NEW BANKING LAW SOON IN EFFECT

Statute Passed by Legislature of 1907 Becomes Operative Next Wednesday.

INSPECTION PROVIDED FOR

Examiner to Make Investigation at Least Once Yearly—Various Safeguards for Depositors' Money. Amendments Are Proposed.

FEATURES OF OREGON BANKING LAW.

Limits total liability to any bank by any person or corporation to 25 per cent of aggregate paid-in capital and surplus of bank making loan.

Requires publication of detailed statements the same as are now published by National banks.

Regulates amount of capital stock of banks according to population of city in which they are located.

Requires banks in cities of less than 50,000 population to carry available cash reserve of 15 per cent of their demand liabilities and 10 per cent of their time deposits; in cities of 50,000 population and more banks must carry cash reserves amounting to 25 per cent of their demand liabilities and 10 per cent of time deposits; at least one-third of these reserve percentages shall consist of actual cash on hand.

Provides for inspection of every bank by State Bank Examiner at least once annually. For this examination banks pay a fee of from $20 to $250, according to the amount of their capitalization.

Oregon's state banking law, enacted at the 1907 session of the Legislature, becomes operative in every particular next Wednesday, November 25. National banks are not included in the application of this statute which is designed better to regulate the banking business conducted by private corporations by throwing around it safeguards which make for the protection of the depositor. The purpose of the law in its present form will be further promoted. It is reported, by several important amendments which will be proposed during the coming session of the Legislature.

Besides limiting the amount of liability any person or corporation may incur at a bank, requiring banks regularly to publish detailed statements of their condition, regulating the amount for which banks may be capitalized, and requiring an available cash reserve to be kept on hand at all times, this statute provides for a State Bank Examiner who shall make a detailed examination of every banking institution in the state at least once a year. This officer, James Steel, already has assumed the duties of his office, having been appointed by the Board of Bank Commissioners, created by the act, and consisting of the Governor, Secretary of State and State Treasurer.

Banks Made Subject to Examination

Under the provisions of this law all private banks were required not later than August 25, last, or 12 months after that feature of the law went into effect, to file with the Bank Examiner a detailed statement of their resources and liabilities. Subsequent to next Wednesday, or 18 months following the passage of the law, all such banks become subject to examination at the hands of the Bank Examiner and to all of the penalties prescribed in the law. Banks and banking institutions within the meaning of the law are defined in section 7 as follows:

Any person, firm or corporation (except National banks) having a place of business within this state where credits are opened by the deposit or collection of money or currency or negotiable paper subject to be paid or remitted upon draft, receipt, check, or order, shall be regarded as a bank or banker, and as doing a banking business under the provisions of this act.

It is provided that no banking institution shall have less than three directors, while those that may be organized after the law goes into effect shall file with the State Bank Examiner a certified copy of its articles of incorporation before beginning business. The capital stock for which banks shall be incorporated is fixed according to the population of the city in which the proposed bank shall be located. In cities of 1000 population or less the capital stock shall be $10,000; in cities of 2000 population, $25,000; between 2000 and 5000, $30,000; over 5000, $50,000. In all cases 50 per cent of the capital stock must be paid in before the bank can begin business and the remaining one-half of the capital stock must be paid in the following six months.

Provision is made for the sale by the directors of a bank of the stock of a delinquent stockholder after ten days' notice of the proposed sale has been published in a newspaper in the county seat. If no bidder appears at the sale the stock reverts to the bank and if not sold by the directors subsequently and within a year it shall be canceled and held as unissued capital stock of the bank. If it is sold before cancelation, any surplus, less the costs, shall be returned to the original stockholder. If the cancelation of such stock reduces the paid capital of the bank below the minimum required by law, the paid capital shall, within 30 days, be increased to the required amount by original subscription. Failure to comply with this provision of the law will be held to be sufficient cause for closing the bank and arranging for a distribution of its assets.

When the Bank Examiner is satisfied that 50 per cent of the capital stock of a newly organized bank has been paid in, he shall issue a certificate within 30 days certifying to that fact and authorizing the bank to do business. These banks, however, are required to be examined by the Bank Examiner within three months following their organization.

Stock Is Personal Property.

Under the law shares of stock in incorporated banks will be considered personal property and may be transferred on the books of the bank as directed by its by-laws and as required by law. Banks are prohibited from acquiring as collateral or by purchase its own capital stock except where either procedure is necessary to prevent loss upon a debt previously contracted in good faith. In such cases, unless full payment of such debt is made, the stock shall be sold by the bank within 12 months after it is acquired. Every bank also must keep a complete record of the holders of the shares of stock together with their addresses.

