

GIFTS ARE ILLEGAL

Opinion of Judge in New York Insurance Investigation.

JEROME ASKS FOR WARRANTS

If Intent Was to Defraud, Perkins Committed Larceny, Says the District Attorney.

New York, March 24.—If the grand jury which is investigating some of the conditions developed by the recent legislative investigation reaches the conclusion that contributions of insurance company funds to political campaign committees were made with intent to defraud the true owner of this property, it must find that larceny has been committed. This opinion was expressed today by Justice O'Sullivan in the Court of General Sessions, in answer to a presentment on the subject submitted to him by the grand jury. Judge O'Sullivan added that it is not within the province of the court to say whether or not there was such intent. That is a question which the jurors must determine for themselves from all the facts and circumstances in the case. He charged the jury to make a thorough investigation into all the facts and to place the responsibility for such crimes, if they find that crimes were committed.

Mr. Jerome was in court today and, when Judge O'Sullivan had delivered his opinion, the district attorney asked the jury to remain, as he desired to address it upon the subject in question. He declared that Judge O'Sullivan had misconceived the subject which he had considered, and that, if the court held to its opinion, it would be the duty of the grand jury to return indictments against George W. Perkins, ex-vice president of the New York Life Insurance company, for larceny, and against George B. Cortelyou, chairman, and Cornelius N. Bliss, treasurer, of the Republican national committee, as receivers of stolen goods.

GOVERNMENT MAY APPEAL.

Wants to Punish Officers of the Beef Trust with Corporations.

Washington, March 24.—President Roosevelt held an extended conference today with Attorney General Moody, Secretary Taft and James R. Garfield, commissioner of corporations, concerning the adverse decision rendered in Chicago by Judge Humphreys in the beef packers' case. No details of the conference were obtainable at the white house, but it is certain the attorney general proposes to look carefully into the law bearing upon the matter, with a view of ascertaining whether an appeal from the decision of Judge Humphrey by the government will lie.

Despite the decision relieving the individual officers of the packing corporations prosecution will continue, of course, but it was the desire of the government to place responsibility for the violations of the law upon officials of the corporations where they are found to be guilty of such violations. In such efforts as may be made by the attorney general and other officials of the department of justice to secure an appeal from the decision of Judge Humphrey, this point will be kept to the front. It could not be decided at the conference today whether an appeal from the decision would lie, but that question will be gone over carefully, and if, in the opinion of the law officers of the government, a foundation for an appeal can be made, it will be taken.

States Should Interfere.

Chicago, March 24.—The committee appointed in Chicago last February at the conference of governors, attorney general and insurance commissioners, with instructions to prepare a form of law for better regulation of life insurance companies, with a view to their ultimate adoption in several states, concluded its deliberations tonight and adjourned after declaring itself in favor of interference by the states in the internal affairs of the insurance companies and in favor of a standard form of policy.

Test of Battleship New Jersey.

Quincy, Mass., March 24.—The battleship New Jersey, constructed for the government by the Fore River Shipbuilding company, left today for an unofficial test of her engines. The official trip will be held on March 28 or 29, when she will be required to make 19 knots an hour.

ADVERTISE NORTHWEST.

School Teachers Asked to Enter Competitive Story Contest.

To the teachers of America: To evidence its appreciation of the National Educational Association's selection of the Pacific coast as the scene of its next annual convention at San Francisco California, July 9th to 13th inclusive, and to encourage delegates to include Portland and Oregon in their itinerary, the Portland Commercial club offers FIVE THOUSAND DOLLARS in prizes for articles on Portland, Oregon, and this section of the United States, as follows: First prize, \$1,000; second prize, \$500; third prize, \$250; fourth prize, \$200; fifth prize, \$175; sixth prize, \$150; seventh prize, \$125; eighth prize, \$110; ninth prize, \$100; tenth prize, \$90; ten prizes of \$75 each, \$750; ten prizes of \$50 each, \$500; ten prizes of \$25 each, \$250; twenty prizes of \$15 each, \$300; twenty prizes of \$10 each, \$200; judges, to be acceptable to the officers of the National Educational Association, \$300; grand total, \$5,000. In order to be eligible for competition these articles must appear in a regular edition of some newspaper or other publication printed outside of the states of Oregon and Washington, said publication complete to be in the hands of the judges not later than October 1, 1906. These articles must be sealed and addressed to: Teachers' Contest, care Portland Commercial club, Portland, Oregon.

