THE OMAHA DAILY BEE.

ESTABLISHED JUNE 19, 1871. OMAHA, WEDNESDAY MORNING, DECEMBER 23, 1903—TWELVE PAGES. SINGLE COPY THREE CENTS.

JAPAN IS CAUTIOUS

It Leaves No Opportunity of Being Accused of Responsibility for War.

REPLY REJECTS FUNDAMENTAL PO

Said Mikado Will Not Guarantee Sovereignty of China or Corea.

SITUATION GRAVER THAN EVER BEFORE

Still Susceptible of Pacific Solution if Russia Acts Quickly.

JAPANESE PRESS NOW URGES ACTION

Newspapers Ask That Limit Be Set to the Russian Tactics of Aggression and Insolent Negligence.

TOKIO, Dec. 22.—It is asserted in official circles here that the Japanese reply to Russia rejects the fundamental points at issue, which are understood to include mutual guaranties for the preservation of Chinese and Corean sovereignty while securing their individual interests.

The situation is graver than since the commencement of the negotiations, but is still susceptible to a pacific solution if Russia will quickly reconsider its reply.

The fact that Minister Komura called on Baron de Rosen, the Russian minister, yesterday, instead of Baron de Rosen calling on Komura, is explained by the fact that the baron is suffering from an ear affection. But the explanation has an obvious diplomatic significance and is interpreted that Japan is determined not to allow Russia possible ground for claiming Japanese impetuosity as an excuse. The visit is not believed to be necessarily tantamount to an ultimatum as rumored. War preparations continue apace. The transports and the warships can sail at five minutes' notice.

The Japanese government proposes immediately to undertake the completion of the Seoul-Fusan railroad under the direct supervision of Japanese. The press is eagerly urging the government to set a limit to the "Russian tactics of aggression and insolent negligence."

Expects Decision in Two Weeks.

NEW YORK, Dec. 22.—A report is current here, says a Times dispatch from Peking that Japan's request for the reconsideration by Russia of its reply to the Japanese demands was accompanied by the specification of a time limit. It is the expectation in St. Petersburg, the Times adds, that the question of war will be decided in fourteen days.

France and England for Peace.

PARIS, Dec. 22.—Confirmation was obtained from official sources today of the reports that Foreign Secretary Lansdowne and Foreign Minister Delcasse have within the last few days made strong representations at Tokio, with a view to averting a crisis between Russia and Japan.

There is reason to believe that these representations, coming at the critical moment when Japan's reply was being handed to the Russian minister, Baron de Rosen, exercised a powerful restraining influence. This is especially true of Lord Lansdowne owing to Great Britain being the ally of Japan.

The terms of the Japanese answer are not yet known here, but owing to the action taken by Great Britain and France the officials here are confident that the answer permits of a continuance of the diplomatic negotiations toward securing common grounds for an agreement.

Press dispatches from Tokio affirm that the Japanese ministers abroad have been instructed to deny the sensational reports regarding the relations between Japan and Russia and to say that while Japan replied to Russia yesterday, its response was not in the nature of an ultimatum, that it demands simply changes in some of the determined points, and, finally, that Russia is ready to continue the exchange of diplomatic views. It is added that the Japanese now give every evidence of a pacific tendency. This information accords with the views prevailing in diplomatic circles here.

The Temps today published the following on authority: "The fears of Russo-Japanese conflict at present are without foundation. It is even said that an agreement is about to be reached on the main points at issue, and it is only a question of form, or more correctly, of pride, which is causing the two powers to hesitate. But it is desired and hoped that a compromise satisfactory to both parties will be arranged."

The officials of the Japanese legation insist that they do not believe there is any immediate danger of war between Russia and Japan and express the opinion that the dispute will be settled amicably. They add, however, that Japan will not abandon any of its rights in Manchuria and say that if a conflict occurs they believe the Japanese will obtain the first victory on the sea.

LONDON, Dec. 22.—The Japanese consul general in London said to the Associated Press: "I share the view of Baron Hayashi (the Japanese minister to Great Britain) that war will not break out. In view of the secrecy with which the negotiations have been conducted at Tokio and St. Petersburg, it seems to me that many of the reports reaching this country concerning what has been going on are based on misinformation."

An official of the Yokohama Specie bank said: "There is nothing in our advices to lead to the belief that there will be war. Business telegrams were received today, the nature of which would not be likely if war was regarded as imminent."

Other leading Japanese business men expressed similar views.

Will Rid Manchuria of Bandits.

ST. PETERSBURG, Dec. 22.—Of the Russian warships recently at Chemulpo, Corea, in connection with the disturbance there, only the cruiser Boyarin remains at that place. All the other vessels have returned to Port Arthur.

