



W. M. LADD WILL PAY DEPOSITORS

Agrees to Meet All Accounts in Three Years.

TAKES OVER ALL ASSETS

Title Guarantee & Trust Co. Creditors Will Be Paid in Full.

TOTAL AMOUNT \$2,560,000

District Attorney Manning Will Continue Investigation.

INDICTMENTS NEXT WEEK

Active Officials and Directors of the Defunct Bank Will Not Escape Prosecution—New Deals of President Ross Discovered.

earnings, but Ross had a happy faculty of marking up assets with "enhanced value" to make up the deficiency, and entered it in a mysterious account called "suspense earnings," which is full of puzzles for the experts.

The original capital of the Title Guarantee & Trust Company, when the company was formed in 1881, was \$125,000, paid for with \$62,500 debt and an abstract plant of the Real Estate, Title & Trust Company, which was succeeded by the present company.

Complete details of the agreement will be worked out today, at conferences in Mr. Manning's office. The participants



District Attorney Manning, who has exerted himself successfully to save the interests of the depositors of the Title Guarantee & Trust Company.

will be a committee of five members of an organization of depositors—Dr. S. J. Barber, J. O'H. Scooby, Nathan Solomon, C. E. Moulton and William Scooby, representatives of Mr. Ladd, including W. B. Ayer, and W. C. Bristol and Mr. Manning.

Mr. Manning will confer with the depositors' committee at 9 A. M. and with Mr. Ladd's representatives at 10, after which there will be a general party of depositors.

Depositors will ask that their claims be put in such shape as to be negotiable, preferably to be exchanged for certificates of deposit on Ladd & Titton, payable in three annual installments, with interest. Mr. Ladd will guarantee the trusts of the wrecked company, but not the title insurance.

The following statement was issued by District Attorney Manning last night: "W. B. Ayer called on me several times about matters of the Title Guarantee & Trust Company, more particularly concerning W. M. Ladd's connection with the company.

Mr. Ladd will succeed to whatever claims the bank may hold against the \$202,000 property of Ross. The bank's liabilities are: Demand accounts, \$1,055,000, including \$288,000 school funds and \$100,000 other state money; savings accounts, \$405,000, already guaranteed by Mr. Ladd's pledge of November 9; time certificates, \$175,000; demand certificates, \$215,000, including \$100,000 due First National Bank and \$50,000 due Ladd & Titton; due other banks, \$610,000, including \$507,256 due Ladd & Titton.

GERMAN-AMERICAN PLANS A MERGER

To Take Over Oregon Savings Bank.

S. G. REED FOR PRESIDENT

Court Order Granting Time to Pay Claims Will Be Asked.

MAY OPEN IN TWO WEEKS

Will Have Paid-Up Capital of \$500,000—Strong Directorate of Substantial Citizens of Portland Is Promised.

Table with 2 columns: Description and Amount. Includes 'Liabilities of the bank', 'Telephone bonds signed for by depositors', 'Cash on hand', etc.

S. G. Reed, who has been offered the presidency of the reorganized German-American Bank.

In all probability the German-American Bank will take over the defunct Oregon Trust & Savings Bank within the next two weeks and will pay all liabilities of the closed institution. The German-American Bank will move to the corner occupied by the Oregon Trust and it is the avowed purpose of the reorganizers that a better and stronger bank shall rise from the ruins of the old.

The chief matter yet to be arranged is an order from the court giving the bank sufficient time to pay off all the claims against it. A petition to this effect will be presented to the court within a few days. Just how long a period will be asked to permit the bank to meet its liabilities has not yet been decided, but it is likely that not less than 12 months will be petitioned for.

The securing of this court order and the selection of a directorate which will consist of not less than nine and probably of from 15 to 21 prominent and substantial citizens of Portland, are the matters remaining to be closed up before the formal election of these directors will be held and the closed bank taken over by the German-American. These preliminaries, it is expected, will not require more than a few days longer and it is quite likely that at the end of two weeks the bank at Sixth and Washington will be doing business as of old.

The directorate of the new bank is to be of the strongest possible. Men of unquestioned business ability and honesty will be chosen, against whom no whisper of unfair dealing or incompetency can be made. None of the former officials of the Oregon Trust & Savings Bank will be connected with the new bank, although a number will be heavy stockholders, particularly W. H. Moore, who takes a large block of stock. Those interested in the reopening of the bank speak highly of the work Mr. Moore is doing for the reorganization.

Mr. Ladd's business associations, because of misplaced confidence, have led him at times into some unprofitable investments, but evidently without intention of wrongdoing. His association with the Title Guarantee & Trust Company began many years ago before the company resolved itself into a bank. His confidence in the management of the Title Guarantee & Trust Company induced him to own stock in the company and to associate himself with it. I am advised that while he does not wish publicity to criticize the management of the

THE NEW YEAR'S OREGONIAN.