They will be opened by the judges. Prizes will be awarded strictly on the merits of the articles. Contestants can treat any phase of the subject that appeals to them — natural resources, scenery, irrigation, agriculture and horticulture, history, educational and religious advantages, climatic or social conditions, etc.—or in a more comprehensive vein. The judges will be absolutely untrammeled in making their decisions. This offer is made, not so much with a view of having the country "boomed" in a common acceptance of that term, as to have the teachers of the country become more familiar with this portion of the United States and give expression to their views in such articles as will be acceptable to papers throughout the entire Union.

CANNOT EXPEL SMOOT.

Two-Thirds Majority of Senate is Required, and is Impossible.

Washington, March 23.—It seems certain, in the light of recent developments, that the campaign against Senator Reed Smoot, of Utah, will fail. Mr. Smoot's enemies have been hoping to oust him by a majority vote of the senate, but senators who have given attention to his case find that the constitution stipulates that no senator shall be deprived of his seat except by a two-thirds vote of the senate.

The anti-Smoother senators have been taking the position that the protests were filed against Mr. Smoot before he took his seat, and, inasmuch as he was seated under protest, the majority vote can be applied, since it takes only a majority to exclude a senator-elect. But this view is not generally concurred in by senators. Mr. Smoot was seated, and, having been permitted to take his seat, the only way to get him out is to expel him, and this requires a two-thirds vote.

It seems absolutely certain that two-thirds of the senate is not in favor of unseating the Mormon senator, probably not a majority, and for this reason it is believed the much discussed case will fall flat.

Iowa May Oust Standard.

Des Moines, March 23.—The house, by a vote of 48 to 12, today passed the anti-discrimination bill, which is intended to oust the Standard Oil from Iowa or compel a revision of its business methods. The bill prohibits discriminating rates for oil and is patterned after the Missouri law. It provides a fine of \$5,000 and imprisonment for violation. Representative Cummings, the author, in presenting the bill, asserted that the Standard Oil company had made a price of 4 cents a gallon for oil in his home town recently, in order to drive out competition.

Italian Island Quaking.

New York, March 23.—A cable dispatch to the Herald from Palermo says: There have been 21 earthquake shocks on the island of Ustica during the last three days. The population lives in constant terror. A great valley has been formed in the center of the island and all the houses have been demolished. The shocks were vertical, not undulatory, and were accompanied by loud subterranean rumblings. The last shocks, which occurred yesterday, finished the work of destruction. Panic seized upon the 2,000 inhabitants.

New Drydock for Puget Sound.

Washington, March 23.—Secretary Bonaparte appeared before the house committee on naval affairs today and discussed naval appropriations. He urged an appropriation for a stationary drydock on Puget sound.

OREGON STATE ITEMS OF INTEREST

COMPLAIN OF GRAZING RULE.

Oregon Stockmen's Grievances Are Taken Up by Senator Fulton.

Washington—Senator Fulton has received many letters of complaint from stockmen of Oregon, who express dissatisfaction with the manner in which the forest service is managing the summer range in forest reserves. The sheepmen of Umatilla county feel that they have been unfairly treated in the distribution of range in the Wenaha reserve, and the sheep and cattlemen whose stock is permitted to graze in the Cascade reserve feel that they are paying too much for the privilege. So far as the Cascade reserve is concerned, the sheepmen object to paying 6 cents a head for the grazing privilege when sheep are permitted in other reserves at 4 and 5 cents each.

The forest service explains that the grazing season in the Cascade reserve is longer than in the reserves where the fee is smaller. So far as the Wenaha reserve is concerned, the range has been apportioned for the coming season, and it is too late to bring about a readjustment. To ascertain all the facts, with the view to laying the matter before the forest service in its true light, Mr. Fulton has requested the stockmen of Oregon to furnish him with accurate data, that he may adjust these matters before another grazing season opens.

The Dalles to Portage.

The Dalles—A company of local capitalists, under the name of the Columbia Transportation company, has bought the steamer George W. Simons from the D. P. & B. N. Co. It will be operated between Cascade Locks and the lower terminus of the state portage road. The boat will leave Cascade Locks at 6 o'clock in the morning and reach The Dalles at 10, making all way landings. It will lie here an hour, then run to the lower terminus of the portage, and returning will leave for Cascade Locks at 2 o'clock. It is the purpose of the company in buying and operating the boat to afford people along the Columbia opportunity to make The Dalles their trading point.

Many Buy Willowa Timber.

