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NORTHERN SECURITIES MERGER IS DECLARED ILLEGAL BY UNITED STATES SUPREME COURT

NAVAL BATTLE AT PORT ARTHUR WON BY JAP WARSHIPS

Russian Destroyer Sunk in Bow-to-Bow Fight Between Flotillas and Mines Sunk in Harbor Entrance.

Tokio, March 14.—One Russian torpedo-boat destroyer was sunk and several seriously damaged in a bow-to-bow battle between the Russian and Japanese flotillas in the Lao-thie-shan channel at Port Arthur Thursday. A second Japanese torpedo-boat destroyer flotilla succeeded in sinking special mines at the entrance to the harbor.

This attack on Port Arthur was the most effective since the first assault a month ago. Admiral Togo's report has been received here. In it he says: "Our squadron, as prearranged, attacked the enemy at Port Arthur March 10. Our two torpedo flotillas reached the mouth of the harbor at Port Arthur at 1 o'clock in the morning.

Finding no enemy, and waiting until dawn, one flotilla engaged in sinking special mines in the harbor entrance. Notwithstanding the enemy's fire, our flotilla succeeded in sinking the mines.

"The other flotilla met the enemy's torpedo flotilla, consisting of six boats in the Lao-thie-shan channel south of Port Arthur at 4:30 o'clock. A hot engagement occurred at close range for thirty minutes. The enemy then took flight.

"Our fire greatly damaged the Russian ships, one of which was badly crippled by a shot thru the boilers, and another was observed to be on fire. So close were the two flotillas to each other that our destroyers, the Asashio, Kasumi and Akatsuki, nearly touched the enemy's ships and our crews could even kiss the enemy's flag.

"Our loss was seven killed and eight wounded. Engage in Battle.

"Our other flotilla, while leaving the harbor entrance, observed two Russian torpedo boats coming from seaward and immediately engaged them, the battle lasting one hour. One of them effected its escape, but our destroyer, the Susunami, captured the other boat, which proved to be the Steregushchi.

"Owing to the high sea the tow line soon parted and the Susunami found it necessary to take the crew from the Russian boat and abandoned the Steregushchi, which finally sank at 10:30.

"The enemy's cruisers, the Novik and the Byvan, steamed out of the entrance of the harbor toward us, but observing the approach of our cruiser squadron, retired to the harbor. Our flotilla suffered some damage, but not heavy. The Susunami and the Akatsuki had two sailors killed and Sub-Lieutenant Shima of the Akatsuki and three soldiers were wounded.

"Our main and cruiser squadrons arrived off Port Arthur at 8 o'clock and the cruisers immediately advanced toward the harbor entrance to protect the torpedo flotilla.

Indirect Cannonade.

"The main squadron advanced near Lao-thie-shan and opened an indirect cannonade against the inner harbor from 10 o'clock to 1:40.

"According to the observations made by one of our cruisers facing the entrance, the bombardment was remarkably effective. During our cannonade the enemy's land batteries fired, but none of our ships suffered any damage. The cruiser squadron bombarded the enemy's fortress on Sambashantao, damaging the buildings thereon.

"The cruiser Takasago and Chihaya reconnoitered the west coast of the Port Arthur peninsula, but did not find the enemy.

"The Russian torpedo boat destroyer damaged in the third attack on Port Arthur was found to be the 'Unshikhty', which had been completely sunk the night before. The only visible above the water.

"Our squadron stopped fighting at 2 o'clock and returned to the rendezvous."

ANOTHER ATTACK SATURDAY

Japs Again Fail to Block Entrance to Port Arthur.

Chi-fu, March 14.—It is reported here that another unsuccessful attempt was made Saturday night by the Japanese to obstruct the entrance to Port Arthur.

ITO STARTS FOR SEOUL

Marquis Declares Japan Determined to Uphold Korean Constitution.

New York Sun Special Service.

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Tokio, March 14.—Marquis Ito left here yesterday on his way to Seoul. In a special interview, the veteran statesman said:

"My mission is undertaken to strengthen the rule of the Imperial family of Korea. Japan is determined to uphold the Korean constitution and would, if necessary, appoint officials to the various governmental departments."

Referring to the war, the marquis said everything had been most satisfactory for Japan. A pleasing feature of the situation, he declared, was

"No scheme or device could certainly more effectively come within the prohibition of the antitrust law and it is within the meaning of the measure of the act a trust."—From Justice Harlan's opinion.

"There is nothing to be said at this time. The properties of the Northern Securities company are still there. They are as good as ever." --J. J. Hill.

SMOOT MAY QUIT MORMONS TO WIN

Senator Has Chance to Save Himself From Being Expelled.

Utah Member to Retain Seat if He Will Leave the Church.

Senate Only Asks That He Denounce Polygamy and Resign Office.

New York Sun Special Service.