Vice Admiral Stark, commanding the Russian Pacific squadron, while the warships were at Chemulpo, had an audience with the emperor of Corea.

According to a Port Arthur paper, some of the Chinese militia fought in the ranks of the Chinese robber bands in the recent encounter with Russians. The paper contends that Russia is compelled to take active steps to rid Manchuria of these bandits, because China has not fulfilled all its treaty engagements.

Scout Story of a Birth.

ST. PETERSBURG, Dec. 22.—There is no truth in the report published by a news agency in the United States that the czarina recently gave birth to a dead son. The story is pronounced absurd. It is pointed out that she lives an absolutely public life and that any concealment of such an event as the one referred to would be impossible.

MORE ON THE PAPAL MILLIONS

Latest Story is that a Monsignor Somebody Brought a Somebody Else Who Had the Money.

ROME, Dec. 22.—According to the Messaero the story that Cardinal Gotti, prefect of the propaganda, recently handed to Pope Leo $9,000,000 said to have been confided to the cardinal by the late Pope Leo is discredited in the fact that the financial organization following Pope Leo's death showed a deficit of over $100,000 was found. After a search and although no positive [illegible] was obtainable it appeared evident [illegible] only person who could know wh[illegible] money had gone was a certain monsig[illegible] living in the Vatican. He at first asserted that he knew nothing of the matter, but being more closely questioned and the evidence against him gathering he one day said to the pope: "Be patient, God will provide for the needs of the Holy See."

Soon afterwards the monsignor appeared with a friend and said that Pope Leo had confided the money to him, requesting him to return it to his successor four months after his death.

SCANDINAVIANS ARE AT HOME

More Arrive at Copenhagen Than in Any Previous Year and Money Moves.

COPENHAGEN, Dec. 22.—The Scandinavian-American line steamer United States, from New York December 9, arrived here today with 850 Scandinavians from the United States on board. They are to spend Christmas with relatives. The steamer was delayed by a fog in the North sea.

The influx of Christmas excursionists from the United States is unprecedented. Much of the money they saved in America will be distributed in Christmas presents to relatives and friends.

DUTCH VOTE TO BUY GUNS

They Are for Stocking Up with Some of Krupp's Justly Celebrated Pacificators.

THE HAGUE, Dec. 22.—The second chamber of the Dutch Parliment voted $1,750,000 to purchase new Krupp quick-firing guns. The measure was only carried by 50 to 35 votes, and after a heated debate, the socialists and progressists contesting the necessity for a large army expenditure, especially in view of the outlay required in connection with new social legislation.

Bryan Has Czar's Photograph.

ST. PETERSBURG, Dec. 22.—The czar has sent his photograph, with his autograph affixed, to William J. Bryan.

Ambassador McCormick gave luncheon today to Mr. Bryan, Prince Khikoff, the minister of public works, and other high officials.

AT TO TREATMENT OF WOOD

Said That President Will Grant No Favor, but Senator Denies Story.

WASHINGTON, Dec. 22.—To some of the senators who have particularly interested themselves in the pending Wood nomination, with an eye especially to the protection of some of the veteran officers of the army, the president has expressed himself very plainly to the effect that these officers have nothing to fear in the immediate future.

As it was pointed out to him that there was considerable apprehension among the friends of these army officers lest, upon the retirement of General Chaffee with the rank of lieutenant general, the president might appoint Major General Leonard Wood to be lieutenant general, involving "jumping" of a number of distinguished general officers who never would have a chance to attain the highest rank by reason of General Wood's incumbency for fifteen years, the president has specifically expressed himself as having no such intention. Incidentally his remarks involved an undertaking on his part to promote some of these general officers referred to after General Chaffee's retirement. But he did not state that when he made such promotions as he saw fit he would not close the list by appointing General Leonard Wood to be lieutenant general. The understanding thus reached with the committee is expected to have an important influence upon the action that will be had upon the Wood nomination.

Senator Warren's attention was called to a purported interview with him in which he was quoted as saying that the president had given assurances that General Wood would not be promoted to the position of lieutenant general during his (the president's) term of office, if re-elected. Senator Warren said of the matter:

"President Roosevelt has not to my knowledge announced what he would do if re-elected in General Wood's promotion or what he would do about any matter which might arise in the future, and, of course, I have not attempted and would not attempt to speak for him."

MINNESOTA FILES ITS BRIEF

Attorney General Sets Forth Reasons for Suit Against Northern Securities Company.