Willowa—Locators have been doing such business the past three months on account of a wild rush by local men and outsiders to secure claims in the pine, fir and tamarack forests of Willowa county. Sections which sold at \$1.25 an acre were bought first, and only those claims remain which are in the \$2.50 sections. There are but a few more claims open for location, and it is expected the locating season will be closed within 30 days. Capitalists are buying much of this timber, and from individual holders claims purchased for less than \$500 are selling at from \$1,000 to \$1,600 each. These carry from 1,000,000 to 3,000,000 feet to the quarter section.

Enterprise Still Capital.

Willowa—The Willowa county commissioners, at their last meeting, accepted the offer of F. D. McCully, L. Knapper and Aaron Wade, to build a wooden structure in Enterprise large enough to meet the county's requirements for a courthouse, and to lease the same to the county for five years at an annual rental of \$650. The building is to be completed by August 1. It will be of wood, but comparatively safe, as it will be equipped with a fireproof vault. The board thus settled further controversy for five years regarding the permanent location of the county seat.

Fight for a County Seat.

Canyon City—The fight for the county seat now being waged between Canyon City, the present capital, and Prairie City, long aspirant for the honor, is waxing red hot. The laws of Oregon provide that a vote must be ordered by the county court if a petition, signed by not less than three fifths of the registered voters, is presented. The promoters of the removal have organized an improvement association, and among other things have secured subscriptions amounting to \$20,000 for a new courthouse.

Lane Fruit is Unharmed.

Eugene—Dr. H. F. McCormick, Lane county fruit inspector, says it is his opinion that the freezing weather of the past few days has done no material damage to the fruit in this vicinity. Each thaw has been accompanied by cloudy weather. Had the sun shone warm and bright each morning the crop would have been ruined.

Hop Sale at Woodburn.

Aurora — Ed Herron, the hopbuyer, this week bought the Joe Kennedy hop crop of 72 bales at Woodburn, paying better than 9 cents. The hops were shipped direct to London. M. H. Gilbertson, Uihman Bros.' agent here, went to North Yakima a few days ago to look after several big lots of hops there.

CREATED AT LAST.

President Sets Aside Blue Mountains for Timber Purposes.

Washington—President Roosevelt, on recommendation of the forest service, has signed a proclamation creating the Blue mountain forest reserve in Eastern Oregon, to embrace 2,627,270 acres. The reserve as created follows the general lines of the temporary withdrawal made three years ago, with the exception of 200,000 acres in the valley of the Silvies river, which has been eliminated because of the agricultural nature of the land. Around the edge of the withdrawn small tracts of agricultural and school land have been eliminated and the boundaries are so drawn as to exclude all land lying along the border which has passed into private ownership under any public land laws. The original Blue mountain withdrawal embraced more than 3,000,000 acres. About 500,000 acres have been left out, so as to make the reserve a compact body of forest land.

Long Winter in Willows.

Willows — Snow covers the entire Willows valley and county, varying in depth from five inches on the Imnaha and Grand Ronde river bottoms, to 17 inches on the foothills of the Joseph mountains. Stockmen are somewhat anxious concerning feed. The unusual long season will necessitate using much more hay than is customary in average winters. Though this is a hay producing county, and though great crops of hay were put away last season, and much old hay was left over, it is expected that there will be no surplus.

Columbia County Breaks Record.

Salem—Columbia county breaks the record in the matter of payment of state taxes this year. State Treasurer Moore received a draft last week for \$6,360, the amount of general state and school tax, and \$265, the amount due for the support of the Agricultural college, from Columbia county, for the year 1906. Only half of this amount was due. The rest is not to have been paid until December 31.

Luckiamute Mohair Pool.

Independence—The Luckiamute mohair pool has been organized at Arlie and has the following officers: President, A. C. Staats; secretary, Maurice Fowle; I. M. Simpson, A. C. Staats and Maurice Fowle were elected a board of managers. The new association already has a membership of 35, representing 3,993 fleeces. It is probable 15 more names are to be added to the membership soon.

Cattle Bring Higher Prices.

Pendleton—Three cars of cattle were shipped to Seattle from Pendleton a few days ago, bringing \$4.50 per hundred pounds. This is about 1 cent a pound higher than the last shipment made.

PORTLAND MARKETS.

Wheat—Club, 68c; bluestem, 69c; red, 66c; valley, 69c.

Oats—No. 1 white feed, \$27.50; gray, \$27 per ton.

Barley — Feed, \$23.50@24 per ton; brewing, \$24@24.50; rolled, \$24.50@25.50.

Beckwheat—\$2.25 per cental.

Hay—Eastern Oregon timothy, \$17@18 per ton; valley timothy, \$8@9; clover, \$7.50@8; cheat, \$6@7; grain hay, \$7@8.

