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CUSTOMERS' STOCK MADE COLLATERAL

Witness Tells How Brokers Get Money.

HEDGING ORDERS DEFENDED

So Long as Commissions Are Paid, All Is Regular.

ACTIVE MARKET "CREATED"

Former Member of New York Stock Exchange Governors Admits Rival Could Furnish Balm by Raising Rates.

WASHINGTON, Dec. 12.—The highways and byways of finance as traversed by operators on the New York Stock Exchange were mapped out before the House banking and currency committee today in its "money trust" inquiry.

Frank K. Sturgis, of the brokerage firm of Strong, Sturgis & Co., former president, and a member of the board of governors of the Stock Exchange, told the committee about the ways of the "street."

The examination of Mr. Sturgis by Samuel Untermyer, counsel for the committee, was filled with technical questions and involved digressions. Mr. Sturgis at times insisted on long explanations in answering questions and once flatly declined to answer. His counsel, John G. Milburn, interfered to preserve the dignity of the occasion.

Business Increases Rapidly.

The testimony of Mr. Sturgis brought out the following points:

"The membership of the Stock Exchange has not been increased since 1869, when it was fixed at 1100. Since then the business done and the stocks listed on the exchange have increased about 50 times over."

Mr. Sturgis said an increase in membership was unnecessary. In a dozen recent failures, he admitted, Stock Exchange houses had carried with them stock owned in part by the partners, but hypothecated by the brokers for more than the real ownership of the broker. In such cases the proceeds of the sale of the bankrupt broker's seat on the exchange goes, it was explained, not to the customers, but to his creditors inside the Exchange. Mr. Sturgis thought this was fair and just.

Customers' Collateral Used.

Stock Exchange brokers usually use the stock owned in part by their customers as collateral to support their own loans, Mr. Sturgis said, rehypothecating the securities for a greater amount than is represented in the debt of the customer on the stock.

He added that the governors of the Exchange would welcome any suggestion that would put a stop to the practice.

Mr. Sturgis insisted the Stock Exchange could not prevent manipulation of the market by pools and syndicates. He said they could not go behind a transaction to discover a buyer or seller's motives.

On this point Mr. Sturgis and counsel for the committee had a spirited argument.

"Is it ligitimate for a member of the Exchange to give an order to sell a certain amount of stock to one broker and an order to buy the same amount of the same stock to another broker?" asked Mr. Untermyer.

Commission Is Chief Point.

"So long as there is no collusion and the commissions are paid it is not illegitimate," said Mr. Sturgis.

"The important point is that the broker's commission be paid?" asked the lawyer.

"Yes, that is it."

"You know the object of that sort of a transaction is to raise or depress the price of the stock?"

"The object is to create an active market."

"A market that appears to be active, you mean?"

"Yes."

Mr. Untermyer sought in vain to get from Mr. Sturgis his view of the position of the trading public in such a transaction with the stock at a fictitious figure, and finally objected to the form of the witness' answers.

"You are asking me a moral question, and I'm answering a Stock Exchange question," said Mr. Sturgis with a smile, and the committee laughed.

The witness insisted that the transactions were beyond the power of the Exchange to discipline, so long as the commissions were paid.

The relation of the New York Stock Exchange and the Consolidated Stock Exchange came in for a share of Mr. Sturgis' attention, following the examination of half a dozen members of the Consolidated Exchange, who declared the Stock Exchange rules forbade its members to do any business with the Consolidated Brokers or anyone connected with the Consolidated Exchange.

"You just wanted to punish the Consolidated," suggested Mr. Untermyer.

"No, we wanted to protect ourselves."

"The Consolidated charges just one-half as much for commissions for doing the public's business as you do?"

"Yes."

"Hasn't that something to do with the ill feeling?"

"Well, no, I don't think so."

"If the Consolidated doubled its com-

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BABY BOY IS BORN IN TAXI, 12-12-12

ON DATE OF DATES SINCLAIR HEIR ARRIVES.

Train Halts Early Morning Dash for Hospital and Stork Alights—Another Birth on Steamboat.

Born in a taxi on the 12th day of the 12th month of the 12th year of the century.

What a story for little baby boy Sinclair to tell in after days. Yet that is actually what happened, for yesterday morning at 7 o'clock from the window of a taxicab this sturdy son of Mr. and Mrs. John W. Sinclair first saw the light of day.