WASHINGTON, Dec. 22.—The brief of the state of Minnesota in the suit of that state against the Northern Securities company was filed in the supreme court of the United States today by Attorney General Douglass and Messrs. M. D. Munn, and George B. Wilson. The brief is a document of 178 pages and its authors contend that the merger of the Northern Pacific and Great Northern railroad companies in the Northern Securities company was for the purpose of stifling competition.

After stating that the action was brought to enjoin the consolidation of the two railroad companies because they are parallel and competiting lines within the state of Minnesota and that the circuit court of the United States for the Eighth district decided the case contrary to the contention of the state, the attorneys present their assignment of errors on the part of the circuit court. There are twenty-nine of these assignments, but the principal ones are that the decree is erroneous in holding that the Northern Securities company was not organized for the purpose of consolidating the two appellee railway companies; holding that the ownership of the stock of the two companies by the Northern Securities company does not amount to a consolidation within the meaning of the acts set forth in the appellant's bill; in holding that the Northern Securities company does not, in fact, control the two railway companies by virtue of its ownership of the stock of such railway companies and in not holding that the Northern Securities company was by its incorporators intended to be and is a device for evading the laws of the state.

ADMIRAL WALKER RETURNS

United States Canal Commissioner Has Inspected Route of Proposed Waterway.

EVERYONE IS PLEASED ON THE ISTHMUS

American Officer Expresses Opinion That Panama Could Care for Itself Against Force Sent by Colombia.

NEW YORK, Dec. 22.—Rear Admiral Walker, United States representative on the Isthmian Canal commission arrived here today from Colon on the steamer Segurance. Admiral Walker would make no statement, but inquired for the latest developments in the Panama question, particularly desiring information as to the opposition in this country to the treaty.

In an interview later in the day Admiral Walker said:

"I arrived in Panama on November 15 and have been kept pretty busy. I went over the canal route and inspected the properties of the company and found them in good condition. As to conditions in Panama I was very much pleased with what I saw. Everything is quiet there now and the people are very happy. Business is going on in confidence and the conditions in the commercial world down there are excellent. The people are united and of only one voice."

Regarding the landing of Colombian troops on the island of Pines he said:

"It is miles from the island to the mainland and I do not think they will land in Panama. I do not look for any trouble. The marines will be able to deal with any situation which may arise."

"In your opinion," the admiral was asked, "would Panama be able to take its own part if the United States were to withdraw its help?"

"Yes, I think it would be able to take care of itself. I am satisfied, without the help of the United States. However, as I have said, I don't think Colombia will do anything."

Admiral Walker made a tour of the canal with a party of engineers. He said that the engineers had remained behind. The admiral left at once for Washington.

Don Luis F. Corea, minister from Nicaragua, was also a passenger on the Segurance. He would not discuss the feeling of the Central American republics toward Panama.

Coghlan Needs More Coal.

WASHINGTON, Dec. 22.—Rear Admiral Coghlan has cabled the Navy Department requesting that an additional collier be assigned to his squadron. His request will be granted, but a vessel has not yet been selected.

Ships for Western Coast.

SAN FRANCISCO, Dec. 22.—The United states cruiser New York arrived here today from Bremerton, Wash. It is understood that it will at once proceed to Panama. The commandant of the Mare Island navy yard has been ordered to draft 250 men from the receiving ship Independence and sent them here to join the New York tomorrow. Supplies for the cruiser will also be in readiness. The torpedo boat destroyers Preble and Paul Jones have received supplies of ammunition at Mare Island and are expected here tomorrow, in readiness to steam south with the New York. The torpedo boat destroyer Perry has been placed in commission, but its crew has been transferred to the Preble. Captain Fenton, who has been in command of the torpedo fleet on this coast for two years, will leave on the New York and another officer will command the Paul Jones. On their way to the isthmus, the torpedo boat destroyers will coal at San Diego, Prehilinque bay and Acapulco. Should their supply become short during the remaining run of 1,280 miles to Panama they will depend on the New York for fuel.

Minister Buchanan at Colon.

COLON, Dec. 22.—William I. Buchanan, the United States minister to the Republic of Panama, arrived here today on the Panama railroad company's steamer Yucatan and immediately took a train for Panama in company with United States Consul Gudger, who came to Colon to receive the minister.

Dixie Comes for Marines.

PHILADELPHIA, Dec. 22.—The United States cruiser Dixie which is to take the new Caribbean Sea battalion of marines to Colon, passed in the Delaware breakwater late tonight. The Dixie will arrive at the League Island navy yard tomorrow where the new battalion is assembled under Brigadier General Elliott, commandant of the marine corps. It is expected that the cruiser will sail for Colon before the first of the new year, the exact time being dependent on the repairs the Dixie may need.