Banks will be permitted to hold and convey real estate for the following purposes and no others:

First—Such real estate as shall be necessary in which to transact the business of any such bank, including with its banking offices, other premises in the same building to rent as a source of income, but which shall not exceed in cost to said bank 50 per cent of its paid-in capital, surplus and undivided profits.

Second—Such real estate as shall be purchased by or conveyed to such bank in satisfaction of or on account of debts previously contracted in the course of its business.

Third—Such real estate as it shall purchase at sale under judgments, decrees or mortgage foreclosure under securities held by it. Any real estate heretofore acquired for any purpose than as specified in subdivision 1 of this section in any manner or form shall be sold within five years from the time this act takes effect, and any real estate acquired as provided in said subdivisions 2 and 3 after this act goes into effect, shall be sold within five years after title thereto is acquired. If any such real estate is not sold within the time herein limited, it shall not thereafter be carried as an asset of the bank. This section shall not apply to real estate purchased with funds other than the capital and resources of such banking business, nor to real estate held in trust.

Director Must Own $5000 Stock.

Every director in a bank must own at least $5000 of unincumbered stock in the institution. Every three months a majority of the members of the board of directors is required to meet and make an investigation of the bank's affairs, examine and inquire into all loans and the security deposited with the bank therefor.

In declaring dividends it is required that not less than one-tenth of the net profits shall be carried as surplus until the surplus amounts to 20 per cent of the paid capital. Against this surplus no charge shall be made until the surplus amounts to 20 per cent of the paid capital, except when the undivided profits are insufficient to cover losses.

A fine of $1000 and imprisonment not to exceed two years in the penitentiary are the penalties provided for any officers or owner of a bank who accepts deposits when he knows that the bank is insolvent. The owner, officer, clerk or employe of a bank is liable to a fine of $1000 if he certifies to a check unless the amount of the check actually stands to the credit of the drawer on the books of the bank.

Section 20 limits the indebtedness any person, firm or corporation may assume at a bank. It provides as follows:

The total liability to any bank of any person or of any company, corporation or firm, for money loaned, including the liabilities of the company or firm, the liabilities of the several members thereof, shall at no time exceed 25 per cent of the aggregate paid-in capital and surplus of such bank; but the discount of bills of exchange drawn in good faith against actual existing values, and the discount of commercial or business paper actually owned by the persons negotiating the same and loans made on or secured by real estate or personal property, warehouse receipts and bills of lading representing actual value shall not be restricted to or considered as coming within said limitation of 27 per cent; provided, that such a loan shall not exceed 75 per cent of the actual value of said commercial or business paper, warehouse receipts, or personal property, and that such loans shall not exceed 50 per cent of the actual value of any real estate given as security for such loans.

Borrowing by Employes Restricted.

The officers, owners and employes of a bank, State Bank Examiner and his employes under the law are not permitted to borrow any money, secured or otherwise, from any bank without the approval of a majority of the board of directors. Any officer or employe of a bank making such an unauthorized loan shall be held personally responsible to the bank for any loss to stockholders that might result.

Every bank included in the provisions of the law in cities of less than 50,000 inhabitants—comprising all state banks in the state outside of Portland—are required to have on hand in actual cash or balances due from solvent banks, to be approved by the State Bank Examiner, not less than 15 per cent of their demand liabilities and 10 per cent of their time deposits. State banks in Portland must carry available cash reserves of not less than 25 per cent of their demand liabilities and 10 per cent of their time deposits. One-third of these reserve percentages must consist of actual cash.

All state banks will be required to publish sworn detailed statements as to their financial condition in the same manner and at the same time as National banks now do. Failure to make these reports at the prescribed time subjects the delinquent bank to a daily fine of $50. The State Bank Examiner also is required to submit an annual report to the Board of Bank Commissioners in which he will show generally the condition of the banking business of the state, together with a statement of the work of his office, including all receipts and disbursements. At least 200 of these reports are to be printed in pamphlet form for distribution.

Each bank shall be examined by the Bank Examiner at least once annually and for this examination each institution shall pay a fee ranging from $20 to $250, according to the amount of its capitalization. The law contains a provision which says that a bank shall be liable to the payment of only one fee each year, regardless of the number of times it may be examined.

In making these examinations the Bank Examiner is empowered to administer an oath to the officers and employes of the banks in his efforts to ascertain the true condition of the institution. Any officer or employe connected with the bank under examination who shall swear falsely during such an examination will be subject to a fine of $1000 and imprisonment not less than six months in the County Jail. If an examination discloses the insolvent condition of any bank, or that its capital is impaired or its condition is such as to render a further continuation of its business hazardous to its creditors, depositors or the public, the Bank Examiner may take immediate possession of the bank.