A composite view of Oregon's industries and resources will be presented in the New Year's Oregonian that will be published tomorrow. Space will be devoted to a comprehensive review of the progress of horticulture in this state, and dairying, mining, grain, livestock, manufacturing, railroad development, and many other subjects will be dealt with. Special attention will be paid to the progress of Portland during 1907. Many attractive and instructive illustrations will accompany the articles. Price 5 cents; postage 3 cents.

secretary and treasurer of the Portland General Electric Company until the consolidation into the Portland Railway, Light & Power Company, almost two years ago, when he was made treasurer of the new company.



S. G. Reed, who has been offered the presidency of the reorganized German-American Bank.

has been declared practicable by all who have examined into it. Liabilities of the bank when it closed were about \$2,500,000. Of this sum, practically \$1,000,000 has been signed off by depositors for telephone bonds, bank stock and time certificates. Louis J. Wilde, for the Home Telephone Company, holds certificates of deposit and other claims against the closed bank of \$425,000. Mr. Wilde will subscribe \$100,000 of the sum for stock in the new bank.

A meeting was held by all those who will participate in the reorganization last Sunday at the Oregon Trust, when the plan was thoroughly discussed and turned over from all sides. It was the general opinion that this will be the solution best suited to all interests. It was decided, after a thorough discussion, to proceed along these lines, and the plan had proceeded so far yesterday afternoon that it appears certain of success.

"All who have helped in the work of reorganization deserve great credit," said a man who is familiar with all details of the bank. "During the Sunday meeting Mr. Moore was more than generous in his suggestions."

The agents and sympathizers of the defunct bank and other innocent but mistaken persons now rush forward to place the blame of the present conditions upon the Administration. They seek to use the fact that the defunct bank was a trust company as an argument for the moral victory which has been won. Apparently, they would take a retrograde step to the conditions which existed five or six or ten years ago, when, unhampered by State law, these trustees were building the financial bulwarks behind which they are now fighting. They rely upon the sorely tried and easily frightened and run of banks.

It would seem that our system of currency is not arranged so as to permit its volume to be increased temporarily to contract the sudden drain of money by the hoarding in a panic. It is probable that the stringency, which reached its height on that dark day of October 24, might in part have been alleviated had we had a currency which could automatically enlarge itself to meet the tremendous demand of a day or a week or a month, while public confidence was being restored. The National Administration, together with many of the large capitalists of New York and elsewhere, put their shoulders under the load and by various devices of an unusual character, have brought about the present condition of gradually increasing confidence.

TAFT'S RESPONSE TO THE INTERESTS

Panic Mainly Due to Dishonest Finance.

WHAT ROOSEVELT WARS UPON

Only Influences Which Tend Toward Monopoly.

GUARDS HONEST BUSINESS

Secretary Tells Bostonians What Caused Panic and Says Socialism Will Come if Moneyed Oligarchy Grows Up.

BOSTON, Dec. 30.—Greeted with cheers as "the next President of the United States," topic which he carefully avoided in his own remarks, Secretary of War William H. Taft tonight delivered his first public speech since his globe-trotting tour at the annual banquet of the Boston Merchants' Association, at the Hotel Somerset.

The banquet closed a long and strenuous day for the Secretary of War, during which he delivered a brief address before 400 members in the morning and attended a reception and spoke before a gathering of 7000 guests at the Elks Club in the afternoon. During his visit to Boston, which ends tomorrow morning, Mr. Taft is the guest of Samuel Carr, a Boston banker and a relative of Mrs. Taft.

A more notable gathering of prominent and representative men has seldom been seen in Boston than that which greeted the Secretary tonight. In the banquet hall beautiful decorations adorned the tables, which provided for the seating of more than 500 guests, while behind the speaker's table were great many flags. Seated on either side of the chairman were the speakers and guests of honor, who included Mr. Taft, Congressman Sherley, of Kentucky; Lieutenant-Governor Eben S. Draper, of Massachusetts; Mayor John Fitzgerald and H. Rev. William Lawrence, Bishop of Massachusetts.

After alluding to his New England ancestry and education and to the lack of public interest in the Philippines, Mr. Taft began a discussion of the recent panic, its causes, effects and relation to the policy of the administration. He attributed panics in general to the conversion of loanable capital into investments in the management of some of our largest money in unwise enterprises, extravagant living, etc. For eight or nine months there were many indications that this loanable capital was near exhaustion, until the soundest railroads and other enterprises could not borrow money. This condition extended all over the world.

Secondly, the conclusion cannot be avoided that the revelations of irregularities, breaches of trust, stock-jobbing, over-investments, violation of laws and lack of rigid state or National supervision in the management of our largest insurance companies, railroad companies, traction companies and financial corporations should have made them settle down to what little loanable capital remained available. Such disclosures had more effect probably abroad than they had here, because here we were able to make distinctions, while there, at a remote distance, the revelations created distrust in our whole business fabric.

