## HE OMAHA DAILY BEE.

### SINGLE COPY THREE CENTS. OMAHA, THURSDAY MORNING, FEBRUARY 11, 1904-TWELVE PAGES. ESTABLISHED JUNE 19, 1871. BRASKA WEATHER FORECAST CHURCH HOWE UNDER ENIFE PUBLIC IN RUSSIA KNOW LITTLE CAPTURES TWO THOUSAND RUSSIANS TO SAVE BALTIMON ent Concerning the War with 'ortion; Friday, Warmer and Consul General to Antwerp Eubmits to Op-Japan. Prompt Action to Prevent Trade Advan-HOY eration for Appendicitis. (Copyright, 1904, by James Gordon Bennett.) RUSSIA DISLIKES HAY PLAN Deg. Hour. Deg Report Says Japanese Off Corean Coast Take tages from Slipping Away. JAPAN SCORES AGAIN 1 p. m..... 8 2 p. m.... 10 6 a. 33 ST. PETERSBURG, Feb. 10 .- (New York . --1 Transports Conveying Russian Troops. REPORTED TO BE IN SERIOUS CONDITION 7 8. . 5 8. 8. ..... ..... 3 p. m..... 12 Herald Cablegram-Special Telegram.)-TEMPORARY BUILDINGS GO UP AT ONCE 3.3 4 p. m ..... Some time ago a rather naive correspond-Thinks It Indicates Moral Support of the Japan has added to its victories 9 B. B. ..... 5 p. m..... 13 RUSSIANS MAKE ATTACK AT CHEMULPO ent of an English paper caused merriment Colonel Grigsby of South Dakots 6 p. m..... 12 7 p. m..... 11 at Port Arthur and Chemulpo the 10 a. m..... Action of Japan. Hoped That a Share of Spring Business to those here who read his account of 11 M. m..... Wants to Balse Regiment of Cowcapture of three transports, conimaginary war sentiment among the lower A D. M ..... 12 m ..... taining 2,000 soldiers. Will Be Saved. Refuse to Retire When Requested by boy Cavalry to Fight for class droski drivers and the like in Si-Petersburg. That class knows nothing of OTHER POWERS ASSENT TO THE IDEA 0 p. m..... At St. Petersburg there is the Japan. "-" Indicates below zero. Japanese and Offer Battle. greatest excitement and expresthe war and cares less. CALL TO BE MADE FOR FEDERAL TROOPS sions of lovalty are seen on every Rest of Rensons for Believing that ARREST IN SCHAEFER CASE I am quite sure if you were to ask a side. People anxiously await news (From a Staff Correspondent.) hundred droski drivers their opinion of SINK IN HARBOR AFTER SHORT FIGHT Germany Suggested the Move which is slow in arriving. The WASHINGTON, Feb. 10 .- (Special Telethe war ninety-nine would rather imagine Man is Taken to Indiana Reformatory Milit'amen Not Orly Exhausted, but the to the United Transsiberian telegraph line regram.)-Church Howe, consul general to you were poking fun at them or would Charged with Killing School ceives no commercial husiness. A Cost is Considerable. Antwerp, Belgium, is a very sick man, States. reply: "What war?" The same is the Not Known Whether Sinking Was Due to rumor of Eussian victory on the Yalu river is current. The czar Teacher. case among the workman of the lower according to advices received at the State Orew or to Enemy. department today. Mr. Howe has been classes-utter ignorance and complete in-BELIEVED OUTSIDE HELP IS NOT NEEDED has issued declaration of war. alling for some time and it is thought he difference. (Copyright, 1904, by James Gordon Bennett.) INDIANAPOLIS, Feb. 10 .- The gov-At Paris the officials deuy co NEW YORK, Feb. 10 .- (New York Herald has been suffering from appendicitis. A "What has the war to do with us?" ONE VICTORY (LAIMED BY RUSSIANS mor's office was informed by Superinfew days ago an operation was performed. they say. But you might expect to find operating with Russia in Asia, but Felegram-Special Telegram.)-The Herald's tendent Whitaker of the Jeffersonville Authorities Have Offers of Financial t is reported that France will not the nature of which is not known at the Washington correspondent says there was some spontaneous sentiment concerning reformatory today that Sheriff Smith of Help which at Present Are Amendorse the position taken by Sec an air of calm dignity about Count Cassini, State department. Today, however, Deputy the war among soldiers. Not a bit of it Unconfirmed Report Tells of Japaneso Bedford had arrived at the institution with retary Hay, as it might bamper Russia in its program during the ple, as No Destitution or Consul Haine cabled the department that the itussian ambassador, when he called M. Majuschenski of the Fetersburger James McDonald under arrest charged Repulse on Yalu Biver. the operation had been followed by acute Viodomesti had an inspiration. He said at the State department at noon and was with the murder of Sarah Schaefer. Suffering Appears. indigestion and pleurisy. Beyond this the to himself "If the Russian soldier knows ushered into the audience chamber of the If McDonald insists upon a preliminary ex-At London Baron Hayashi gives the cause of the war he will certainly ceretary of state. He had called under State department has no knowledge of Mr. amination he must be taken back to Bed-APANESE VESSELS ARE NOT INJURED an official account of the engage-Howe's illness. BALTIMORE, Feb. 10 .- The scene in fight with might and main. I will start ford within forty-eight hours. If he waives instructions from the Russian imperial stricken Baltimore began to be visibly clear a preliminary examination he need not be ment in Chemulpo harbor and says you out to see what he has to say, government to inform the United States Grigsby Wants In. that Japan is preparing for a land today after a conference between Mayor Accordingly, inspired with a strong dethat Russia had been forced by Japan to Japanese Minister to England Says immediately returned. At the governor's Colonel Melvin Grigsby of South Dakota attack upon Port Arthur. The British ministry will issue a decla-McLane, a special joint committee of the sire to ascertain the amount of underdeclare war. Count Cassini handed to Mr. office it is not thought that the evidence. Military Operations Will Be who raised a regiment of rough riders for legislature and a formidable delegation of standing the soldier had of the cause of is very strong against McDonald. Hay a copy of a cable message from St. service in the Spanish war, believes that ration of neutrality, probably to-Rapid