Regulations Affecting Examiner.

Banks and bankers have the right under the law to prefer charges against the Bank Examiner for any violation of the provisions of the law respecting his duties of touching on his fitness and his qualifications for the office. All such charges shall be heard before the Board of Bank Commissioners.

The Bank Examiner is also required to report to the Board the names of all depositors in state banks not known to be living, and whose accounts have not been disturbed for a period of seven years. The Examiner also is obliged to make public the list of such depositors in such manner as the Board may prescribe.

In event of the failure of any of the banks covered by the law, section 38 provides for the protection of the depositors as follows:

In the event of the insolvency or bankruptcy of any person, firm or corporation, maintaining, operating or conducting a bank or banking department, or doing business within the meaning of this act, depositors of such bank or banking department shall have a first and prior lien on all the assets of such bank or banking department, and in the distribution of such assets or the proceeds thereof, the same shall first be applied to satisfy the amount due such depositors; and if any person, firm or corporation maintains, operates or conducts one or more branches or subordinate banks, or more than one bank or banking department, or does a banking business within the meaning of this act at more than one place the depositors of any such bank or subordinate bank or banking department shall have a first and prior lien upon all the assets of such bank, branch or subordinate bank or banking department where such deposit was made or credit extended, and in the distribution of such assets, or the proceeds thereof, the same shall first be applied to satisfy the amount due such depositors.

The bill enacting the state banking law and providing for a State Bank Examiner carried an appropriation of $10,000 annually for the salary of the Examiner and the expenses of his office. The Bank Examiner receives an annual salary of $3000 and traveling expenses.

Charter Commission Adjourns.

Owing to lack of a quorum, the Charter Revision Commission, which was to have held a meeting last night, adjourned to meet again next week

PAVING WAR IS GROWING BITTER

Personalities and Charges Are Exchanged by Street Committee of Council.

STIRRED UP BY PETITION

Movement to Lay Belgian Blocks in Big North Portland District Starts Storm That Hits All Companies.

The street committee of the City Council, at its session yesterday afternoon, engaged in a war of words over "patent" pavements. It started when a petition for Belgian blocks for a big district in North Portland, introduced by Councilman Kellaher, came up for consideration, and continued at intervals for two hours. Councilman Vaughn, the chairman; Councilmen Concannon, Driscoll and Kellaher took active part. The net result was that the Hassam Paving Company made big gains in securing recognition; the Warren Construction Company was lampooned by Mr. Vaughn, and the Denny Clay Company, of Seattle, failed to receive favorable consideration.

The whole affair revealed clearly the struggle between rival paving concerns to get business in Portland. The Warren Construction Company and the Pacific Bridge Company, who control the bitulithic; the Barber Asphalt Paving Company, which lays asphalt, and the Hassam Paving Company, which has the exclusive right to lay Hassam, are now actively engaged in putting in street improvements. The Hassam Company is just starting in here. The Denny Clay Company, a big Seattle concern, is now fighting for entrance. All of these companies have their friends among the Councilmen, and are waging a strong battle for supremacy. It is said the war has only begun.

Vaughn Favors Vitrified Brick.

Mr. Vaughn has recently been converted to the belief that the Denny Clay vitrified brick is admirable for paving, having been over to Seattle several times, with other Councilmen. He it was who started the row yesterday. Mr. Kellaher was objecting to a resolution by Mr. Annand, fixing the brick as the material for a district very much similar to the one created by the Kellaher petition.

"Let the property-owners have Belgian blocks, as that material is not patented," said Mr. Kellaher, supporting the petition.

"Those blocks are controlled by the authority of all authorities on 'patents,'" replied Mr. Vaughn, heatedly.

"If you mean the Warren Construction Company, it is untrue," replied R. M. Shannon, a representative of the bitulithic concern.

"And I say that it is true, just the same," retorted Mr. Vaughn.

"I say it is not true," spoke up Mr. Driscoll, "and I think it is unmanly for the chairman to bring in these personal matters. I don't think the committee cares to hear it."

Does Not Own Quarry.

"I say that there is no truth in Mr. Vaughn's statement that the Warren Construction Company owns stock in the St. Helens quarry, where the Belgian blocks come from," said Mr. Concannon, the Democratic colleague of Chairman Vaughn.

"I am not surprised to hear Mr. Concannon and Mr. Driscoll defending the bitulithic trust," sarcastically replied Mr. Vaughn. "I know where they stand. But I repeat now that the Warren Construction Company does own a controlling interest in the St. Helens quarry, and I defy Mr. Shannon, Mr. Hoyt or anybody else to bring in affidavits to show that the bitulithic trust does not so control the quarry, from which the Belgian blocks are taken."