Chicago, March 14.—Walter Wellman in a Washington special to the Record-Herald, says:

There is one sure way in which Senator Smoot may save himself from the humiliation of being expelled from the United States senate. That is by appearing before the committee on privileges and elections and declaring in effect that all these disclosures as to his fellow apostles of the church living in open polygamy and even sanctioning the performing plural marriages since the manifesto are news to him; that they come to him as a revelation; that he does not countenance such violations of law, and now that he has been made aware of them, he disclaims all responsibility and renounces his connection with the church.

A leading republican member of the committee said to me that if Senator Smoot were to do this, were to say to the committee that he has resigned as an apostle of the church and actually tender his resignation, there is no doubt as to the action of the committee and the senate. They would vote, perhaps unanimously, to permit Senator Smoot to retain his seat.

Whether or not Senator Smoot will adopt this course, no one seems to know. His counsel have intimated to the committee that their client intends to take the witness stand before the case is closed and to make a statement in his own defense. Some members of the committee believe Smoot will wait until near the last minute and if he then believes the case is likely to go against him, will save himself by renouncing all official connection with the church and resigning his apostolic post.

It is noticed that up to this time Smoot has kept remarkably silent. He has had nothing to say. He has kept well in the background. His affairs are in the hands of clever counsel, and some members of the committee who

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PRESIDENT PLEASED—CONGRATULATES KNOX.

Washington, March 14.—President Roosevelt received the news of the supreme court's decision in the Northern Securities case from the Associated Press. He was engaged at the time in a conference with some friends, but put aside all else to express his satisfaction that the court had sustained the contentions of the government. Later, he will express his personal congratulations to the attorney general.

THIRTY MURDERS DUE TO VENDETTA

Police Obtain Clues to Secret of Deaths From Flames and Stiletto.

New York Sun Special Service.

Altoona, Pa., March 14.—In the delirious ravings of an Italian boy, who had been stabbed and left for dead, detectives have clues to the most dangerous Italian society they have known.

Thirty murders are ascribed to the members of this band, all in this and the two adjoining counties. Twenty-eight Italians in the railroad camp at Lilly were cremated four months ago. The building in which they died was a flimsy one, with numerous doors and windows, but none of the men escaped. On several of the charred bodies stiletto wounds were found.

It is believed the society executed this wholesale crime, the members driving back at the points of their knives those who sought to escape from the flames.

Ten of these murders have been committed among the Italian laborers working on railroad improvements. Arrests have been made, but in every case the prisoner furnished strong alibis, and altho the circumstantial evidence in each case was almost conclusive, no convictions could be had. In every case the victims of the society who died by the stiletto bore the dread mark of the band—a cross, deep carved on the forehead.

Recently detectives were called to investigate the stabbing of two Italians near this city. The victims were brothers, and the elder was killed, but the younger, a boy, is recovering. When he first was aroused from his stupor in which he was found he whispered: "The avengers; the avengers."

In the hospital, while in delirium, he repeatedly cried out in fear, declaring the avengers were pursuing him; but when he became rational he resolutely refused to talk. In his ravings, however, the boy divulged enough to furnish the detectives clues on which to work.

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STATE'S CASE NEXT IN LINE

Court Will Have to Pass on Different Questions Involved in Other Appeal.

Serious Problems for Merger Heads Involved in Readjustment Process.

Absolute Compliance With Order of the Circuit Court Seems to Be Impossible.

New York Sun Special Service.

The government's victory in the Northern Securities case does not end the litigation. There still remains on the docket the appeal of the state of Minnesota from the decision of Judge Lochren. Attorney General W. B. Douglas is on his way home from Washington, and could not be seen to-day, but attorneys familiar with the litigation say that the state case will have to be decided without reference to the federal decision. It may be thrown out for lack of jurisdiction, and so far as the result to the merger is concerned, the decision given to-day covers the same ground. There are different principles of law involved, however, and attorneys for the state hope they can get a decision of their case on its merits. Such a decision will determine whether the federal courts can be appealed to in order to prevent outside corporations from violating the laws of a state.

Nice Questions Raised.

It is understood from officials of the Great Northern and the Northern Pacific that they will continue to act in harmony, and as far as operation and traffic agreements of the two roads are concerned, there will be no change caused by the decision. However, the affirmation of the order of the circuit court will lead to some interesting problems, whose solution will tax the resources and legal acumen of Mr. Hill's advisers.

It will be recalled that the Northern Securities company, which is now held in substance to have effected a conspiracy in violation of the federal antitrust law, took over a majority of the stock of the Great Northern and the Northern Pacific in return for its own capital stock, issued at the ratio of \$115 of Northern Securities for \$100 of Northern Pacific and \$180 of Northern Securities for \$100 of the Great Northern. In the decree of the circuit court, which is now affirmed, the continuation of the Securities company as the controlling factor in

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MERGER IS A POOL FORMED BY ROADS AT PUBLIC EXPENSE

Sherman Law Prohibits All Contracts, Reasonable or Unreasonable, in Restraint of Trade.