After, Landing of the war in which he is likely to be called representative business men. This confer-Detective Reed, at whose instance the Petersburg, in French, which, translated, with the aid of 3.009 rough riders Japan morrow. ence was arranged with a view of meeting Troops on Continent. upon to take an active part, M. Maread as follows: arrest of James McDonald was made, said could conquer Russia. He is 'making a At Berlin there is much specain a practical way the awful exigency which juschenski proceeded to interrogate one of During the night of the 5th of February today: thorough investigation of the obstacles During the night of the 8th of February a detachment of Japanese torpedo boats unexpectedly attacked the Russian squad-ron in the outer roads of the fortress of Port Arthur. This attack being the begin-ning of military operations obliges the im-perial government to take immediate meas-vres to reply by armed force to the chal-lenge issued Russia. Ba good enough to convey this information to the govern-ment of the United States. lation as to the whereabouts of the this community faces. At this meeting be-We base McDonald's arrest on his own words before the court of inquiry as to his whereabouts on the right of the mur-der. We have good evidence or we would not have made the agest. The motive was assault. the soldiers of the guard as follows: new Japanese cruisers and it is ex LONDON, Feb. 13.-A special dispatch sides the mayor there were present influen-What no you think of the war? pected that without full equipment tom Tokio today says the Japanese have tial members of the state law-making "The war? Do you mean with the Japathey may attack Russian vessels enroute to the far east. Much inaptured three Russian transports, Laving body, a dozen bank presidents, former Govese?" replied the soldier in board about 2,000 troops." erpor Smith. United States Senator-elect "Yes, with the Japanese, sented his plan for the consideration of terest is taken in the report of the Official dispatches from Tokin received by The seldier said: "I know nothing about Raynor and several of the leading citizens. The two points urged against McDonald the Japanese minister at Washington, battles and the inefficiency of the Paron Hayashi cay too Jakanese admiral, tt; they say it will be war." The supreme question to be decided was during the secret investigation preceding Russian force is commented upon. but received no great encouragement. on arriving at Chemaipo, Corea, sent in that of cailing on the national government his arrest, were that he refrained from "That is not what I want to know. Colonel Grigsby said: "I have during At Washington Count Cassini has word to the two Russian cruisers, giving Following the delivery of this note, Count for soldiers to take the place of the two telling the board of inquiry what he claims Gaght we to go to war or give all the presented the caar's formal Geclathe past week received numerous fetters Cassini and Mr. Hay discussed the movethem a time limit in which to leave. militia regiments now doing duty in the Japs ask?" to know about the crime till a week ago. from boys who were in my regiment durration of war upon Japan. Shortly afterward the Russians came out Seldier-What do they want? nent for the neutrality of the United burned district. The constitution of Maryand when testifying he confused J. D. At Tokio the report of victory ing the war with Spain inquiring if there and attacked a Japanese torpedo boat, land requires that no such request be made Alexander, who last spoke with Miss "They want to take Manchuria," States, but the former brought no indicawas any chance to see service in the war at Chemulpo and the capture of which replied with a to-pedo ineffectively. of the president except request of the state Schaefer, with Superintendent W. E. Alextion of how his government would receive Soldier-Does it befong to us? between Russia and Japan. They plainly Russian soldiers is received and A general exchange of shots then followed. "It does not exactly belong to us, but we either that or the suggestion that the bellegislature. The legislative committee was ander of the Bedford schools, although indicate their desire to enter the service. sent out. After a hot fre the Russians returned to present and consulted with the mayor and he said he knew both well. The detectives nave a railroad and two harbors there.' figerents localize the radius of hostilities This war would afford every opportunity Chemalpo and mank at the entrance of the ...... officials on that point. It was shown insist that they have evidence stronger Soldier-Indeed! Count Cassini this afternoon gave emfor the display of that kind of fighting for The soldier remained pensive. harbor. It is not yet known whither their that this is not a time for sentiment as to than suspicion against McDonald. phatic denial to the statement of Haroa which the cowboy rough riders are par-RUSSIA SHOWS BAD STRATEGY sinking was due to the Japanese the or to JEFFERSONVILLE, Ind., Feb. 10-"Well, how is it, should we make war or the ability of the state to take care of Hayashi, the Japanese minister at London, he Russians' own action, but it is polleved ticularly well qualified for the reason that itself, and that the United States soldiers Authorities of the Indiana reformatory rethat Russia was seeking to have the not7 one chance for Japan to win will be to to be due to the former. The crews of both American Naval Officers Comment on were needed and needed at once. On this fuse to let anyone talk to James McDonald. Soldier-I don't know. It is as the people powers mediate. cut the Russian railroad and keep it closed the Russian vennels sought refuge on a score it was shown that the milluamen under arrest charged with the Bedford murabove desire. "This is absolutely false, and I wish you Result of the Naval Enor repairs. French warship at Chemalpo. There were were already much exhausted, and that the der. With Sheriff Smith, Mayor H. Smith "But what do you, yourself, think about would express my emphatic denial of it "Of course, I know the law forbids engagement. to casualties among the Sepanese and their militia on active duty is costing the state and Detective Reed, he arrived here today, without reservation," said Count Cassini to isting men in this country to fight against vessels sustained no damage. \$50,000 a day. heavily manacled. He walked in the gates Soldier-it is all the same to us. We the Berald correspondent. "Russia did not nation with which we are at peace, but "We were slow in negotiation, so we are (Copyright, 1964, by James Gordon Bennett. The announcement of the legislative comerect with no apparent excitement. He have taken our oath to the service of the wish war and Admiral Alexieff was directed citizen of this country, without violatmaking up for jost time by outckness in NEW YORK, Feb. 11.