He predicted that the consequences of the recent panic would not be so long drawn-out as those of the panics of 1857 and 1893, because we have a solid currency, with no agitation against the gold standard, and the railroads are on a much sounder foundation and the balance of trade is with us. He described how loss of confidence destroys credit and renders helpless financially men who properly count themselves millionaires. Though reason gradually returns, the injury to business is more or less permanent. Then the sufferers begin a discussion of the cause. Recent history has given certain elements in the business and political community exceptional opportunities. He then continued:

between the National Administration and certain powerful combinations in the financial world. These combinations for lack of a better name are called "trusts." They engaged in different lines of manufactures and production and by assembling large amounts of capital into one mass in a particular line of business, managed by artful and skillfully devised, but illegal, methods of duress, to exclude competition and monopolize the trade. They became the dictators to great railroads, however powerful and by threatening a withdrawal of patronage, secured unlawful and discriminating rates for their own benefit. They used still more completely suppressing competition. Managed with conspicuous business ability, these trusts went into legitimate foreign trade and largely increased our country's trade. The profits which they realized enabled them to engage in other enterprises, carried on by legitimate methods, the hold which they acquired in the business community gave them a position of vantage it seemed hopeless to combat. The basis of their original success and the maintenance of their power was the violation of the Sherman anti-trust law and the interstate-commerce act, combined at a time both laws were but dead laws upon the statute books of the United States.

The purpose of the Administration of Mr. Roosevelt was to make those men, however powerful and wealthy, to know that the laws upon the statute books were living laws and must be obeyed. It was not proposed that the legitimate enterprises that were carried on with the capital of those trusts should be destroyed. It was not proposed that the foreign trade which inured to the benefit of the whole country should be struck down, but it was determined that

those who were making the statutes a dead letter should be subject to restraint by judicial processes and punishment by indictment—not as a matter of revenge, not to defeat the trusts, but to eradicate systematic lawlessness from our business system. In this struggle the Administration has not been victorious by the popular sympathy awakened by revelations as to the mismanagement of the insurances, but because of the enormous amount of rebates extorted from the railroad companies by those trusts and the consequent management of some of our great corporations. There was a moral awakening among the people, and the hands of the Administration were held up in the work which it was doing.

On the other hand, the men and the interests which were the subject of the investigation were not idle. They had their partisans—guilty and innocent. The guilty, of course, tried to defeat the Administration by any means. The innocent were those who had legitimate business transactions and in whom the attitude of the Administration seemed to be generally and justly commiserated. One of the great manifestations, one of the monuments in this moral progress, was the passage of the railroad rate bill, which met the opposition of many of the railroads, not because they had any sympathy with the trusts, but because they had respects had been more stung against their stockholdings, but because they had the close control, that rigid supervision which the public demanded in view of the enormous amount of money which had been won, after there had been introduced into the hearts of all men, and especially the masses of the people, a new respect for the law. The fear of the law, the panic comes on. The men who have been so long intruded with great financial resources, are not the ones to suffer the most from it. It is the men who have had no such resources, who are the ones who are suffering the most. The great body of business men and wage earners, who are the backbone of the nation, are the ones who are suffering the most.

The agents and sympathizers of the defunct bank and other innocent but mistaken persons now rush forward to place the blame of the present conditions upon the Administration. They seek to use the fact that the defunct bank was a trust company as an argument for the moral victory which has been won. Apparently, they would take a retrograde step to the conditions which existed five or six or ten years ago, when, unhampered by State law, these trustees were building the financial bulwarks behind which they are now fighting. They rely upon the sorely tried and easily frightened and run of banks.

It would seem that our system of currency is not arranged so as to permit its volume to be increased temporarily to contract the sudden drain of money by the hoarding in a panic. It is probable that the stringency, which reached its height on that dark day of October 24, might in part have been alleviated had we had a currency which could automatically enlarge itself to meet the tremendous demand of a day or a week or a month, while public confidence was being restored. The National Administration, together with many of the large capitalists of New York and elsewhere, put their shoulders under the load and by various devices of an unusual character, have brought about the present condition of gradually increasing confidence.

