

SENATE DELAYING THE POSTAL BANK BILL

Root Predicts That Treasury Would Be Bankrupt in Panic Times.

WAR EXIGENCY IS TOPIC

Most of Money Invested, Declares Carter, Would Consist of Cash Now Hoarded—Deposits in Local Banks Defended.

WASHINGTON, March 4.—After laboring almost six hours today in an atmosphere surcharged with electricity generated by conflicting opinions, the Senate failed to reach a vote on the postal savings bank bill and took a recess until tomorrow.

By this action the legislative day of March 3 is continued until tomorrow. There is some uncertainty whether final action will be reached even then. When the recess was taken, Senator Carter said seven or eight Senators desired to speak and he did not want to guess how many other speeches might follow.

Beginning at 11:30 o'clock today the flow of oratory continued without interruption until after 5 o'clock when, in despair of reaching a vote, Mr. Carter moved a recess until 11:45 A. M. tomorrow.

Many Views Developed.

There were speeches by Sen. J. Root, Carter, Cummins, Rayner, Clegg, Borah, Clay, Newlands and others, representing almost as many views as there were speakers.

The Cummins amendment to the Smoot amendment, limiting to times of war the exigencies in which the postal funds may be withdrawn from the banks in which they are deposited was the technical subject of discussion, during the entire sitting and during that time there were many acrid exchanges of views.

Senator Root dwelt strongly on the necessity of protecting the credit of the country. Mr. Carter strongly seconded Mr. Root's appeal and drew an even more vivid picture of the possibility of an unexpected National need for funds.

Appealing for candid treatment of the question, Mr. Carter, in charge of the bill, said even if the postal funds should be invested in Government securities, no harm could result, as most of the funds would consist of money now hoarded.

Carter Fears Defeat.

He declared that the acceptance of the Cummins amendment would insure the defeat of the bill and appealed to all friends of the legislation to vote for personal opinions. He declared that those who would divert the legislation from the purposes for which it was instituted must take the responsibility for the defeat of the bill.

Clapp expressed surprise at Mr. Carter's support of the Smoot amendment, declaring that in many years' association with the Montana Senator, he never heard him advocate the use of the postal funds for the purchase of bonds.

"I am now and I have always been in favor of the deposit of postal funds in the local banks," responded Mr. Carter. Calculating that the provisions of the bill that would be of greatest benefit to depositors, Mr. Gallinger predicted a serious condition in time of financial excitement.

"All the depositors demand their money," he said, "and when they find that the Government had it, I think there would be war right there."

"That might be if the depositors had no confidence in the Government," replied Mr. Smoot, "but we assume they would have."

People to Aid Government.

Senator Root took the floor to urge the necessity of putting the bill on constitutional basis. His idea was to afford the people an opportunity to invest their earnings, he said, and at the same time put themselves in the position of supporting the Government.

The whole scheme, he said, was to provide for a system of deposits in the postoffices and of the re-deposit of the funds in a neighboring bank and of keeping them there until returned to the depositor, the Government of the United States merely acting as the agent and guaranteeing the deposit.

Mr. Root pointed out the serious aspect of the assumption by the Government of obligations which probably would amount to \$500,000,000, and which would be secured by no resources except the deposits in the banks.

Of these banks he said there were more than 2,000 state and National. Most of them were safe, but some probably were not. Moreover, no reserve was to be required and it should be borne in mind, he continued, that by no means all of them would be under Government or state supervision.

Mr. Root said that it was generally admitted that the country's financial system was in a strait and as a consequence it happened that when the strings of finance were drawn tight the system was sure to be pulled in wrong. On such occasions the banks are unable to pay, panic ensues.

Treasury Bankruptcy Feared.

"When such times as these come, where will this bill leave the Government of the United States with its \$500,000,000 of obligations to postal savings bank depositors and without any security except that supplied by the banks which can no more pay the Government than they can pay anyone else?" asked Mr. Root.

"Instead of the bankers and brokers going to the wall, the Treasury of the United States will suspend payment and the credit of the Government will be destroyed. Then what will become of the industrial system of the country?"

PHONE RATE WAR DENIED

American Buses Own Stock Back From Mackay Companies.