-(New York Herald ezar and our country, so we shall do as we mittee that it would recommend at once denies his guilt. The officers say he will ing the law, could go to Japan for the purpose of enlisting when he arrives. If not to initiate hostilities. But now that ction," said Baron El: vashi inis morning. Telegram-Special Telegram.)-The Fir ald's the immediate passage of the resolution have his preliminary hearing at Bedford Japan has made this attack without any are told. The engagements at Fort Arthur and There being nothing to be got from the Washington correspondent says that Japan was received with pleasure by the officials February 29. declaration of war Russia has no inclinaa ship load of such individuals happened hemulpo were merely in accordance with has won control of the sea by sinking and oldier upon the basis of the Manchurlan tion to draw back, and the statement that and business men present. to leave at the same time there would be lans long matured. As soon as our forces disabling eleven Russian warships in the question, and as neither railroad nor har-SPREAD FEAST UNDERGROUND no violation of international law provided she would seek mediation by the powers is Effort to Hold Trade. re landed in Corea look for an important three fights which have already occurred is bors had the smallest effect upon him, M. absurd." there were no organizations." leet ection at Port Arthur. The Russian For the last twenty-four hours the busithe preponderance of naval opinion here. Majuschenski tried a change of tactics. Novel Banquet at Chicago Enjoyed Representative Burkett today recom-Count Cassini remained with Mr. Hay for easets are to likely to give up the adness men of Baltimore have been aroused only a few minutes, and it was impossible But the word has been quietly passed out "But the Japanese say they can beat us." mended the appointment of Roy B. Cox, cantage they gained by thing under the Forty Feet Beneath the Level for any full exchange of views on the from the Navy department that officers are to the necessity of doing everything possi-Soldier-They will beat us? vice O. P. Stuart, postmaster at Murdock. cover of their icad batteries. By going to the Chinese side, however, the Japanese localizing of hostilities and the neutraliza- not to express their views on these battles ble from keeping their trade advantages of City Streets. 'They say that the Russian soldier will Cass county. tion of China, for which the United States for publication for fear of wounding Rusfrom elipping away. Merchants and banknot face the Japanese.' S. H. Burnham, president of the First fact, by high angle dre, can drop in shells ers have been conferring today on this subis at this time pressing. It is possible that sian pride. Nevertheless, it can be stated CHICAGO, Feb. 10 .- A feast laid on a Soldier-Not face him? National bank of Lincoln, and Mrs. Burnwhich should make it very uncomfortable ject and the prevailing opinion is that it "Yes. They say they will beat and dethere will be a discussion of these things that Secretary Moody considers the result table three blocks long and forty feet under for the Russian ships lying moored close ham are in Washington visiting their a mighty proof of the wisdom of this govwill require the greatest vigilance to prethe streets was a feature of a novel bandaughter, who is attending school in this stroy Russia." very soon. to one another. Thereby it is hoped to vent the deflection of trade to Philadelphia ernment's policy of constantly maneuvering quet participated in here tonight by 600 Soldier-Destroy? Grive out "Sceroy Alexiet", forces. Possiulty. Not to Russia's Liking. and New York. The soldier retired and took up the deits fleet, continually bauging away at the people, the guests for the most part being blr, like Admiral Cervera, he may antici-It is believed the situation may be saved Pay for Doctors. I am able to state on authority that targets and always drilling officers and ensive attitude. members of the Chicago Press club and pate fate and come into the open of his Russia is not likely to regard the represen-If the debris can be cleared away and tem-Representative Hinshaw will tomorrow "And the English say that the Japs can men in an endeavor to always be in a state owa second. The present events merely their women. of perfect preparedness. Japan, according tations of America regarding the localizporary buildings erected within four introduce a bill to pay physicians for treatbeat us?" The banquet was given to the Press club to to show the uttor uselessness of Port months. That a large percentage of the ing Spanish-American soldiers while they The soldier drew himself together, his ing of hostilities between it and Japan with to the Navy department, has been perby President Albert G. Whee'er and Genathur from a strategic view point." entire satisfaction. It is possible that this feetly prepared for weeks, spring trade will be lost is inevitable, but were home on furlough. This bill is the arms moved nervously and his eyes lit up Dialing with Scoretary Hay's note to the there is a set belief that the percentage