Just when speed and a clear road were vitally essential for the occupants of the car, on the way to a hospital, there lazily rumbled along the track a heavy freight train, blocking the taxi's progress and to the mother in her anxiety, the train seemed almost to halt and waver midway across the highway. Then a little further on a fruit wagon, its driver still partly in the arms of Morpheus, delayed the fateful journey of the cab by its perambulations, and so the child was born, not in a cot in the Immanuel Hospital, but in surroundings far more romantic.

Once before Dr. Clayton Seamann, who was attending Mrs. Sinclair, saw the stork come flying rapidly, though that was when it brought a little girl to her mother on a steamboat.

The proud father who is an employe of the City Water Department, at Bull Run, was delighted to hear that both the mother and the child are "doing fine."

TRIAL MARRIAGE FAILURE

Mitar Krainovich Says Woman Left With Another Man.

An unsuccessful trial marriage of two months' duration was reported to County Clerk Fields yesterday by Mitar Krainovich, who on December 29, 1910, obtained a license entitling him to wed Dora Jobanobich. In response to a letter demanding to know why no return, showing the ceremony performed had reached the County Clerk's office, Krainovich came in yesterday and explained that he had decided not to be married until he had ascertained whether he and the woman could get along well together. At the end of two months, he said, she had left with another man, taking the license with her.

Under the impression that the first license had expired by limitation F. C. Ramsdell, it developed yesterday, took out two licenses to wed Josie M. Black, the first on April 15, 1912, and the second on June 19, 1912. He received a letter asking why no return had been made on the April 15 license and visited the County Clerk's office yesterday to explain the situation. Ramsdell would not state why the ceremony had not been performed in April.

GALES DISABLE STEAMER

Waterhouse Vessel Ockley, Part of Cargo Gone, Limps Into Port.

SEATTLE, Wash., Dec. 12.—A cablegram received tonight by Frank Waterhouse & Co., said the British steamship Ockley, which was carrying a cargo of flour, lumber and general freight from Portland, for Hongkong and Manila, put in at Muroran, Japan yesterday in a disabled condition. The Ockley sailed from Seattle November 3, having come here from the Columbia River to coal.

The Ockley's deckload of lumber was gone, four lifeboats were crushed and the steam steering gear was damaged. Delay in the arrival of the freighter in the Orient had caused apprehension lest she had been lost at sea.

Included in her cargo were 5800 tons of flour, 1200 tons of box shooks, 400,000 feet of lumber, 225 tons of oats, 70 tons of salmon and a consignment of fish loaded at Bellingham.

The Ockley is the second vessel of the Waterhouse fleet to suffer damage in recent storms on the Pacific. The British steamship Lord Curzon arrived at Yokohama, November 20 in a disabled condition, 16 days overdue.

W. P. OLDS IS PRESIDENT

Portland Man Chosen to Head North Pacific Unitarian Conference.

SPOKANE, Wash., Dec. 12.—The North Pacific Unitarian Conference at its annual meeting today elected the following officers:

W. P. Olds, Portland, President; C. L. Hamilton, Salem, Or., first vice-president; Professor Edwin Start, University of Washington, second vice-president; Rev. W. S. Elliott, Jr., Portland, corresponding secretary, and Rev. S. A. Macdonald, Hood River, recording secretary.

P. M. Surruriorier, of Lyndon, Wash., and Walter Matson, of Vancouver, Wash., were elected directors.

COUNCILMEN PLAY SANTA

City Fathers as Body Pay Assessments on Widow's Property.

As a Christmas present and one urgently needed, the City Council will send a receipt in full to Mrs. S. A. Jorgenson, a widow, for all of her street assessments in Oakhurst Addition. This was voted unanimously yesterday at a special sesion.

Mrs. Jorgenson has six small children dependent upon her and is unable to support them and meet which, to her, are heavy assessments on the property. When the case was stated to the Councilmen they agreed to pay it out of the general fund and to send her the receipts for Christmas.

BOWLEGS NO WORSE THAN KNOCK-KNEES

Which Is Greater Menace Is Debated.

JOHN HAYS HAMMOND JUDGE

Members of Congress Argue at National Press Club.

RESULT DECLARED DRAW

Sulzer and Stanley Trace All Evils of Human Race to Bowlegs and Penrose and Gore Denounce Knock-Knees as Atrocious.

WASHINGTON, Dec. 12.—Whether bowlegs are a greater menace to navigation than knockknees is still an open question, in spite of arguments made before the National Press Club tonight by Representative Sulzer, Governor-elect of New York, and Representative Stanley, of Kentucky, in condemnation of bowlegs and Senators Penrose and Gore in vigorous denunciation of knockknees.