SCAPEGOATS OUT OF REACH

Alleged That Men Who Bribed Councilmen Have Left State of Kansas.

KANSAS CITY, Dec. 22.—In an endeavor to learn more of the inside workings of the alleged paving combine, the grand jury at Kansas City, Kan., today called several contractors who were examined last week. In 1902, it has been developed, the brick agents, contractors and promoters had full swing and brick paving and sewer contracts were passed by the wholesale, notwithstanding the city had to pay $2 a thousand more for bricks in that year than in any other before that time. In explaining this the contractors shifted the burden on the agents for the brick companies and those agents are now out of the jurisdiction of the court and refuse to testify voluntarily.

W. W. Atkin, of the contracting firm of W. W. Atkin & Co., told the jury today that he had heard many rumors of boodle in the awarding of contracts by the city council, but he knew of no money being used to his personal knowledge. He had always been liberal, he admitted, in his contributions to municipal and county campaign funds.

GROWTH OF THE RAILROADS

According to Railway Age 5,723 Miles Have Been Built This Year.

CHICAGO, Dec. 22.—According to the Railway Age the total railway mileage of the United States on January 1, 1904, will be 209,825 miles, the present year having added 5,723 miles. This mileage takes into account all of the new track laid up to the last day of the year.

Compared with 1902, the present year is about on a parity in matters of railway construction. The construction reported was done on 360 lines and thirty-nine states and territories, including Alaska. Early in the year it was shown that there were 8,000 miles of railroad under construction, but labor troubles and financial difficulties caused some of the work to be abandoned.

JAILED FOR MAKING A MASH

United States Commissioner Salomon and Friends Charged with Doing So in Unauthorized Place.

CHICAGO, Dec. 22.—Charged with operating in the center of the fashionable shopping district of Chicago a distillery, contrary to government regulations, five officers and instructors of the Columbus laboratories were today arrested by United States deputy marshals. One of the five prisoners was United States Commissioner Salomon.

The laboratories are located in a skyscraper office building in State street, at the corner of Washington. The arrests were made on complaint of United States Revenue Agent Levi G. Nutt, the technical charge being displaying the sign of a distiller and making a mash fit for distillation in a place other than a duly authorized distillery.

These arrested were: Charles Norton, practical distiller and rectifier; J. A. Wessner, Ph. C., M. D., chemist; A. Gehrmann, M. D., bacteriologist; W. A. Evans, M. S., M. D., and A. D. Salomon, United States commissioner, northern district, lecturer in the laboratories.

Today's arrests are doubtless the outgrowth of a bill for injunction filed recently in the United States district court against Dr. Evans, Dr. Gerhmann, former city chemist, United States Commissioner Salomon and others, charging them with conducting a school wherein pupils were taught to manufacture imitations of various liquors and cordials. A suit for $10,000 damages, it was said, would follow the injunction proceedings. In the annual catalogue of the laboratories it is stated that pupils are taught how to manufacture gins, rums, brandies, bitters, cordials and specials—in fact, every kind of liquor there is in the market; how to make the essence and all the ingredients used in the manufacture of the same; how to imitate imported liquors and straight whiskies, how to give new whiskies artificial age and how to give low proof goods strength.

Charles Norton, who is at the head of the academy, and one of those arrested, said: "Our processes are perfectly legitimate. I don't think we have violated the distilling laws. We aim in our academy to teach the compounding, rectifying and distilling of all liquors and spirits. By this we mean all specific brands."

Commissioner Salomon is named in the catalogue of the school as instructor in government laws and regulations, pure food laws and the keeping of government books.

United States Commissioner Foote gave an immediate hearing to the five persons arrested today. At the request of the defendants he continued the hearing until December 30. All the defendants were released on bond.

Later Prof. Norton said:

Today's developments were no surprise to us. We had contemplated that such action would be taken and were perfectly willing. As a matter of fact, we have technically violated a law. We do make mash in our academy. That is against the law. But we were told by the authorities in Washington that we might make mash under the circumstances, but not use it. We do not use the mash.

If the revenue agents were to happen to drop in almost any college or even at the city laboratory they would find the same kind of a violation of the mash law as they did here. Our desire is that a ruling be given in the matter, and in the meantime we will take the proper steps to secure legislation allowing an academy of this kind to make mash. When the law regarding mash was enacted there were no such institutions as ours, and consequently there was no provision made for such work.

ROCKEFELLER GIVES MONEY

University of Chicago Receives Million and a Half from Head of Standard Oil Company.