cutgrowth of the treatment given soldiers with uncertain hatred. who served through the Span'sh-Ameri-"Shall we give up Manchuria?" asked M. can war from Nebraska, there being a num-ber of cases in that state having been Majuschenski.

and in

will not be "egarded in Hussia as being at "Russia was quite unprepared," is the all in the direction of a better understandverdict of half a dozen high ranking naval ing between the governments at Washing-"Give up? No; let them come themselves ton and 4St. Petersburg. On the contrary,

officers, expressed to the Herald correspondent today.

The neutrality of China was first sug-ested by my government, and we received

eral Manager George W. Jackson of the Illinois Tunnel company. The banquet was shall be as small as possible. The opening held in that portion of the company's untoday of the board room of the Chamber derground workings lying on Jackson bouleof Commerce and the receips of quotations, vard between Franklin and Clark streets. interrupted shipments of grain car-In the twenty miles of tunnels now nearing cases being called miles from their homes completion the company proposes to handle to treat returning volunteers. Mr. Hin much of Chicago's freight traffic, as well shaw, realizing that the condition in his as to operate a telephone system. A ride state would apply to other states, has conthrough three miles of the tunnel was given ceived the idea of a general bill recompensthe guests of the banquet, the cars running ing physicians called to administer upon by electricity, making an average speed of American soldiers who went through the twenty miles an hour. Spanish-American war. Claims of course

goes, the certainty of state aid and the notification by some large insurance commanies of their readiness to pay 50 per cent on losses and the action of the legislature in asking for federal troops constitute chain of incidents which have contributed materially to the restoration of public confidence and cheerfulness.

## No Destitution Apparent.

Late this afternoon Mayor McLane reconsidered his previous decision in regard to outside help. He said:

The situation here does not justify such action. There is no destitution here as ret. I cannot tell what may follow. We have a board of charities, which looks after the city's destitute. This board is in close

have a board of charities, which looks after the city's destitute. This board is in close touch with all the organized charities. An appropriation is made annually for the pur-pose of taking care of cases of destitution; there are some funds now on hand, and it may be that the state appropriations may be sufficient to care for those in need. Of course, it may be necessary to ask for outside help. I will in a few days be in a better position to decide on this. We have received about \$7,000 from the outside and additional offers of thousands of doi-last have been received. The money re-teived will be put aside until we detgr-mine whether or not to ask for outside crease of \$4,941,110, as compared with the proceeding year. Operating expenses, inluding \$10,805,737 for maintenance and equipment, were \$60,301,260, an increase of

\$5,406,560, After payment of rentals, interine whether or not to ask for outside est, sinking fund provisions and all other charges, there remained a balance of \$8, Baltimore has taken fresh courage today.