"Your statement is absolutely untrue," replied Mr. Shannon.

There was great uproar during this heated discussion, which caused Dr. Cottel to remark that the street committee is getting nearly as riotous as the liquor license committee.

Refer Matter to Kavanaugh.

The committee finally voted to refer both the Belgian block and the Denny-clay brick matters to the City Attorney, and the members of the committee will make a personal inspection of the districts named. Judge C. H. Carey, representing the Portland & Seattle Railway Company, and J. Couch Flanders, representing individual owners, explained that some of the property named in the petition and the resolution under consideration is far below grade, and that any hard-surface improvement could not safely be laid.

W. M. Davis, representing property owners who wish Denny clay brick improvement in the district, appeared before the committee and explained how the petition for Belgian blocks came to go before the Council last Wednesday at the same time as the resolution calling for brick.

"Yes, Mr. Davis, tell the committee about that," urged Mr. Vaughn.

"Well, after we had petitions for brick circulating for about six weeks," said Mr. Davis, "the petitions for Belgian blocks appeared."

"Yes, and who circulated the petitions for the blocks?" asked Mr. Vaughn.

Mr. Vaughn Again Sarcastic.

"Why, Howard Whiting," replied Mr. Davis.

"Oh, yes, Howard Whiting," said Mr. Vaughn with a sneer. "Let's see; who is he, anyway? Do I know him? What does he look like?"

"He used to be building inspector," suggested some one.

"Oh, indeed," replied Mr. Vaughn. "Now, gentlemen, let me tell you a little something which makes it look to the casual observer that the Warren Construction Company controls the Belgian blocks. This Mr. Whiting gets his mail at the office of the Warren Construction Company, and—"

"He does not," interrupted Mr. Shannon.

"We've had enough of this personal spite work," shouted Mr. Concannon.

"—And occupies a part of the office of the Warren Construction Company," finished Mr. Vaughn.

"That is all untrue," said Mr. Shannon.

Hassam Petitions Called Up.

Several petitions for Hassam, in the Irington district, were called up by Clerk Grutze. Mr. Kellaher attacked this material as being controlled by a trust, and said:

"It is just like the bitulithic trust; you say others can bid on it, but you hold the string, and make the dummy jump. The string is invisible, but it is there, nevertheless. It's the old cry—the people have to 'see' you, just as they have had to 'see' the bitulithic trust."

"It is the most humiliating thing on earth, gentlemen," said Mr. Vaughn, "to be forced to vote to give the people any one of these trust pavements, but we've got to do it if we get any improved streets. It is a bad proposition right down the line that we are up against."

The Hassam petitions were favorably recommended to the Council, which gives that company much prestige in its fight for a part of the paving business in Portland.

From the extremes of the past—the very short topcoat and the too long ulster—the fashion this season has settled on the medium length for the best overcoats—the 40-inch.

Here they are in infinite variety, in patterns and details of cut in lapels, pockets, cuffs, buttons, etc.

Prices from $10 to $30.

THE LION CLOTHIERS

166-170 Third Street.

MEYERS' CASE UP AGAIN

Father Insists Sons Shall Admit Existence of Missing Note.

SALEM, Or., Nov. 20.—(Special.)—Another chapter in the famous Meyers controversy was commenced today when Joseph Meyers secured from Circuit Judge George H. Burnett an order citing his sons, H. W. and M. L. Meyers to show cause why proceedings should not be had to perpetute testimony as to the existence and loss of a certain note for $38,600 given to Joseph Meyers by the defendants in 1907, and maturing in 1917. This order was made upon the allegation of Joseph Meyers that he expects to bring suit sometime to collect the note and that since it was in a box stolen from the Wells, Fargo Express Company last August, he desires to establish the facts and make them a matter of record while the witnesses are at hand.

This is the first time a proceeding of this kind has ever been brought in Marion County. S. T. Richardson appeared as attorney for Joseph Meyers. The proceeding is authorized by the statutes of the state. The hearing will be had November 30.

FUND MOVES TO $30,000

Eugene Y. M. C. A. Workers Confident They Can Raise $50,000.

EUGENE, Or., Nov. 20.—(Special.)—Today was the fourth day of the Y. M. C. A. building campaign, and at noon the indicator of the big clock was moved up to $30,000. The subscriptions for the most part were small ones, showing good progress on the part of the workers. Two subscriptions were given for $1500 each.