Referee John Hays Hammond decided that neither offered serious obstruction and read a cablegram from the International Board of Navigation in Berlin to bear him out.

Before the debate began Mr. Hammond forced the contestants to rise and shake hands, "to show there was no hard feeling."

Representative Sulzer attributed to bowlegs virtually all the diseases known to medical science, "from corns to consumption." He declared that history could show no bowlegged hero, while Moses, Socrates, Hannibal and scores of others "interfered" in their knees. He closed by quoting:

A man knockneed
is a friend indeed.

Senator Penrose insisted there was no place in creation for the knock-kneed. A man so afflicted, he declared, on going home from his club in the early hours would be in a state of collapse in the road, while the bowlegged man would be bowling merrily homeward.

"The bowlegged condition," he said, "is due to a remnant of our physical trait when we lived in trees and climbed up them. The consequence is that the bowleg is full of the vigor of the gorilla or of the primitive man."

Representative Stanley followed with a sweeping denunciation of bowlegs.

Senator Gore assailed the framers of the Constitution because they had not grappled with the knockkneed question "face to face and feet to feet." He admitted the problem was a knotty one, but added that the American people had settled it politically "by sending both the knockkneed Republican elephant and the bowlegged bull moose up Salt Creek as obstructions to navigation."

2,000,000 EGGS FIND BUYERS IN WAITING

HOUSEKEEPERS' LEAGUE CONTINUES CAMPAIGN.

Philadelphia Women Find Supply Unlimited at Low Price and Call for More Distributers.

PHILADELPHIA, Dec. 12.—More than 2,000,000 eggs were retailed at 24 cents a dozen by the Housekeepers' League today in the campaign to reduce the cost of living, started here yesterday.

Six thousand cases of 30 dozen each were distributed to settlement houses, stores and private dwellings and were all eagerly bought.

Mrs. Deere, president of the league, issued tonight a call for additional volunteers to aid in selling the eggs and for more automobiles to distribute them. The quantity is said to be practically inexhaustible and she proposes to continue the campaign "until the retail dealers who have been maintaining high prices have been taught a thorough lesson."

Retailers made a general reduction in their charges for storage eggs today, but few were as low as the prices set by the Housekeepers' League.

POSTAL BILL CUT DOWN

Measure Reported to House Now Carries $278,489,781.

WASHINGTON, Dec. 12.—The Postoffice appropriation bill, aggregating $278,489,781, including $750,000 for parcel post equipment and $25,000 for the parcel post commission, was reported to the House today. The total is a decrease of $3,301,727 from last year's estimates.

The Postoffice Department submitted increased estimates partly attributable to the expenses of the parcel post to be installed under the present law and to the postal savings bank. The estimate was reduced by the committee on the ground that the estimates as to these projects are largely speculative.

Despite the Postmaster-General's report of a small surplus for the fiscal year ended June 30, 1911, the postoffice committee reported that there was a deficit of about $627,000 instead of a surplus of $219,000 for that year. Similarly, according to the committee, the accounts chargeable to this year may make a change in the Postmaster-General's audited postal deficit of $1,765,523 for the fiscal year of 1912.

PORTLAND MEN TO BUILD

Dr. E. G. Watts and Ray Pritchard Plan Rubber Factory at Stanfield.

A plant for the manufacture of domestic rubber goods and druggists sundries will be built immediately at Stanfield, in Umatilla County, by Portland interests, which have been incorporated as the Oregon Rubber Company. Dr. E. G. Watts and Ray Pritchard are the principal stockholders.

A site containing two acres was given the company by the residents of Stanfield. A contract already has been let for the construction of the factory. The building will be of brick construction, with ground area 50x100 feet.

The company expects to be ready to turn out its products early next year. About 15 men will be given employment. The company is now drilling a well on the site and arrangements are being made to supply Stanfield with water for domestic purposes.

RULES FOR PARCEL POST COMPLETED

System to Be Effective on New Year's.

FARM PRODUCTS INCLUDED

Limit Is Six Feet in Length and Girth Combined.

INSURANCE PROVIDED FOR

Added Fee of Ten Cents Will Entitle Owner to Recover Value of Package, if Lost, Within Limit of $50.

WASHINGTON, Dec. 12.—Regulations to cover the workings of the new parcel post system, which is to go into operation on January 1, were made public by Postmaster-General Hitchcock today.

The new system will be effective throughout the entire postal service at the same time. Every precaution will be taken by the Postofice Department to have the mails moved with the usual dispatch and all postmasters, superintendents and inspectors have been directed to familiarize themselves and their subordinates with every phase of the new system.