Apples—\$1.50@2.75 per box.

Vegetables—Asparagus, 8 1/2 @9c per pound; cabbage, 1 1/2 @1 1/2c per pound; cauliflower, \$2@2.25 per crate; celery, 75@90c per dozen; rhubarb, \$1.50 per box; sprouts, 8@10c per pound; turnips, \$1@1.25 per sack; carrots, 65@75c per sack; beets, 85c@1 per sack.

Onions—No. 1, 75@90c per sack; No. 2, nominal.

Potatoes—Fancy graded Burbanks, 50@55c per hundred; ordinary, nominal; sweet potatoes, 2 1/2 @2 1/2c per pound.

Butter—Fancy creamery, 27 1/2 @30c per pound.

Eggs — Oregon ranch, 16c per dozen

Poultry—Average old hens, 14@14 1/2c per pound; mixed chickens, 13@13 1/2c; broilers, 28@29c; young roosters, 13 @13 1/2c; old roosters, 11c; dressed chickens, 15@16c; turkeys, live, 16@17c; turkeys, dressed, choice, 18@20c; geese, live, 8@9c; geese, dressed, 10@11c; ducks, 16@18c.

Hops—Oregon, 1905, choice, 10 @10 1/2c per pound; prime, 8 1/2 @9 1/2c; medium, 7@8c; olds, 6@7c.

Wool—Eastern Oregon average best, 16@21c per pound; valley, 24@26c; mohair, choice, 25@28c.

Veal—Dressed, 3 1/2 @8c per pound.

Beef — Dressed bulls, 2 1/2 @3c per pound; cows, 3 1/2 @ 4 1/2c; country steers, 4@5c.

Mutton—Dressed, fancy, 8 1/2 @9c per pound; ordinary, 4@5c; lambs, 8 @ 9 1/2c.

Pork—Dressed, 6@6 1/2c per pound.

SAILORS REVOLT.

Avenge Death by Capturing Officers and Burning City.

St. Petersburg, March 21.—Most sensational reports are current tonight that the execution of ex-Lieutenant Schmidt, which has made a deep impression throughout Russia, has been followed by an extensive mutiny of sailors at Sevastopol, the massacre of their officers and firing by the fortress upon the city. The truth of the story is doubted, this being the "psychological moment" for the appearance of such wild reports. No press dispatches confirming the story have been received, but, if the report should prove to be true, the absence of these might be accounted for by the imposition of a censorship.

The alleged news came in the form of two cipher telegrams to a prominent member of the Social Revolutionary party, such as the revolutionaries have sometimes been able to transmit through accomplices in the telegraph office when the public and even the government have been unable to communicate.

As translated and displayed at the offices of the newspapers here, the telegram says briefly that the sailors, infuriated by the refusal of Emperor Nicholas to pardon Lieutenant Schmidt and their fellow sailors, rose in their barracks and seized and imprisoned the majority of their officers. The dispatches added that the city of Sevastopol is almost entirely in flames.

The admiralty affected ignorance as to the occurrence of any such affair. The papers, in view of the menace of the new press law, which provides that they may be closed up for spreading false reports affecting the army or navy, are afraid to take chances by publishing the story.

THE TOPEKA IS CENSURED.

Officers Did Not Take Proper Means for Rescue.

Victoria, B. C., March 21.—The finding of the commissioners appointed to inquire into the Valencia disaster was delivered today. The report found Captain Johnson was blamable in not having recovered his position by Umatilla reef lightship before attempting to enter the straits and held him guilty of grave error of judgment and also in not having made due allowance for the northwest set of the current as proved well known to coast navigators.

Censure was passed upon the lack of discipline prevailing after the wreck, as well as the cork and cement life preservers and inefficiency of drill. Those on the steamers Salvor and Cesar were found to have been in ignorance of there being lives on the wreck when they went to Bamfield to dispatch assistance over the trail, the Queen having reported this material fact to the City of Topeka, but not to the Canadian steamer.

The Topeka was found under the circumstances not to have properly stood by, while the Cesar and Salvor were adjudged to have acted with due discretion.

NEXT ROUND FRIDAY.

Lawyers Will Argue Hermann's Latest Dilatory Motion.

Washington, March 21.—The next round in Representative Hermann's fight against the government will occur before Justice Gould, next Friday morning, when arguments will be heard on a motion made today by Hermann's attorneys to compel District Attorney Baker to furnish a bill of particulars describing more minutely the letterpress copybooks which Hermann is accused of destroying. Counsel submitted with this motion an affidavit signed by Hermann, in which he, in substance, says he is not able to answer the charge against him unless the same be made more specific.