CHICAGO, Dec. 22.—It was announced today at the Forty-ninth convocation of the University of Chicago that donations amounting to $1,850,000 had been received from John D. Rockefeller, founder of the university. Of this amount $1,500,000 in real estate, improved and unimproved in the immediate vicinity of the university, was formally transferred by Mr. Rockefeller. For current expenses of the university during the year beginning July 1st, 1904, $265,000 was given; $55,000 was donated for the completion of the power plant and improvement of the grounds and $50,000 is given by Mr. Rockefeller for the work of excavation and exploration in Oriental lands.

Hon. George W. Ross, premier of Ontario, delivered an address at the university today on "The Political Cleavage of North America." The speaker discussed at length the causes which led to the division of the North American continent between the two nations by which it is now had.

Speaking of the movement recently inaugurated by Joseph Chamberlain to federate the English colonies on the basis of imperial protection against the world, Premier Ross said:

It requires no argument to show that the establishment of commercial relations within the empire on the basis of preferential tariff would greatly strengthen the ties which bind all the colonies, including Canada, to the empire, and remove still further in the background whatever inducements remain for closer commercial relations with the United States.

Premier Ross said that he did not desire to leave the impression that the Canadians looked with aversion upon the American form of government and the activity which this nation has exhibited in every department of human enterprise but cited many instances in which Canada had followed the lead of the United States, greatly to its own advantage.

MISSISSIPPI SUES PACKERS

State Revenue Agent Asks Tax on $219,000,000 from Many Concerns.

JACKSON, Miss., Dec. 22.—The state revenue agent has entered suits against a large number of packing and brewing companies which do business in this state, for back taxes on their refrigerator cars Among those sued are the Schlitz Brewing company, Anheuser-Busch Brewing company, Standard Oil company, American Cotton Oil company, Armour Packing company, Cudahy Packing company, Swift and Company and a score of other concerns. The agent asks that these concerns be made to pay the taxes on their cars used in this state for the last ten years. The total amount of the assessments is $219,000,000.

FATAL TO THIRTEENTH GUEST

Twelve Hotel Inmates Escape Fire Uninjured, but Unlucky Number Destroys the Next.

MENOMINEE, Mich., Dec. 22.—Fire today caused twelve persons to jump from the second-story windows of the Travelers' Home, a small hotel here. The thirteenth guest, James Beatty, was found dead in the ruins. Joseph Vorachek was fatally burned and Wilfred Barney and Joseph Vorachek seriously. Fred Jenski was badly injured in jumping. The hotel was practically destroyed.

SCHWAB FILES HIS ANSWER

Denies Being a Promoter of the United States Shipbuilding Company.

KNEW NOTHING OF VALUE OF PROPERTY

Says He Did Not Act in Collusion with the Reorganization Syndicate in Any Attempt to Wreck Company.

NEW YORK, Dec. 22.—Charles M. Schwab today filed his answer to the cross bill of the United States Shipbuilding company and James Smith jr., its receiver, in the United States circuit court for the southern district of New York. The case is that of the company and its receiver against the New York Security and Trust company and Mr. Schwab. After admitting certain of the fundamental facts which have heretofore been established, Mr. Schwab takes up the various allegations and charges of the cross bill. He says:

I deny that I ever was or became one of the promoters of the ship building company, or that I and a number of persons associated with me acquired the capital stock of the Bethlehem Steel company, as averred in said cross bill.

I admit that the property of said Bethlehem Steel company was on the 12th day of August, 1902, encumbered by a first mortgage executed by the Bethlehem Iron company, the predecessor in title of said steel company, to secure bonds aggregating $1,351,000, bearing interest at the rate of 5 per cent per annum and a purchase-money mortgage executed by said steel company to secure the payment of $7,500,000, bearing interest at the rate of 6 per cent per annum.

Denies Sale at Excessive Rate.

Emphatic denial is made that he ever conceived any scheme of transferring to the shipbuilding company the stock of the above company at an excessive rate or upon conditions permitting him or his associates to control the ship building company or to absorb for his benefit "all of its property and assets, to the injury of its creditors and of its bona fide bondholders and stockholders or otherwise."

Continuing, Mr. Schwab said:

I deny that with any purpose of accomplishing such intent and purpose or otherwise I, or any associates of mine, represented to the shipbuilding company that the said shares of stock were worth the sum of $30,000,000; that the said steel company had made during the fiscal year ending July 31, 1902, made a net profit in its operations amounting to the sum of $1,441,208; that its said surplus assets on July 31, 1902, amounted to $4,118,000.

Mr. Schwab denies making false representations regarding the Bethlehem Steel company, and repudiates connection with John W. Young. He says:

I admit that I am the owner and holder of upwards of $9,000,000 of the $10,000,000 of bonds, and upwards of $9,000,000 of the $10,000,000 of the preferred stock, and of $9,000,000 of the $10,000,000 of the common stock of the shipbuilding company issued for the stock of the steel company, but I deny that any associates of mine are the owners of the remainder of the preferred stock and common stock issued for the stock of the Bethlehem Steel company, except that I sold and transferred some of said bonds and stocks to third parties.