64,431, a decrease of \$1,577,089. Of the total On all streets abutting on the burned disincrease in operating expenses the report trict signs have appeared on the windows and over doorways announcing the temsays a considerable part was due to higher wages, congestion of freight traffic and the porary resumption of business in various lines. The pervading sentiment was well additional expenses of moving traffic dur portrayed by Governor Warfield, who said ing the year in which a large amount of reconstruction was under way. today: During the year 277 locomotives were

"Baltimore will rise gloriously from its comotives thus equipped.

Building Inspector Preston was an extremely busy man today, owing to the clamor for perdits by large business and financial houses to rebuild. To the Associated Press Mr. Preston said: "The spirit shown by those who suffered by the fire is truly remarkable. Without waiting to have their insurance adjusted they are ready and anxious to go ahead. I am compelled, however, to withhold all building permits within the fire limits for several days. The burned territory is too dangerous for any large force to work in just now."

It has been suggested to the city officials that in engaging men to help clear up the district that preference be given to men who were thrown out of work as result of the fire. There are many thousands of those and it is practically certain that this plan will be carried out as far as possible.

The committee will also report in favor of an immediate relief appropriation by the legislature. Mayor McLane announced that will appoint an emergency committee of representative citizens to act as an adhoard to the municipal authorities. Visory

The night was marked by two new alarm of fire, the fail of a number of walls and conditions of extreme discomfort for the soldiers and policemen on guard, the temperature dropping about ten degrees and a keen wind blowing throughout the night. The weather conditions, it is thought, were responsible for the falling walls, the racking effect of the cold on the heated bricks and mortar aiding the wind in bringing down several of the ruins. The firemen were called out during the night by a blaze originating in the engine room of the lumber yard of William D. Gilleson, not far from the burned lumber district. Three companies and a fire boat responded and extinguished the fire, after it had ne \$7,500 damage. Later an unimportant blaze in the residence district again called out the overworked firemen.

The detachment of police who spent the in the ruins guarding the safes in the financial district were far more safe.

(Continued on Second Page.)

SOUTHERN PACIFIC STATEMENT nels.

> Showing of Increase in Operating Expenses Over Receipts for

Last Year.

the United States and the several states NEW YORK, Feb. 10 .- The report of the relative to the disposition of public lands. outhern Pacific company for the year Representative Kinkaid today recomended June 30 last was issued today. The mended G. S. Beynom to be postmaster at total income from operations of rall and Burwell, Garfield county. water lines, interest and dividends, rentals Routine of Departments and all other sources was \$90,683,436, an in

Rural carriers appointed: Nebraska-Western, regular, Herbert W. Klerscheunan; substitute, James Magee, Iowa-Clarksville, regular, Louis Matzdorf; substitute, Mrs. Matzdorf. Postmasters appointed: Iowa-Diff, Ap

panoose county, Jesse M. White, vice Anna L Benefield, resigned. South Dakota-Pimeer, Edmunds county, Charles C. Lundouist, vice, William I. Pritchard, removed The application of C. F. Irwin, A. S. Paul R. S. Stewart, T. R. Stewart and George Boileu to organize the Farmers' National bank of Henderson, Ia., with \$25,000 capital.

has been approved by the comptroller of changed to burn oil, making a total of 619 the currency.

CANNERS GO SIGHTSEEING AGREE UPON FIVE POINTS Elect Officers and the Canned Good Conference of Passenger Officials of Brokers Take Steps Toward Railways East of the Mississippi Forming Organization.

is Concluded.

York at \$20 and \$18.

COLUMBUS, Feb. 10 .- The convention o NEW YORK, Feb. 10.-The conference of canners and packers spent the greater part passenger officials of railways east of the of today inspecting the big display of ma-Mississippi to the number of about seventychinery at the auditorium. The Western five, representing the eastern, central and Canned Goods association election was as New England associations, which has been follows: held under the auspices of the Trunk Line President, D. A. Frazler, Manitowoo association came to an end today. The Mich.; treasurer, Ira S. Whitmore, Bloom chief matter for conference was the adopington, Iil.; vice president, L. A. Sears, tion of rates for the St. Louis fair traffic. Chillicothe, O.; executive board, the presi-It was agreed that, beginning April 25, dent and secretary and treasurer and J. W. round trip tickets good until December Cuvkendall, Atlantic, Ia.; Frank T. Stars. 15 shall be sold at 50 per cent of double the

Waukesha, Wis. me way weatbound fare, tickets good for The Canned Goods brokers took step sixty days at one and one-third of the toward the forming of an organization, westbound fare and tickets good for ten electing James M. Paver, sr., of Indian day for one westbound fare plus \$2. The apolis, president; Fred L. Dulton of New ratiroads will also run day coach ex-York, secretary, and Lincoln North of cursions to return within ten days to New New York, vice president.