He predicted that the consequences of the recent panic would not be so long drawn-out as those of the panics of 1857 and 1893, because we have a solid currency, with no agitation against the gold standard, and the railroads are on a much sounder foundation and the balance of trade is with us. He described how loss of confidence destroys credit and renders helpless financially men who properly count themselves millionaires. Though reason gradually returns, the injury to business is more or less permanent. Then the sufferers begin a discussion of the cause. Recent history has given certain elements in the business and political community exceptional opportunities. He then continued:

between the National Administration and certain powerful combinations in the financial world. These combinations for lack of a better name are called "trusts." They engaged in different lines of manufactures and production and by assembling large amounts of capital into one mass in a particular line of business, managed by artful and skillfully devised, but illegal, methods of duress, to exclude competition and monopolize the trade. They became the dictators to great railroads, however powerful and by threatening a withdrawal of patronage, secured unlawful and discriminating rates for their own benefit. They used still more completely suppressing competition. Managed with conspicuous business ability, these trusts went into legitimate foreign trade and largely increased our country's trade. The profits which they realized enabled them to engage in other enterprises, carried on by legitimate methods, the hold which they acquired in the business community gave them a position of vantage it seemed hopeless to combat. The basis of their original success and the maintenance of their power was the violation of the Sherman anti-trust law and the interstate-commerce act, combined at a time both laws were but dead laws upon the statute books of the United States.

WAR DECLARED BY ANGRY MOTHERS

Girls Are Tortured by Secret Society.

ORDEALS MAKE ONE HYSTERICAL

Campaign Against Organizations in Schools.

CANDIDATE TELLS SECRETS

Imagining Simulated Tortures Are Real, She Faints Under Supreme Test, Then Tells Mother Who Starts Extermination War.

NEW YORK, Dec. 30.—(Special.)—The nerve-racking terrors of an initiation into a Greek-letter society of girls, students in private and preparatory schools in the city, caused a meeting of 20 angry mothers at the home of Mrs. Elizabeth Moore this afternoon. Their first purpose is to break up the local organization of the Sigma Gamma Society, and their second is to start a campaign throughout the country against secret societies among schoolgirls.

It was the story of Julia Mills, not yet 17, as told by her to her mother, that caused Mrs. Mills to take the first steps against what she considers a dangerous organization. There are 25 members of the local chapter, Miss Josephine Moore, daughter of Mrs. Moore, is the high priestess. Scared into hysterics. Julia Mills was "initiated" Saturday night. The girl staggered home half hysterical, and Mrs. Mills demanded an explanation. Fervently bawling with indignation, she repeated the story today at the meeting of the mothers.

The initiation was held at the Moore home. Miss Mills, according to her story, was summoned to appear there last Saturday. When she was ushered in, she was led into a dimly-lighted room between two columns of black-robed, black-masked figures up to the high priestess. "Are you prepared to undergo ordeals to prove yourself fit to become a sister of this order?" solemnly asked the priestess.

"I am," she answered, and was led to an ante-room. At a signal she was led back to the assemblage and told that after this first test there could be no turning back. "This will be a test of your fortitude, of your fitness to be a sister. You are ordered to thrust your hand into a small cauldron of molten lead, which you see before you. Ready, obey orders."

Miss Mills dashed her hand into the one of lead and sank to her knees in fright. After she recovered her composure in part she was surprised to note that the cauldron was filled with mercury. Again she was led into the ante-room and brought back blindfolded. A drooping voice told of a chimney hand, which each of the beloved sisters had grasped before becoming one of the order. A priestess was ordered to bring in on a tray the hand. The candidate was ordered to grasp it. Shuddering, she involuntarily drew back her arm when she felt the clammy fingers. She was led back blindfolded to the small room, ignorant of the fact that she had grasped a wet chamois-skin glove filled with sand, and not a human hand.

Again she was led forth, this time to drink a nauseating liquid out of a skull, which liquid would "serve to make her of one blood with her other prospective sisters." Revolted at each gulp, she was compelled to drain the skull. So the nerve-racking tests went on. Faints at Supreme Test. Finally the voice of the priestess was heard to say: "Now for the final, supreme test. Gather all your remaining courage and prepare for the most severe test of all. Faithful guardians, lead the candidate to an ante-room, strip her to the waist, bind her arms behind her and then bring her back." In a few moments the girl, now almost hysterical, was brought back. Then the same drooping voice went on: "In order that this ceremony be indelibly fixed on your mind it is necessary that the letters of our beloved fraternity be burned upon your back in acid. Guardians, brand the candidate." At the first touch Miss Mills sank senseless to the floor. When she had been revived it was explained to her that the branding had been done with a piece of ice.

REJECTS MURRAY'S OFFER

Labor Leader Will Not Settle Montana Telephone Strike.

HELENA, Mont., Dec. 30.—The last proposal of General Manager Murray of the Rocky Mountain Bell Telephone Company, has been rejected by Alexander Fairgrieve, of the Montana Federation of Labor. Mr. Fairgrieve points out that he once offered to submit the whole matter to arbitration, which Mr. Murray declined, but now the latter desires to submit the matter to such a board, of which he names two members, leaving the unions to name the third member. Witnesses in the contempt proceedings, which come tomorrow morning before Judge Hunt, arrived from Butte today.