Did Not Withhold Dividends.

He says that if the first mortgage bonds be declared null and void the assets of the company will greatly exceed its debts; that the shipbuilding company is not entitled to enforce any alleged indebtedness against him; that neither he nor his associates influenced the "dummy" directors. He says that he had nothing to do with withholding dividend payments by the Bethlehem company on stock held by the shipbuilding company.

After specifically denying any and every charge of fraud, unlawful combination, conspiracy or wrongful act in his connection with the affairs of the Bethlehem Steel and United States Shipbuilding companies, Mr. Schwab details the history of his relations with the two concerns, practically as brought out in the hearings in the suit in New York, saying that he knew nothing of the value of the constituent plants of the shipbuilding company. He then says:

As to the charges in the cross bill that I acted in collusion with the reorganization syndicate in an attempt to force the insolvency of said company and to wreck it, I aver that such charges are false and malicious. I aver that James Smith, jr., receiver of the shipbuilding company, known that such charges are untrue.

I am informed and believe that upon such an examination and appraisal it will appear that the new working capital of the seven constituent companies, excluding the Bethlehem, does not exceed the sum of $1,500,000; that a great part, if not the greater part thereof, may be wasted and lost by the continuance of the receivership and that such shipbuilding plants cannot be operated and kept working as going concerns without the addition of very large sums of money, as necessary working capital.

Mr. Schwab closed his defense by denying every charge of fraud, misdoing, unlawful combination and confederacy and "humbly prays to be hence dismissed with his reasonable costs and charges in this behalf most wrongfully sustained."

SAYS HE CONFESSED CRIME

Evidence of Witness Against Alleged Montana Dynamiter Corroborated by Wife.

ST. PAUL, Dec. 22.—A special to the Dispatch from Helena, Mont., says that Myron Shanks, continuing his testimony in the trial of Isaac Gravelle for alleged dynamiting of the Northern Pacific railway, said that Gravelle had told him about dynamiting a street car track in Butte. The witness also stated that Gravelle had asked him if he would take $35,000 or $30,000 cast after the railroad had paid it and get it changed into other bills. Shanks said that Gravelle admitted robbing a powder house near Bozeman and this city and that he had hidden the dynamite in a haystack in Broadwater county.

Another important witness for the state was Frank Terriault, at whose home on Dearborn creek Gravelle stopped for two nights and where he got some note paper similar to that on which some threatening letters were written. Mrs. Myron Shanks also testified corroborating her husband's testimony.

SOUTH WANTS PANAMA CANAL

Governor of Georgia Says that Action of President is Right.

ATLANTA, Ga., Dec. 22.—At a dinner given by the business men to Brigadier General Barry, in command of the Department of the Gulf, Governor Terrell of Georgia, in response to the toast, "The State," said among other things:

With many things that President Roosevelt has done, indeed, with perhaps most of the acts of his administration, I differ, but there are two things which I most heartily endorse. I endorse the establishment of the Department of the Gulf and I most heartily endorse the recognition of the independence of Panama, which means the construction of an isthmian canal, a thing which we southerners are most deeply and most vitally interested in. It is not and cannot be made a party matter. We want the canal, and we are in a fair way to get it, and if we do not get it now it will be our own fault.

NEBRASKA WEATHER FORECAST

Fair Wednesday and Thursday.

5 a. m.	19	1 p. m.	40
6 a. m.	20	2 p. m.	43
7 a. m.	22	3 p. m.	46
8 a. m.	23	4 p. m.	45
9 a. m.	24	5 p. m.	44
10 a. m.	26	6 p. m.	41
11 a. m.	29	7 p. m.	40
12 m	35	8 p. m.	39
		9 p. m.	38

FIX SHORT LINE MILEAGE

Passenger Rate Agents Arrange Matters and Local Bureau Office Will Be Closed.

The Transmissouri Passenger association bureau, which has been maintained in the Pacific Express building for some time, will be closed and move to Chicago about February 1. It has not been decided whether W. K. Cundiff, who has had charge of the bureau, will go to the Chicago office or remain here.

The cause of the closing of the office was the adoption of the new 2,000 mile interchangeable coupon ticket by the association at the meeting held in Kansas City a short time since. This ticket displaces the script ticket which has been in use in the transmissouri territory, and which has been sold through the local bureau. As the transmissouri bureau is only a branch of the Western Passenger association, and the new ticket almost a duplicate of the regular 2,000-mile ticket sold by the association, it is believed it can be handled to better advantage and with less expense through the headquarters of the association in Chicago.