BOSTON, March 4.—The purchase by the American Telephone Company of the \$2,000 shares of its stock recently sold by the Mackay Companies, was announced here today by President Vail. He says that the stock was taken at a price representing a cash outturn of between \$11,000,000 and \$12,000,000.

It is the plan of the American Telephone Company, Vail said, to issue stock in exchange for the shares of the subsidiary company, which are being re-financed and re-equipped in order to complete the physical property of the operating companies to established state lines.

President Vail denied there was any basis for the assertion that a rate war between the Western Union and the Postal Companies was impending.

PORTRAIT AND SNAPSHOT OF ACCUSED FINANCIER WHO IS AGAIN IN LIMELIGHT.



HEINZE PLEA WAITS

Federal Judges Reluctant to Take Action.

FORMER BAIL CONTINUED

Repeated Indictments Have Been Quashed, but Government Attorneys Believe Presentment That Will Now Hold.

NEW YORK, March 4.—F. Augustus Heinze's plea of not guilty to the indictment found against him by the Federal grand jury yesterday was carried all around the Federal building today and not a judge could be found who would definitely accept it.

The tentative plea, with leave to withdraw, was finally allowed to stand, however, with the understanding that the whole question should come up before Judge Holt next Monday.

Previous Indictments Quashed.

The Government has repeatedly had Heinze indicted on many counts, alleging falsification of the funds of the Mercantile National Bank, of which he was president, but demurrer proceedings have caused the quashing of the indictments. On new presentments, however, the Government seemed satisfied it had found grounds for indictments that would hold, and these were handed in yesterday.

When Heinze appeared today to plead before Judge Hand his counsel, John B. Stanchfield, suggested that as Judge Hough had heard arguments on the preceding indictments, he would be the proper judge before whom to make the present plea.

Case aPssed Along.

Judge Hand agreed. When Judge Hough received the lawyer, however, he showed evidence of impatience. "I've already indicated, I think," he said, "that enough indictments have been found against this man and I know no reason why I should hear any more arguments."

Judge Hough suggested that the case be taken before Judge Holt and he be asked to hear it on Monday next. Meanwhile the tentative plea was allowed to stand and Heinze's bail was continued.

RUSSIA REJECTS SCHEME

China's Alleged Agreement Delays Railway Building in Manchuria.

PEKIN, March 4.—The Russian Government, in a formal note submitted to the Chinese Foreign Board, rejects in toto, China's proposal for the construction of the Aigun and Chin Chow Railroad.

The Russian note includes the counter proposal of Russia for the extension of the Kaigun railroad by foreign capital to Hailan, Russia, building the Siberian section. The counter proposal, as well as Russia's rejection of the Aigun-Chin Chow plan, is based upon a promise which the Russian Government alleges that China gave in 1898 that she would not construct any railways in the north of Pekin without first consulting the Russian Government. China is not cognizant of this alleged promise and feels obliged to delay its reply to St. Petersburg until the agreement asserted is proved or disproved.

MORROW COMES TO PORTLAND

Army Engineer Ordered to Take Charge of Oregon Coast Harbors.

OREGONIAN NEWS BUREAU, Washington, March 4.—Major Jay J. Morrow, of the Engineer Corps, now in charge of the improvement of the Pequot River and Washington City aqueduct, and lately a member of the Board of Commissioners of the District of Columbia, was today ordered to Portland to assume charge of engineering district No. 2, which includes Gelfo Canal, Upper Columbia and Snake Rivers, and some harbors on the Oregon coast, including Coos Bay.

Major Morrow will remain in charge of Portland district No. 1, and continue supervision of the improvement of the channel from Portland to the sea, the Willamette River and other projects of that district.

The lighthouse work of Portland district will be turned over to Major Morrow. The War Department states that the business of the Portland district has become so heavy that one



F. Augustus Heinze.

engineer officer cannot properly handle it, and it therefore has been found necessary to redivide the district as in the days of Major Langitt and Major Harts. When the new river and harbor bill becomes effective, work in this district will still further increase, and it is desired to have the various improvements move forward as rapidly as possible.

FULL TAXATION URGED

COMMISSIONERS ISSUE INSTRUCTIONS TO ASSESSORS.