Tomorrow a great many people will be in Portland for the football game, but the work will be pushed hard here, so that the full $50,000 may be raised during the next four days.

SALEM PHYSICIAN SHOT

(Continued From First Page.)

citizens are declaring that every man who has no honorable means of gaining a livelihood shall be driven out of the city. The murderous assault upon Frank Guild in the Barnes store last Sunday morning and other robberies that have been committed recently, have resulted in a strengthening of the police force, and an effort will be made to drive out the criminal element.

Shortly after 11 o'clock tonight Special Officer Walter Johnson arrested a man whom he found hiding behind a tree near the fair grounds and whom the officer believes is the thug who shot Dr. Robertson.

The suspect carried a .45-caliber revolver, fully loaded, but which had recently been discharged. A black handkerchief around the man's neck was tied in such a manner that it could easily be slipped over the face.

The suspect was much agitated and could give no clear account of his actions during the evening or why he was hiding behind the tree when the officer arrested him. He gave the name of Black at the police station.

NEW LIFE

Found in Change to Right Food.

After one suffers from acid dyspepsia, sour stomach, for months and then finds the remedy is in getting the right kind of food, it is something to speak out about.

A N. Y. lady and her young son had such an experience and she wants others to know how to get relief. She writes:

"For about fifteen months my little boy and myself had suffered with sour stomach. We were unable to retain much of anything we ate.

"After suffering in this way for so long I decided to consult a specialist in stomach diseases. Instead of prescribing drugs, he put us both on Grape-Nuts and we began to improve immediately.

"It was the key to a new life. I found we had been eating too much heavy food which we could not digest. In a few weeks after commencing Grape-Nuts I was able to do my housework. I wake in the morning with a clear head and feel rested and have no sour stomach. My boy sleeps well and wakes with a laugh.

"We have regained our lost weight and continue to eat Grape-Nuts for both the morning and evening meals. We are well and happy and owe it to Grape-Nuts." "There's a Reason."

Name given by Postum Co., Battle Creek, Mich. Read "The Road to Wellville," in pkgs.

Ever read the above letter? A new one appears from time to time. They are genuine, true, and full of human interest.

LOTS $250 EACH

There Are Six Big Reasons Why You Should OWN A LOT IN

$10 DOWN $10 EACH MONTH

FAIRPORT

1 FAIRPORT Is the best addition ever offered for sale on the Peninsula, that lies directly next to Swifts' townsite. Fairport will improve with Swifts'. Every improvement made in Swifts' is an improvement for Fairport, for the two additions adjoin. Step over the line from Swifts' and you are in FAIRPORT.

2 FAIRPORT Lots are being offered for sale at prices far below what is being asked for lots in additions that are not near Swifts'. Lots in Fairport will double and triple in value in a few months. Live, active and desirable lots here at $250—$10 down.

3 FAIRPORT Lots are being sold at prices almost one-half what is asked for lots in additions that do not adjoin Swifts', and on far easier terms.

4 FAIRPORT Lots will be convenient to the trolley lines which are to run down Albina avenue, directly through Fairport on Pippin street. And yet we ask only $250 for lots on Pippin street. Where can you buy another lot in Portland on a trolley line with improvements?

5 FAIRPORT Is an addition that adjoins a great and growing commercial and industrial center. The Swifts are spending over $650,000 to improve their townsite next to Fairport. We are improving Fairport to make it as desirable as Swifts'.

6 FAIRPORT Lots offer the best inducement to the workingman, the man on small salary or with a few dollars to spend each month and wants a sure thing—something that will net him a big profit in a short time. A Fairport lot does not require a pile down. They sell at $250. $10 down and $10 a month.

A Trolley Line Will Run Through Fairport

The City Council at a Special Meeting Thursday Consented to Grant a Franchise to the Electric Company to Run a Line on the Peninsula. This Line Will Run Down Albina Avenue Through Fairport on Pippin Street. Here Is Your Opportunity Then to Buy a Lot on a Trolley Line for $250—$10 Down, $10 a Month

Are You Alive to Your Opportunity?

Property here will show a steady increase in values from now on. Get in quickly, before the prices go up. And the man who buys a lot here quickly will live to sell it for double or triple what he paid for it. Does this interest you? Then call on us and let us tell you a thousand more reasons why you should own a lot in Fairport.

Open Sunday, 9 A. M.

And will be glad to have you call at our office and we will take you out to Fairport in our automobiles, which are always on hand. You do not have to buy, but if this property is all we claim for it, you will want to own a lot here.

Mikklesen & Tucker

General Agents

301-2 Corbett Bldg., Cor. Fifth and Morrison Streets