A meeting of the passenger rate clerks of the transmissouri lines was held yesterday at the offices of the bureau. The meeting was called for the purpose of figuring short line mileage to be used in connection with the new ticket. The short line mileage will apply on the Atchison, Topeka & Santa Fe, Colorado & Southern, Missouri Pacific, Union Pacific, Burlington and Chicago & Northwestern.

COLBY AND LOWE GIVE BOND

Put Up Security for Their Appearance on Indictments Before Federal Court.

General L. W. Colby and Elliott Lowe, indicted by the federal grand jury, filed their bonds with the United States district clerk yesterday for their appearance before the court early in January. The dates for their respective trials have not yet been set.

A number of prisoners confined in the Douglas county jail and under indictment for miscellaneous offenses were brought before Judge Munger Tuesday and the dates of their trials fixed. They were: James Davis, charged with robbing the postoffice at Edholm, Neb., trial set for January 6. Frank Baumer, Standford Anderson, Silas Bi[illegible]ead, Charles Ewing, George Frerer, Fritz Grombeck and Joseph Oliver, selling liquor to Indians; trials set for from January 6 to 9. All of the accused were assigned counsel by the court.

W. H. L. Henderson, indicted for selling liquor to Indians in November, pleaded guilty. He claimed that he was a comparative stranger on the reservation and simply took another man's place at a store and saloon and did not know that he was doing anything wrong in selling liquor to Indians. Judge Munger fined him $500 and costs and gave him sixty days in the Douglas county jail.

UNCLE BILL WILL RECEIVE

Pioneer of Omaha Holds Reception to Friends at Court House Christmas Eve.

Preparations are being made at the county judge's office of the annual reception which is given by Uncle "Bill" Snowden, who will keep "open house" Thursday afternoon from 2 to 4 o'clock.

Uncle Bill claims to the the first white settler in these parts. It is also claimed that his wife is the first white woman to arrive in what is known as Omaha, and that their marriage was the first marriage. Uncle Bill is nearly 80 years of age and is better known, perhaps, than any citizen of Omaha. He was formerly city marshal and held the office of constable for a term of years, being regularly nominated on all the different tickets. He has a fund of anecdotes and bits of history relative to the early history of Omaha.

For a number of years he has held undisputed sway at the court house and nothing escaped his observation, and nothing could be done without his assistance. Over a year ago he was injured in a fall. He was thus incapacitated for an active life, and although he was again elected constable, he resigned and now spends his time at his home at Twenty-fourth and Jones streets.

He will be taken to the county judge's office in a carriage Thursday afternoon and will receive his friends from 2 to 4.

Uncle Bill claims that Harry Morrill is the only person who has ever been able to excel him in telling stories which did not strictly adhere to the truth. He claims there is a name for this kind of stories, but that he has forgotten exactly what they are called.

COULD NOT NAME THE PARTY

Prisoner with Bruised Optics Unable to Tell Who Beat Him Up.

Charles Off was on a big spree Monday night and the remnants were produced in police court.

"What's the matter," asked the judge, noticing Off's dilapidated condition.

"Jest a little celebration, your honor."

"Seems to me it was a big one," replied the judge, "where did you get those goggles," referring to Off's eyes both of which were draped in deep black.

"That's a mystery" growled Off, can't remember who gave me the black spots; but did I know, I'd make it hot for him," and he shook a burly fist close to the judges nose.

"Twenty-five days," remarked the judge and called for the next victim.

ROBBERS RUN FROM THE MONEY

Have to Decamp Just as Ten Thousand Dollars Are Sighted in Illinois Bank.

BLOOMINGTON, Ill., Dec. 22.—The gang of safe blowers that has been robbing central Illinois banks exploded dynamite and wrecked the bank at Anchor last night. Just as $10,000 was exposed the telephone bells in the office commenced to ring and frightened away the men after they had secured but little plunder.

It developed that the robbers previously cut all the telephone wires leading out of Anchor to prevent communication to outside cities.

PLAN OF PROMOTERS

New York Newspaper Publishes Dispatches in Deal of Shipbuilding Company.

TELL TALE OF THREATS AND CAJOLERY

Morgan Company Required to Put Stamp of Approval on Project.

MEMBER OF FIRM TALKED TOO MUCH

Younger Harjes Compelled to Recant Opinion of Merits of Plan.

WORK OF ATTORNEY AMONG PARISIANS

Attorney for United States Shipbuilding Company Writes from France Telling How He Drove French Underwriters and Others.