BOSTON, Feb. 10 .- J. W. S. Langerman, WRAY, Colo., Feb. 10.-(Special Tele former United States vice consul at Tangram.)-Vickie Finn, a pretty 16-year-old gier, but now a special envoy of the sultan girl, disappeared Sunday, leaving a note tied to the reins of her brother-in-law's of Morocco, arrived here today on the steamship Republic of the White Star line | team saying she had left for Omaha, where from the Mediterranean. Mr. Langerman's she expected to work. She requested that work is to assume charge of the exhibit of her folks express no anxiety on account of Morocco at the St. Louis exposition. He her absence. A young man with whom the is accompanied by a native, who will act girl had been keeping company left Wray as an attendant at the Morocco exhibit. some weeks ago to attend a business col-Mr. Langerman said that 159 Moors would lege in Omaha and the girl undoubtedly arrive" later. Antiquities of great value intended to join him there. Word was were brought on the Republic from Alex- sent to the authorities at McCook, Neb., andia. Egypt, for the Egyptian exhibit at and the girl was taken into custody there. the exposition. Mummies thousands of She is now at the home of her sister in Owing to the need of police to patrol years old and relies said to have existed at that city. She says she will not return to banks would be made simultaneously with the birth of Christ are said to be included the collection. after ber \_i\_i\_

and take It." cried the soldier LEAVING RUSSIANS

**Consular Representatives Make Haste** to Get Out of the

Country.

will have to go through the regular chan-(Copyright, 1904, by James Gordon Bennett.) NACIASAKI, Feb. 10.-(New York Herald Favorable Report on Land Bill. Cablegram-Special Telegram.)-Today several Russians are leaving upon the German A favorable report was made today from mail steamer Gera for China. The French the committee on public lands on Senator mail steamer Varra will sail from Yoko-Gamble's bill regulating accounts between hama on February 12 with the consul. It will subsequently convey the Russian consuls from Kobe and Nagasaki back to Europe.

Baron von Rosen telegraphed his compatriots from Tokio: "Pray do not delay your departure." It is reported that the Russian merchantmen Argun and Rossia have been taken into Sasepo and a later report says other ships have been captured.

Three Russian warships have steamed southward in the direction of Formosa. Submarine mines have been laid down at Dainy

VARIAG IS A TOTAL WRECK Gunboat Koretz Also Destroyed by the Japs Off Chemulpo

Harbor, (Copyright, 1904, by James Gordon Bennett.)

stroyed by fire. A further message dated will represent to this government at the off Chemulpo at 2 p. m. says the Russian gunboat Koretz has been destroyed. Its been to make Japan feel that it had the

captured. A Seoul telegram says the Corean em-

peror is taking up his quarters at the French legation.

A Chinese man-of-war is expected at Themulpo with troops to guard the Chinese legation at Seoul. According to a Tien-Tsin telegram the Russians are making every effort to obtain control of the raliway from New Chwang to Shan Hai Kwan.

SHAW CONFERS WITH BANKERS

Secretary of the Treasury Consults New Yorkers Regarding Pay-

ing for Canal. NEW YORK, Feb. 10 .- Leslie M. Shaw,

secretary of the treasury was in conference with a number of bankers at the sub treasury today regarding the governments payment of Panama canal moneys.

Definite arangements have been com pleted, the secretary said, to the end that there may be no disturbance of local financial conditions.

After the conference with Secretary Shaw the banks sent \$12,000,000 in bonds to the subtreasury, which will be pledged temporarily to secure deposits made with them of government funds of out-of-town banks. These funds will be held only a few days, but the additional deposits of collateral have to be made in accordance with the law. The secretary made clear today the point that the banks would not be compelled to lose the use of the money through the transfer to the subtreasury. He said that the warrants for the payments would be drawn on the subtreasury here and that the demand for the withdrawals from the Wray. Her sister and a friend have gone the presentation of the warrants for pay-

there is a feeling here that the action will "Was Russia's unpreparedness unusual be taken in Russia as furnishing official and was the responsibility for it criminal signs that the sympathy of the United on the part of the officers in command." JAPAN States in this contest is with the Japanese | was the question put to a prominent offigovernment. Great stress has been laid in cer.