Attention Called to Non-Exemption of Personal Property—True Cash Value Difficult.

SALEM, Or., March 4.—(Special.)—The Board of State Tax Commissioners has prepared a pamphlet containing exhaustive instructions for the assessment of property. A good assessment, according to the Tax Commissioners, is one which embraces all the taxable property in each county. Attention is called to the fact that many assessors entertain the erroneous notion that municipal bonds, county warrants and notes secured by mortgage should not be listed. Attention is called to the fact the law exempting \$50 of personal property owned by a household has been amended and that no exemption should be made.

The law requires that property shall be assessed at its true cash value, and this is held to mean the "amount such property would sell for at a voluntary sale made in the ordinary course of business, taking into consideration its earning power." Assurance is given that all inequalities will be adjusted by the Board, while those counties which approach the cash value will enjoy the advantage of a greater return on public utility corporation valuations.

Assessors are advised that the practice of grouping large sections of land under a single description is not in compliance with the law. The question which constitutes transient livestock is treated. It is held that "all livestock that is kept, driven or pastured in more than one county in this state in any year commencing on March 1, or that is permitted to range or graze in more than one county during the year, shall be known as transient livestock." The suggestion is made that as a general rule assessors would not be justified in assessing stock under two or three month old. It is held that horses should be assessed at any age at which they have a market value.

It is held that "personal property follows the person of the owner and the tax is upon the person."

LIVE FLY BURIED IN EYE

Oculist Called to Remove Insect, Seeking Shelter From Cold.

NEW YORK, March 4.—A fly buzzed with such force into an eye of Jacob Hockenbury at Annandale, N. J., that the man is in danger of becoming half blind. The insect, still alive, was removed, and the oculist says the eye has suffered severe injury.

Hockenbury, while returning from Hockensbury, this morning from work in a foundry late Saturday night, encountered a swarm of flies. "They all made straight for my face," he said, "and I think they were seeking shelter from the cold."

The Southern Pacific Railway of Mexico has now extended its line to Acapulaca, 23 miles south of Mazatlan.

ROYAL Baking Powder. Bake the food at home and save money and health. CAKE, hot biscuit, hot breads, pastry, are lessened in cost and increased in quality and wholesomeness, by

ESTRADA GIVES EAR

Right of Americans Will Receive Recognition.

REBEL DEBTS TO BE PAID

Merchants Said to Have Given Unlimited Credit on Belief United States Was Behind Movement Against Zelaya.

BOUNTY RECORD REACHED

Union County Hunters Prosper as Result of Extreme Cold.

LA GRANDE, Or., March 4.—(Special.)—What is said to be the largest sum ever paid out in Union County in one month in bounties on wild animals, was handed over by County Clerk Wright on March 1. One hundred and eighty-eight dollars was the total represented by coyotes, seven bobcats and three cougars.

It is believed by trappers that the unusual severity of the weather is responsible for driving the animals from their usual haunts far back into the topos. Sabotorn sm 1 mh mh mh

WESTON MAKES 40 MILES

Noted Pedestrian Will Spend Sunday at Trinidad, N. M.

ALBUQUERQUE, N. M., March 4.—Edward Payson Weston walked 42 miles, from Shoemaker to Springer today, arriving at the latter place at 7:30 tonight. He will leave tomorrow morning for Raton. Weston will spend Sunday at Trinidad.

TREATY MAY BE MODIFIED

United States Would Build Warships on Great Lakes.

WASHINGTON, March 4.—With the purpose of obtaining a modification of the treaty between the United States and Great Britain prohibiting the maintenance of vessels of war on the Great Lakes, that such vessels could be constructed there for use elsewhere, the House today passed a resolution that may open the question for future negotiations.

The resolution called on the Secretary of the Navy for information as to present obstacles in the way of the construction of vessels on the Great Lakes, the dimensions of vessels that might be constructed there and passed through the locks to the seaboard, and the nature of county warrants and notes secured by mortgage should not be listed. Attention is called to the fact the law exempting \$50 of personal property owned by a household has been amended and that no exemption should be made.