NEW YORK, Dec. 22.—The hearing in the United States Shipbuilding receivership proceedings was postponed today until tomorrow because of the illness of Counsel Untermyer of the suing bondholders.

Letters and cablegrams which are alleged to have passed between New York and Paris in connection with the United States Shipbuilding underwriting placed in the French capital are published today by the World. Reference to these communications was made recently in the shipbuilding hearings before Special United States Examiner Oliphant, while Charles B. Alexander of the firm of Alexander & Green, attorneys, was undergoing examination.

Letters kept secret by agreement of counsel were said to show what methods had been pursued in order to compel the French investors to meet the calls for money on their underwriting after they had been given to understand through a cablegram sent by the Trust Company of the Republic by its agent, John W. Young, that its underwriting was a "success." This dispatch gave them the idea that they only need stand ready to receive their profits as members of the underwriting syndicate.

To Square It.

Charles B. Alexander happened to be in Paris at the time and to him fell the duty of removing the false impression and holding the signers of the subscription list to their agreement. His firm is counsel for the trust company here which had charge of the underwriting and the communications, which fill seven columns of the World, are alleged to have passed between Mr. Alexander and his firm in this city. The alleged correspondence was about July, 1902, and in the early stages revolves largely around the investigation as to the financial responsibility of those whose signatures had been secured in Paris to the underwriting agreement, which was then in the care of the Bank de Rome.

Baron Calvet Rogniat and M. Schreyer, a banker, were the heaviest subscribers. While both were much disappointed over the misunderstanding as to the success of the underwriting here, they were stated to stand ready to pay their shares. Finally the situation apparently had been explained to the satisfaction of everyone and preparations were made for the first call upon the underwriters July 23 for 25 per cent of the subscription, to be followed by the second, payable August 1, for the same amount.

When It Grew Interesting.

Then came the exciting portion of the correspondence. The banking house of Morgan, Harjes & Co. had been selected to receive payments to be cabled at once to the Mercantile Trust company of New York; but the subscribers had not come forward on July 25, to which day the payments had been postponed, and on July 28 a letter stated that Mr. Alexander had changed his tone with regard to the situation. The writer is quoted:

While it may be true that these underwriters were not treated properly by Young in leaving them under the impression for so long a time that all the bonds had been sold, yet that has been well atoned for by the patience and care with which we have in the last week given explanation after explanation to all parties. They are now all in default from the 25th and I have told Openheim to notify each one that their individual liability, in case that money is not in New York in time to make the payment, will not be limited to the amount of their securities, but that there will be consequential damages to every party connected with the affair.

The letter criticised severely in a postscript the impressions said to have been thrown out by the younger Harjes, who was reported to be very much prejudiced against the whole affair, and that it was said by the cashier that there was no market in New York for the bonds.

Bringing Harjes Around.

The writer adds that he saw Harjes at once and threatened to turn the account over to the Credit Lyonaise, and thereupon Harjes agreed to tell everything good he could about the personnel of the company and the affair. Efforts through other sources also were made, according to letters and cablegrams quoted, to counteract the effect of various reports circulated as to the impending collapse of the underwriting scheme in New York.

In one of the letters from Paris addressed to Alexander & Green, Mr. Alexander is quoted as follows:

I constantly say to all parties that nothing can be done in the way of assisting the underwriters here to dispose of their bonds unless they frankly come forward when notified, acknowledge their liability and make their first payment, when all hands will unite in endeavoring to sell any bonds they may wish to dispose of. The Vicomtesse Dandignea sat by me at dinner last night. She had some of the Scott Iron works stock and had just telegraphed, refusing to sell it except for a higher price. I think I persuaded her that it would be good judgment not to let it stand, but I suggested to her that perhaps Scott would make her an offer in the securities of the new company, which will be good enough to be attractive, as one of her difficulties is the trouble of investing the money she may receive.

Mentions the Pops.

In another letter dated July 11, 1902, signed by Mr. Alexander, the statement is made that in investigating the Bank Romane, the writer learned that the pope had $6,000,000 in that bank; that he had a similar sum with the Rothschilds and about the same amount in England.

According to the World, the word "Drexels" was used in the correspondence to represent Morgan, Harjes & Co., and in one of the letters credited to Mr. Alexander, there appears the following: "I got a pledge from the Drexels that everything good should be said of the enterprise."

One of the French underwriters was named Schreyer, and the following reference was made to him in one of the letters: "I hear he has a millions dollars belonging to one old woman to invest, at his discretion."

In this same letter there is also this statement; "I have current it to be known that a leading English banker has told me that I would get a million dollars in twenty-four hours—which is true of course."

Another passage in this letter says: "I