St. Petersburg on the apparent desire of He replied: "It was not unusual. The many newspapers in this country that Asiatic squadron is not the best part of Japan go to war with Russia and public | Russia's fleet, for it is far away from St. atterances have been quoted as showing Petersburg, and the officers grow careless. that there was hostility to Russia on the I cannot bear testimony to the truth of the part of a large class of citizens of the report that the officers of the fleet lived United States. This has been refuted by ashore instead of on their ships at Port the United States ambassador, Mr. McCor- Arthur, but I do know the squadron is not mick, who has said in St. Petersburg he did as good as that Russfa maintains in the not believe an unfriendly feeling did exist Baltic.

here. It is expected that the negotiations "The result of these engagements merely now going on will be seized on as a preshows the difference between a power like text in Russia for again showing that there Japan, which constantly exercises its fleet may yet be official cause for irritation. in hattle exercises, and one which lets it lie it may be asserted that the concert of in port most of the time. Whether the the powers, if it be obtained, will comcarelessness which it seems exists at Port plicate the situation. Just why Russia Arthur was criminal depends on the attifails to respond to the suggestions of the tude of the Russian government."

United States, which Secretary Hay says Another officer, whose name must be has been made from the friendliest mowithheld because he spoke so frankly, said tives, will probably appear in a few days. "Japan now controls the sea. The Rus-One reason may be the cagerness with which sians were foolish in allowing the Japa-Japan has accepted the proposition, connese to divide their fleet, for, as you know. ditioned on Russia's acceptance. It is the strongest Russian squadron was at ointed out here that while the request of Port Arthur, two ships were at Chemulpo Secretary Hay to the powers as to the and the remainder at Vladivostok, unneutrality of China will be found when able, on account of the ice, to come out published to include Manchurla in a genand do anything. The squadron at Port ral designation of the Chinese empire Arthur has been reduced more than half in and while Japan is expressing its willingstrength. The Russians may be able to make repairs there, but it will take a long

CAN REPAIR AT PORT ARTHUR

Several Months Must Elapse, How

ever. Before Ships Can Go into

Commission.

be put into commission.

Will Be at the Fair.

GUAYAQUIL, Feb. 10.-The government

of Ecuador has decided to participate offi-

cially in the .... Louis exposition,

ness to "localize hostilities," the Japanes have forced a state of war by attacking the Russians in Manchurian territory. Japan, it is said, has been pressing for position of Russia's fleet made any othe the integrity of China ever since the Rusresult than the complete Japanese victors TOKIO, Feb. 10 .- (New York Herald Ca- sian occupation, and the Russians, it is at Chemulpo improbable. The Russian ficel blegram-Special Telegram.)-During yes- said, are bound to regard the United at Port Arthur was evidently weak or it terday's engagement off Chemulpo the Rus- States as playing Japan's game at the sian cruiser Variag was completely de- very outset of the war. They probably proper time that the effect of this hus crew, who escaped to land, have been moral support of the United States and Vladivostok, and they are sure to capture has led it to the extremity of beginning the Russian squadron which recently the war in the night without a declaration. passed through Suez for Asiatic waters."

Position of Hay.

The aim of this government in instituting inquiries among the other states has been to keep China out of the vortex o war. Realizing the different interests of the powers and without prejudice to Russia, Mr. Hay has sought to make proposition as simple as possible. The point is that it is to the interest of all powers and to the world as a whole that China remain neutral and that the sphere of war be restricted as much as possible It is felt that to the suggestion that China remain neutral no nation can object or

objections before the family of nations. In the first place, if China remains neutral the chances of China maintaining its integrity are enhanced.

risk of having on her hands a war with China and is left free to withdraw a large guard from her long frontier.

which have interests in China, escape the constant danger which would otherwise be threatening them of becoming involved in the controversy,

China and the territorial integrity of China.

(Continued on Second Page.)