HAMILTON'S HEALTH GOOD

Prison Official Says That Is Best Thing Washington ex-Officer Has.

WALLA WALLA, Wash., March 4.—(Special.)—Oscar Hamilton, ex-Adjutant-General of the State of Washington, who is now serving an indeterminate sentence from one to ten years in the State Penitentiary for the misappropriation of funds, has been assigned penitentiary work.

Warden C. S. Reid has made good his word that Hamilton would have to start at the bottom and work up as other prisoners, and today the unusual prisoner was found working in a laboring gang. This work includes almost anything and men so detailed are termed "roustabouts." When asked how Hamilton's health was holding out, one of the officials said:

"Good. His health is the best thing he has."

PEARY KEEPS PROOFS DARK

(Concluded on Page 3.)

Remain in Washington and fix up astronomical observations and instrument records such as a man might make at the Pole. These could not be told from the genuine, it was acknowledged.

Representative Alexander, of New York, was present at the personal representative of Mr. Peary, and told the committee that the latter would be glad to have the committee examine the records, but he would have to see Mr. Peary again and learn whether he would consent to have them published.

The committee will take up the subject again next Tuesday, and if Mr. Peary's proofs are submitted, scientists will be present to examine them on behalf of the committee.

Chinese Probe Llama's Escape.

PEKIN, March 4.—Wen Chun Tso, the assistant resident in Tibet, has been recalled by the Chinese government to

GAY LIFE LESS DANGEROUS

Dr. Woods Hutchinson Says Work Kills More Than Festivity.

INDIANAPOLIS, March 4.—"We hear much about the terrible ravages of death among those who enjoy themselves. They call it the result of the diseases of play, but the diseases of work kill their hundreds of thousands, while only hundreds succumb to the diseases of play—even including, wine, women and song," said Dr. Woods Hutchinson, of New York, in the final conference on public school hygiene and physical culture in the convention of the National Educational Association today.

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TIME'S UP. LAST AND FINAL NOTICE TO THE PUBLIC. FORCED OUT. Tonight at 10 o'clock we close our doors. 750 RAINCOATS. For men and women remain on hand and will be disposed of today. Price no object. Better hurry. Never again such wonderful bargains. Fixtures For Sale—Any Reasonable Offer. We beg to thank the public for their liberal patronage and look forward to extending a cordial and hearty invitation to all next September in our new and permanent home. OPEN TONIGHT TILL 10 O'CLOCK. GOODYEAR RAINCOAT CO. 225 MORRISON ST., BET. 1ST AND 2D STS.

Special Rates East Round Trip. Destinations, Rates, Dates of Sale. Chicago \$72.50, St. Louis 67.50, Kansas City 60.00, Omaha 60.00. One way through California \$15.00 more. Four Great Through Trains. Northern Pacific-Burlington to Chicago via ST. PAUL. Great Northern-Burlington to Chicago via ST. PAUL. Northern Pacific-Burlington, or—Great Northern-Burlington to Omaha, Kansas City, St. Louis, Denver via BILLINGS. Use the Burlington as part of any one way or round trip journey. Have your ticket read "Burlington." Burlington tickets are honored via Deaver without extra cost. Get a Burlington RED folder—note the map—no other line offers such advantages in the way of diverse routes, great cities, scenic attractions as Burlington thro' lines offer. A. C. SHELDON, General Agent. 100 Third St. C. B. & Q. Ry. Portland, Or.

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CRYSTAL DOMINO SUGAR. 2 lb AND 5 lb SEALED BOXES! There is nothing that will create sickness or cause more trouble than a disordered stomach, and many people daily contract serious maladies simply through disregard or abuse of the stomach. We urge every one suffering from any stomach derangement, indigestion or dyspepsia, whether acute or chronic, to try Rexall's Dyppepsia Tablets, with the distinct understanding that we will refund their money without question or formality, if after reasonable use of this medicine they are not satisfied with the results. We recommend them to our customers every day, and have yet to hear of any one who has not been benefited by them. Three sizes, 25c, 50c and \$1.00 a box. Sold in Portland only at our store—The Rexall Store, The Owl Drug Co., Inc., cor. 7th and Washington Sts. BY GROCERS EVERYWHERE!