From comments made last Friday, during the arguments on Hermann's demurrer, it is believed that Justice Gould will direct the district attorney to furnish a bill of particulars, but this can be done instantly, and will throw no new light on the case, since the prosecution and defense are both aware what books were destroyed. Today's motion and Friday's argument mean nothing but delay.

Dewey Favors Big Warships.

Washington, March 21.—Great battleships like the 18,000-ton British battleship Dreadnaught are the crying need of the American navy, according to Admiral Dewey, who appeared before the house committee on naval affairs today to discuss the future of the American navy. At least two of the 18,000-ton battleships, with ten 12-inch guns each, should be authorized at once, in Admiral Dewey's opinion. He would use those of American design, and thinks we should be creative rather than imitative in developing the navy.

An Exceptional Sentence.

Los Angeles, March 21.—Edward B. Thomas, an ex-United States forest inspector, was today convicted on the charge of having issued fraudulent vouchers and sentenced to three years in the penitentiary and to pay fines aggregating \$7,000. He was found guilty on ten counts. The amount of Thomas' alleged fraudulent vouchers was less than \$200.

HAS NOT THE POWER

Congress Cannot Control Life Insurance Affairs.

OPINION OF HOUSE COMMITTEE

Are Unanimous That the Decisions of the Supreme Court Are Against Federal Control.

Washington, March 22.—That there is no constitutional authority for Federal control of insurance or other state corporations other than railroads is to be the conclusion reported to the house by the judiciary committee. The report has been drafted by Chairman Jenkins, of the committee, and is now in the hands of members of the committee for their perusal. An unofficial poll of the members indicates that with practically no exceptions they concur in the correctness of this conclusion.

The report collates all the important court decisions on the matter involved, treats each exhaustively and reduces the whole problem to these two principles: First — The Supreme court of the United States has declared and has never been shaken or weakened in maintaining, first, that insurance is not commerce, and second, that congress cannot impair the police powers of the states.

Second — The advocates of Federal regulation concede, according to the report, that insurance is not commerce. The report sets forth section 8 of article I of the constitution as conferring the only power possessed by congress to regulate commerce.

PACKERS ESCAPE LAW.

Judge Gives Immunity to Individuals But Not Corporations.

Chicago, March 22.—All of the packers who were indicted by the Federal grand jury last summer upon charges of being in conspiracy in restraint of trade and commerce were today granted immunity from criminal prosecution under the indictment. While the individuals are to go free, the indictments found against the corporations, of which some of the indicted individuals are members and others are employees, are to stand.

The decision to the above effect was handed down this afternoon by Judge J. Otis Humphrey, in the United States District Court.

Immediately following the dismissal of the jury, District Attorney Morrison raised the question of the date for the trial of the corporations. He asked that the case be set for trial and that it commence within two weeks. This met with a storm of protest from the attorneys for the packers, who insisted that they would be unable to prepare for the case before the fall of this year, pleading the number of witnesses whom it would be necessary to bring to Chicago, the strain of the present trial, and various other reasons. After some discussion, Judge Humphrey directed that the lawyers agree among themselves upon a date and notify him of their decision next week.

BUY OUT GREAT LAND OWNERS.

Kutler Proposes to Divide the Land Among Peasant Proprietors.

St. Petersburg, March 22.—M. Kutler, ex-minister of agriculture and now candidate of the Constitutional Democrats for election to the lower house of the national parliament, today began publication of an interesting series of articles on the agrarian question. He says the only solution of the problem, which is a most crying issue before Russia, is the expropriation of the land of the big proprietors for the benefit of the peasants, who, he contends, have a moral right to the land, much of which was stolen from their ancestors by the Boyars when the latter reduced them to slavery.

Pattison's Case Serious.

Columbus, O., March 22.—Governor Pattison's illness took a serious turn today, and his physicians were at his bedside until midnight. Dr. Wilson said that the governor was quite ill today, after having spent a very bad night, but that he was resting more comfortably tonight. There had been an increase of pain, which had raised the patient's fever to 103 degrees. Dr. Wilson declared that there was no danger when he left the governor's bedside, although the governor is a very sick man.

Gross Earnings Tax Invalid.

Austin, Tex., March 22.—The Court of Appeals of this, the Third district, today declared unconstitutional the law passed at the last regular session of the Texas legislature assessing a special 2 per cent tax on the gross earnings of all railroads.