Farm Products Included.

Regulations provide that parcels of merchandise, including farm and factory products (but not books and printed matter) of almost every description up to 11 pounds in weight and measuring as much as six feet in length and girth combined, except those calculated to do injury to the mails in transit, may be mailed at any postoffice for delivery to any address in the country.

Delivery will be made to the homes of people living on rural or star routes as well as to those living in cities and towns where there is delivery by carrier. Where there is no delivery by carrier, the parcels will go to the postoffices.

Maximum Rate 12 Cents.

The postage rate for the first zone, that is, within the distances not exceeding 50 miles, will be 5 cents for the first pound and 3 cents for each additional pound.

The rates increase for each successive one of the eight zones into which the country is divided, the maximum rate being 12 cents a pound, which will carry a parcel across the continent or even to Alaska and the Philippines.

For a fee of 10 cents a parcel may be insured and if the parcel is lost in the mails an indemnity to the amount of its value, not to exceed $50, will be paid.

The law provides for the use of distinctive postage stamps and there is now being distributed to postmasters for use in the parcels post system a set of stamps of 12 denominations. Parcels post maps, with accompanying guides, are to be sold to the public at their cost, 73 cents.

SANTA—YES, AND YOU'D BETTER GET READY FOR A BIGGER ONE.

HOME RULE BILL READY FOR VOTE

MINISTRY GETS OVATION AS COMMONS ADJOURNS.

Government Adheres to Programme, Including Welsh Disestablishment and Ballot Reform.

LONDON, Dec. 12.—The committee stage of the home rule bill was completed in the House of Commons late today amid exciting demonstrations and counter demonstrations. The House then adjourned. Premier Asquith and his ministers received an ovation as they left the Chamber.

The home rule bill passed its first reading in the House of Commons April 16 by a vote of 360 to 266. Its second reading was passed May 9 by 372 to 271. The bill was then referred to a committee of the whole house, but as home rule and Welsh disestablishment are being taken concurrently, the committee stage of the home rule bill was not reached until June 11. The Unionist amendments, which have been the subject of long debate, covered 345 pages of the parliamentary paper.

The bill received a setback on November 12, when in the debate on the financial provisions, the Unionists defeated the government in a snap division by a majority of 22. After riotous scenes in parliament an amicable arrangement was reached. The House, on the motion of the Premier, negatived its original financial resolution, the amendment of which by Sir Frederick Banbury led to the trouble, and another resolution was substituted for it. The net result was to delay the progress of the home rule bill for ten days.

The government intends to pass through the House of Commons before parliament rises prior to March 30 three important bills—home rule, the disestablishment of the Church of Wales and the reform of the franchise, the principal clause of which aims at putting an end to plural voting.

POLICE ALARM IS STUDIED

New System Is Proposed to Notify Officer of Trouble.

A complicated police alarm system, whereby it will be possible to find a patrolman in any part of the city when he is needed is the latest innovation proposed for the Portland Police Department. The plan was brought up at a meeting yesterday of the police committee of the Executive Board, but no action was taken.

The plan is to have the system arranged so that lights will be stationed at convenient places on each patrolman's beat. In case of a report of a robbery in a certain district the desk sergeant on duty at the Police Station, upon hearing of the trouble, would turn on the light on the patrolman's beat nearest to the scene of the robbery or other trouble. If the patrolman does not telephone in within a few minutes a gong on his beat will be set to ringing and will be continued until the policeman calls the station by telephone. The system as proposed would cost approximately $25,000.

The police committee yesterday heard testimony in the case of Patrolman Stanck and ordered the policeman dismissed from the service. He was accused of being asleep on his beat.

BOYS PAID IN CAMPAIGN

Hgh Wages Declared to Have Been Indirect Bribe of aFthers.

STEUBENVILLE, O., Dec. 12.—Additional indictments are to be returned by the grand jury tomorrow in connection with the investigation into alleged violations of the corrupt practices act at the recent election.

The inquisition closed late today with the examination of a score of high school boys. They had received $5 a day for passing circulars in the interest of various candidates. It was believed $1 would have been sufficient remnueration and it was alleged the boys were employed to influence the votes of fathers and older brothers.

Attorney-General Hogan said this feature of the case was not a serious in fraction of the law.

JACOB KAMM NOW DYING

Veteran Steamship Man Here May Live but Few Hours.

