the United States and considered the subject with the president in the light of the report which will be made by Judge Calhoun of his investigation of the entire asphalt matter.

No Judge Chosen Yet.

Washington, Aug. 9.—Attorney General Moody returned to Washington this evening after two days' vacation, but did not bring with him the name of the man to be appointed Federal judge in Oregon. "No selection has been made," said he. "I am not in a hurry and shall probably go very slowly. I doubt very much if any appointment will be made this week." No inkling is given of the names under consideration or as to the progress being made with the investigation, and no clue can be yet obtained.

Excursion Boat Sinks.

Indianapolis, Aug. 9.—The excursion steamboat Sunshine sank this afternoon at Broad Ripple park, ten miles from the city, with 180 passengers on board, all of whom were men except one, a woman, who was rescued by a launch. No one was drowned, but several were injured in the panic. The boat plies on the backwater of Broad Ripple dam on White river, and was carrying a picnic party of employees of the Union stock yards.

Sunken War Ships Floated.

Tokio, Aug. 9.—News received from Port Arthur says that the former Russian cruiser Bayan will start from that place, under tow, for Japan about August 15. The Poltava and Pereviel will leave a week later under their own steam.

PEACE CONFERENCE

First Official Meeting Is Held at Portsmouth, N. H.

PESSIMISM FILLS ATMOSPHERE

Split Expected on Indemnity Question, Both Sides Appearing Absolutely Unyielding.

Portsmouth, N. H., Aug. 10.—The first official meeting of the Russian and Japanese peace envoys took place in this city yesterday. Credentials were exchanged and accepted. It was decided to hold two daily sessions, one in the morning at 9:30, and one in the afternoon at 3. To avoid delay and give the plenipotentiaries and delegates time for consultations between sessions, it has been arranged that luncheon will be served at the navy yard and the envoys, upon leaving their quarters in the morning, will not return until the afternoon session adjourns. Three secretaries for each side will be in attendance to draw up the protocols of the meetings, which will be written in both English and French. The French text, however, in cases of dispute, will be accepted in evidence (faire foi).

The firm attitude of M. Witte in private conversation against the payment of an indemnity and the insistent reports emanating from Japanese quarters that a stiff war contribution approximating the cost of the war, variously stated at from \$600,000,000 to \$800,000,000, constitutes one of Japan's demands, indicates a wide if not irreconcilable difference between Japan's irreducible minimum and what Russia is prepared to accept. Upon the question of the payment of a large indemnity the instructions of the Russian plenipotentiaries are believed to admit of no concessions, although it is possible a certain compensation in kind might be arranged. For instance, it is suggested that for the relinquishment of the island of Sakhalin, now in Japanese hands, the possession of which by Japan would give her command of the whole Siberian littoral, Russia could with propriety pay a large sum.

At this morning's meeting Baron Komura spoke Japanese, his secretary, Mr. Honda, translated it into French, while M. Witte spoke entirely in French.

TO CALL ASSEMBLY.

Nicholas Approves Call for Congress To Be Issued Saturday.

St. Petersburg, Aug. 10.—On Saturday next the czar will proclaim the national assembly at Moscow, the ancient Muscovite capital. The special committee drafting plans for the gathering has completed its work and Emperor Nicholas has approved them.

The national assembly will be a deliberative and consultative body for the discussion of measures laid before it by the emperor or his ministers. It will have the power to enforce the withdrawal of ministerial propositions by a two-thirds vote, which gives it at least a negative control over legislation. It will have 500 members, chosen by a system of direct elections, and the first session, it is understood, will be held in November. The elections will take place in October.

Women Fight Highwaymen.

Reno, Nev., Aug. 10.—Mrs. C. Brown and Mrs. A. Mathiesen, wives of well known residents of Gardnerville, south of here, had a thrilling experience with two highwaymen while driving last evening. The women were on their way home, when they were ordered by highwaymen to stop. Instead of complying, they drew revolvers and began firing at the would-be robbers, who started to retreat, at the same time emptying revolvers at the women. The women bravely stood their ground until help arrived. The bandits, however, made their escape across a field and have not been seen since.

Noted Church Burned.

New York, Aug. 10.—St. Thomas' Episcopal church, at Fifth Avenue and Fifty-third street, one of the most richly furnished religious edifices in America, was wrecked by fire today. Within a block of the ruins of the church are the homes of half a score of the country's wealthiest men. Directly in the rear is the city residence of John D. Rockefeller, and near by are the residences of William Rockefeller, H. McK. Twombly, Colonel J. J. McCook and the home of the late Daniel S. Lamont.

Bomb Factory at Gornel.

St. Petersburg, Aug. 10.—Reports received here show that the situation at Gornel and in that neighborhood is serious. A bomb factory has been discovered at Gornel by the police and it is asserted here that the Jews are trying to stir up disorders among the peasantry. Gornel was the scene of the Jewish massacre last year. Work has been resumed at Reval, where a serious strike has been on for some time past.

Typhoon Drowns Hundreds.

Victoria, B. C., Aug. 10.—News is received here by steamer of the loss of over 100 small vessels of the Japanese pearling fleet off Goto island, 545 of over 600 men on board being missing and believed to be drowned. Fifteen boats with 74 men survived the typhoon and about 100 men reached Mejima island.