THE COURT STOOD FIVE TO FOUR.

Washington, March 14.—The Harlan opinion was concurred in by Justices Brown, Brewer, McKenna and Day, while Chief Justice Fuller and Justices White, Peckham and Holmes dissented.

Washington, March 14.—The opinion of the supreme court of the United States in the case of the Northern Securities Company vs. the United States, involving the merger of the Northern Pacific and the Great Northern railroad companies, was handed down to-day and was in favor of the government. The opinion was read by Justice Harlan.

The opinion of the United States circuit court for the district of Minnesota was affirmed. The effect is to sustain the contention that the Sherman antitrust law applies to railroad combinations of the character in question. Justice Harlan said that in the merger of the two roads the stockholders disappeared and reappeared in the Securities company, the two thus becoming practically consolidated in a holding company, the principal object being to prevent competition. The court says:

NORTHERN SECURITIES MERGER IS HELD TO BE TRUST WITHIN MEANING OF ACT.

"No scheme or device could certainly more effectively come within the prohibition of the antitrust law, and it is within the meaning of the act as a trust." device could certainly more effectively come within the prohibition of the antitrust law, and it is within the meaning of the act as a trust.

The case has attracted more attention than any other suit before the court since the first insular cases were decided, and has been regarded by bench and bar as equal in importance with those cases and with the income tax case.

It was argued in December last for two days and attracted general attention at that time, as it did previously when the decision was rendered by the circuit court for the district of Minnesota.

The action was brought in the circuit court under the law of Feb. 11, 1903, which was for the purpose of expediting the case, and was heard by the four circuit judges of the circuit. They united in a decision favorable to the United States and opposed to the contentions of the railroad companies.

VIRTUALLY A POOL OF ROADS AT THE EXPENSE OF THE PUBLIC

The suit was instituted by the United States against the Northern Securities company and the two railroad companies, the Northern Pacific and the Great Northern, and their leading stockholders for the purpose of dissolving the merger of the two roads, which the United States declared had been created by the creation of a holding company, the Northern Securities company. This consolidation was claimed to be in violation of the Sherman antitrust law. It was claimed on behalf of the government that this consolidation was, in effect, a pool created to promote the interests, not of one system at the expense of the other, but of both at the expense of the public. The railroad claimed that the transfer of the stock of the two companies to the Securities company was in the nature of a sale and perfectly legitimate.

NORTHERN SECURITIES CONTENTIONS ARE OVERTURNED ONE BY ONE

The contentions of the Northern Securities company were reviewed and Justice Harlan said they had received full attention. He quoted the various opinions involving the trust question, saying that from them it is to be gathered that all contracts in restraint of trade, reasonable or unreasonable, are prohibited by the Sherman law, and that congress has the power to establish such regulations as are laid down in that law. Congress had power to enact the statute.

Replying in detail to the points made for the Northern Securities company, Justice Harlan said that the contention that the law is an interference with the rights of the individual states by which the companies are incorporated was not well founded. In such cases, he said, the authority of congress is supreme. He also declared it to be unnecessary to determine the right of owners of railroad stock to sell the property, nor was it true that the right of the Northern Securities company to own and hold railroad stocks is the only question involved.

GOVERNMENT'S ONLY OBJECTION IS TO EFFORT TO RESTRAIN COMMERCE.

Such contentions are wide of the mark—mere men of straw. All that the government complains of is the existence of a corporation to repress commerce and it not concerned with the other points.

Justice Harlan said that in this day there should be no doubt of the complete power of congress to control interstate commerce. All appropriate means might be resorted to for that purpose. All prior trust cases were in support of that contention. Whether free and unrestrained competition was wise, he said, was an economic question with which the court need not concern itself; the question was that of statutory law.

He asserted the power of congress over interstate commerce to be as complete as the power of a state over domestic commerce. Coming to the plea of the railroads that the antitrust law should be declared unconstitutional, he said that the court could not see its way to that end.

ALL RAILROADS WOULD HAVE RIGHT TO COMBINE IF MERGER WERE LEGAL.

"If," he went on, "the Securities company's contentions are sound, why may not all the railroads of the United States enter into a combination and by the device of a holding corporation control rates throughout the country in defiance of congress?"

Justice Harlan also took occasion to say that there had been nothing in the Northern Securities company's certificate of incorporation to indicate its purpose to be that of destroying commerce, and he therefore absolved the state of New Jersey from any charge of such knowledge in advance.

It might be true that a federal court had no power to dissolve a corporation of a state, but this circumstance could not be an indication of powerlessness to enforce the law, than which no corporation



HATCHING UP PEACE IN THE BALKANS They Are Counting on a Brand New Dove of Peace Any Minute.