Jacob Kamm, the veteran steamship man, who founded the business of which the O.-W. R. & N. Company is the direct successor, is dying at his home on Fourteenth and Main streets and may live only a few hours. He was 89 years old yesterday.

Mr. Kamm owns property in Portland and San Francisco with an aggregate value of $3,000,000, and until he was taken ill on December 1 continued in active charge of his property. He had been an invalid for five years, following an accident, and conducted his work from his home. His wife and four grandchildren are his only heirs.

BARBERS DECLARE TRUCE

Nonunion Shops Agree With Others in Spokane to Enforce Rates.

SPOKANE, Wash., Dec. 12.—(Special.)—The price-cutting war of the master barbers of Spokane was officially ended Wednesday night when 90 per cent of the master barbers employing union journeymen and all of the nonunion shops, against which the fight was waged, signed an agreement to enforce the scale of prices in effect.

All barber shops will be closed at 8 P. M. and will allow half a day off on all holidays.

WEST INFLEXIBLE; FOUR MUST HANG

Taylor's Sentence Is Commuted.

50 WOMEN PRESENT APPEAL

Dramatic Scenes Enacted in Executive Chamber.

MINISTERS ARE CRITICISED

Governor Declares His Ambition Is to Abolish Capital Punishment. Believes Executions Will Aid in Accomplishment.

SALEM, Or., Dec. 12. — (Special.)—"I intend to do tomorrow what I believe will bring about abolition of capital punishment most speedily. If those men do not go to the gallows tomorrow capital punishment will not be abolished in this state during our lives."

With this declaration today Governor West dashed the hopes of a delegation of 50, from Portland, mostly women, who had come to make a plea for the lives of four condemned men who are to be hanged tomorrow. The Governor told the petitioners that he had commuted the sentence of John W. Taylor, sentenced to be executed for the murder of A. H. Perry, in Harney County.

Dramatic Scene Enacted.

Before the meeting was over there were scenes of hysteria among some of the women. With tears streaming down her face and her arms outstretched, Frances C. R. Grothjean, an artist of Portland, recently from Germany, ran across the room to the Governor, fell on her knees before him and prayed with emotion to spare the lives of the condemned men.

Tears sprang into the eyes of the women and many of them sobbed audibly as this dramatic scene was being enacted. The Governor attempted to soothe her as best he could, while other women mingled their pleas with hers.

Apparently, from what the executive said today, there seems to be little hope for the men, other than Taylor, who are awaiting the hangman's noose tomorrow.

Minister First Speaker.

The pleas made today were of wide range. The meeting was in charge of Dr. Nina E. Wood. The first speaker, Rev. Dora Baker, declared that she had come to present the spiritual side of the question, rather than the material side; that the question has been looked at entirely from the temporal and physical angle and that nearly all the talk has been of taking away the men's lives, "when," she declared, "it should be a question of saving their souls.

"God gave them their life and no one should take it away but God," continued the speaker. "These men have gone through the form of giving their lives to God, but they have never reached the full experience of having been washed in the blood of Jesus. If we execute a man in his sin we forever cut off his chance of getting right with God and we plunge his soul into eternal darkness."

Paper Prepared by C. E. S. Wood.

Mrs. La Reine Helen Baker read a paper that had been prepared by C. E. S. Wood, Mr. Wood being unable to be present. In this paper he called attention to the fact that but half, or less than half of the electorate had been given an opportunity to express itself on the question of capital punishment and he urged the Governor to give the newly qualified electors an opportunity to vote upon it before reaching his final decision. He declared that it would be an everlasting disgrace to the state should these men hang.

Samuel E. Webb, business psychologist, spoke in behalf of Mrs. Henry Waldo Coe, who also was unable to be present. He said that Mrs. Coe made the plea, too, as an ardent suffrage worker, that the women be given a chance to express themselves on this question.

Labor Has Representative.

Alfred D. Cridge, appearing on behalf of organized labor, asserted that justice is not given to those who come before the courts without the necessary financial backing. He declared that when a man is hanged it is due more to his poverty than because of his crime. He declared that many a guilty man is freed by a jury that refuses to extend the extreme punishment for a capital offense.

Mrs. Lydia Irons, appearing as a mother, said that she felt the criminal should not be produced for the sake of hanging him. She expressed an opinion that the fight made against the move to abolish capital punishment was a political one because the Governor, its main champion, is a Democrat.

Governor Denies Prejudice.

"Whatever has been said in the newspapers of Portland, or elsewhere, has had no influence on me whatsoever," was Governor West's answer to this assertion.

Julius W. Kuispel argued that we are

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