Kested 65 may government, and we received assumations that Calmese neutrality world be observed. Jaran will certainly agree-most heartily to Secretary Hay's proposi-tion, which appears chiefly to be due to the suspicion that Russia might find a protext for military action against China. If, powever, the United States and other powers contemplate the neutrality of Man-churia, the case becomes very complicated. So king as there are Russian troops in Manchuria. Jopan canot regard it as neu-tral territory. I scarcely think the United States, Great Britain or any other power would attempt to drive the Russians cut of Manchuria is part of neutral China. So while we are anxious to assist in as-suring the neutrality of China proper, we have every intention of waging ar aggres-sive land campaign in Manchuria itself. Having resorted to arms we shall probably po further than our modest demands made durine the mentality af go further than our modest demands made turing the negotiations. Official Report of Fight. The text of the official dispatch received by Baron Hayashi is as follows:

powers on the surject of preserving the in-

tegrity of Coina, Faron Havashi said:

by farron Hayashi is as follows: On Monday a Japanese squadron, escort-ing transports, met on the way to Che-mulpo, Corea, the Russian gunboat Ko-retz, as the latter was coming out of port. The Koretz took up an offensive attlinde toward the Japanese vessels and fired on the Japanese torpedo boats. The latter discharged two torpedoes ineffectively and then the Koretz returned to its anchorage in the nort.

then the Koretz returned to its anchorage in the port. Early in the morning of Tuesday Ad-miral Urik, commanifing the Japanese squadron, formally called on the Russian warships to leave. Chemulpo before neon. The admiral added that if his demand was not complied with he would be compelled to attack them in the harbor. The two Russian warships loft the ports at about 11:30 a. m. and a battle ensued cutside the Polynesian islands. After about an hour's encodement the Russian warships songht refuge among the islands. Toward even-ing the Russian cruiser Variag sank and at about 4 a. m. today. February 10, the Korotz was reported to have also sunk, having been blown up. The officers and men of the two sunken vessels sought refuge on the French cruiser Pascal. There were no cascultes on the Japanese side. According to the official advices received the port. time even if the place does not fall into the hands of the Japanese. This scattered diswould never have hung under the pro-According to the official advices received tection of the shore batteries, but would

by Baron Hayashi only four battalions have been out at sea hunting e fight of Japanese troops have up to the present Now the Japanese have an overwhelming time landed at Chemulpo, Corea. force to oppose the Russian squadron at It was announced in the House of Com-

mons today that a proclamation of British neutrality will be drawn up at a special cabinet meeting tomorrow and that it will be published shortly afterwards.

The necessary instructions will imme diately be issued to the authorities at the British ports, including those of the selfgoverning colonies, prescribing their con auct toward belligerent warships.

Homo Secretary Akers-Douglass said in Commons today that the instructions would be similar to those issued in the case of previous wars, covoring supplies of doal and restricting vessels' stay in port to twenty-four hours, except owing to stress of weather or necessary repairs.

### Bonts Sunk at Chemalpo,

from the truth. At this point Russia has Baron Hayashi has received official confirmation from Tokio of the destruction a thoroughly equipped navy yard and dry docks and the damaged vessels can be reat chemulpo of the Russian first-class paired there as readily as anywhere. Just cruiser Varag and the thrid-class cruiser how serious the injuries of the three ships | Korietz.

The cruiser Variag, which was built at are is not made public by the authorities though from the fact the ships steamed Cramp's ship yard Philadelphia, in 1895, some distance from the point where they was of steel and unsheathed. It was of were infured before being beached it is 6,500 tons displacement and its indicate taken that the dumage is not vital. horsepower was 20,000. On its speed trials The repairing of the hulls of ships of it made twenty-four knots per hour for this class, however, is a task requiring coneight hours. It was 400 feat long, 52 feet siderable time, ordinarily several months beam and had a depth of forty feet. The inder the most favorable circumstances. Variag's armament consisted of twelve and before repairs can be started in this six-inch quick-firing guns; twelve twelve nstance the ships must be temporarily repounder quick firers; eight three-pounder paired and floated in order to get them quick firers; two one-pounds and six to the dry docks. Under the most favortorpedo tubes, two of which were gub able circumstances, therefore, it will be merged. several months before the ships can again The Korets was built in Stockholm. It

wos of steel, and was 205 feet in length: i feet in beam, 1.413 tons displacement and 1500 indicated horsepower. Its speed was thirteen knots. The armament of the Koretz consisted of two six-inch breech loaders; one six-pounder guick firer; fous

# In the second place Russia avoids the

In the third place, other nations, all of

Mr. Hay's suggestion, when published, will be found to lay down the two proposi tions in the plainest language. He has no differentiated between old China and that part of the empire known as Manchuria and now occupied by Russia and almost certain to be the scene of war. Nor has he included the future independence of Corea. That was a question with which he did not want to involve the greater and more pressing question of the neutrality of

Copyright, 1964, by James Gordon Bennett ST. PETERSBURG, Feb. 10 .- (New York Herald Cablegram-Special Telegram.)-Statements made in London and elsewhere that Russia has no facilities at Port Arthur for the repair of the ships damaged an any nation if it do object justify its by the Japanese torpedo attack are far