

# BANKER SAYS TAX WOULD BE UNJUST

### Guarantee of Deposits Characterized as Premium on Reckless Methods.

## "RUNS" HARD TO PREVENT

#### A. Barton Hepburn Tells Committee There Will Be Panics "as Long as Human Nature Exists."

Caution Is Urged.

WASHINGTON, Jan. 7.—That something is radically wrong with the United States monetary system was agreed to today by all witnesses before the House sub-committee on banking and currency, which began hearings to aid in devising a new currency scheme.

The witnesses did not agree as to how a more elastic currency could be obtained.

A. Barton Hepburn, chairman of the board of directors of the Chase National Bank of New York, advocated a central bank with 51 per cent of the stock held by the Government, if necessary. Mr. Hepburn, speaking of Government control of banks, said the best article on this subject he had read was "The New Freedom," by Woodrow Wilson, in which the President-elect opposed the Jeffersonian doctrine that "the less a country is governed the better."

**Human Nature Cause of Panics.**

"We will have panics as long as human nature exists," said Mr. Hepburn. There are three cardinal defects in our currency system, he added, "want of elasticity, want of a market for credit and competitive rather than co-operative operation of our reserves. There should be greater reserve requirements in the business centers of the country. These should be under a general altruistic control. I mean under a Government influence."

Representative Bulkley questioned the witness as to the guarantee of bank deposits.

"If you think the guarantee of deposits would stop runs on banks, sooner you get the idea out of your head the better," said Mr. Hepburn. "When the people want money, they want it and nothing else will satisfy them. A guarantee would count for nothing at all."

**Guarantee Taxes Good Bankers.**

To guarantee deposits, he added, would put a premium on recklessness and to impose a tax to guarantee deposits would be to make good bankers responsible for the actions of bad bankers.

Victor Morawetz, director of the financial affairs of the Atchafalaya, Topoka & Santa Fe, proposed a system of regional reserve banks to which the power of issuing currency should be limited. He told the committee that a banking system under which the United States had prospered so wonderfully could not be wholly bad and urged caution in changing banking and currency laws.

Paul Warburg, of the banking firm of Kuhn, Loeb & Co., of New York, insisted that a central reserve organization offering market facilities to the bank was the only feasible remedy. Mr. Warburg also vigorously denounced the idea of Government guarantee of bank deposits.

Chairman Glass announced at the outset that inasmuch as the Democratic platform declared specifically against the monetary system under which the bank, the majority members of the committee felt it their duty to seek a substitute for this plan.

## J. HAM LEWIS OPPOSED

(Continued From First Page.)

he elected to fill the Lorimer vacancy in the Senate, inasmuch as Mr. Hopkins was the primary nominee at the time of the Lorimer election, supporters of Mr. Hopkins insist that Republican members of the Legislature are under obligations to support him.

Frank G. Allen, of the Legislature, the latest candidate of the Progressives for the Lorimer vacancy. It is said to be possible that Merrill McCormick may withdraw from the race in his favor.

Arthur W. Charles, chairman of the Democratic state committee, tonight called off the Democratic House caucus set for 8 o'clock, after efforts to insure harmonious action on the speakership had proved futile.

## Chance for Harmony Felt.

The slim chance of Democratic harmony which existed before the Governor-elect entered the field has disappeared. All the leaders concede that the Speaker must be elected through a bi-partisan or tri-partisan combination in which not more than a half or two-thirds of the Democrats take part.

A deadlock which will delay the inauguration of the state officers, set for next Saturday, is a possibility. Charles A. Karch, of Belleville; John M. Rapp, of Fairfield, and W. A. Hubbard, of Carrollton, are the Democratic candidates who appear to have a chance of victory.

## CITRUS FRUIT LOSS IS BIG

(Continued From First Page.)

of Salt Lake City from municipal springing curbs. Several laundries have been compelled to shut down. In some parts of the city unsanitary conditions have become a menace.

However, the back of the cold wave has been broken, according to the weather man, and it is hoped that this, together with extraordinary provisions made by the City Council, will bring relief from the famine by tomorrow. The lower parts of the city are enjoying a limited supply of the precious necessity. Water has been turned into the mains from artesian wells and small irrigation ditches.

The temperature reached a maximum of 12 degrees above zero at midday today. At 6 o'clock the mercury was holding its own at 10 above.

## Supervisory System Indorsed.

EUGENE, Or., Jan. 7.—(Special.)—Questions of indorsement of the rural school supervisory system and of the free text-books were discussed at length at the convention here Monday of some 150 school district officers of Lane County. After several hours of argument both were indorsed. The convention also went on record as favoring Superintendent Alderman's suggestion for revision of the lists of the text-books and urging the continuance and extension of industrial and agricultural training in the public schools.

## NEW YORK BANKER, WHO SAYS GUARANTEE OF DEPOSITS WILL NOT STOP RUNS ON BANKS.



A. BARTON HEPBURN.

## WILSON TAKES HAND

### Legislators Urged to Elect Grosscup Treasurer.

## GOVERNOR SURE HE'LL WIN

### Opponent, Friend of President-elect, Is Held to Be Too Closely Allied With Banking Interests to Be Best Man for Position.

TRENTON, N. J., Jan. 7.—Governor Wilson gave today an example of his political policy when he saw individually nearly all the Democratic members of the State Legislature and urged them earnestly to vote for Edward B. Grosscup, Democratic State Chairman for State Treasurer, as against Edward I. Edwards, also a Democrat, and at present Comptroller of the state.

The Governor argued with the legislators that while he was a personal friend of Mr. Edwards, he believed the latter's banking connections made it inadvisable to elect him State Treasurer, a position which controls the deposits of public funds.

"I feel perfectly sure of the result and confident that there will be a large vote for Mr. Grosscup," was the Governor's comment tonight. Friends of Mr. Edwards, however, disputed the claim, declaring the fight was not over.

The Legislature meets a week from today. The Governor had only one other kind of business before him. Delegations of men and women representing labor organizations made a formal appeal for the reappointment of Lewis T. Bryant, a Republican, as Commissioner of Labor in this state. One of the spokesmen remarked that "both sides," meaning Democrats and Republicans, favored Mr. Bryant's reappointment.

"I am sorry that there should be any sides in a matter of this kind," said the Governor, with a smile, toward the delegation, "and though I do not usually say in advance what I am going to do in appointments, I want to take this opportunity of adding my testimonial to Mr. Bryant's excellent service."

## ROCK ENGULFS MINERS

### RESCUERS WORKING AT RISK OF OWN LIVES.

## Two Similar Accidents Happen in Bingham Camp—Rumble Heard.

### Then Men Are Silent.

BINGHAM, Utah, Jan. 7.—At the risk of their own lives, relays of miners are working frantically tonight to reach two, possibly three, of their comrades, who were entombed by a cave-in early today in a deserted stope of the United States Mining Company's copper mines. The body of one of the men caught beneath the rush of rocks and earth has been taken from the debris.

At the Utah Consolidate Mining Company's workings five Austrians were suffering from injuries received in a similar accident. Two of them sustained broken legs and one was internally injured. The latter's condition is serious, but it is hoped that all will recover.

Although it is thought only three were caught by the cave-in, it is possible that four may have been entombed at the United States mines, as another Greek miner cannot be accounted for. When the rescuers first reached the cave-in they exchanged signals with the entombed miners, but these signals suddenly ceased after the rescuers heard rumble within the stope. It is feared that the men were crushed beneath a second fall of rock. One of the men is an American shift boss; the others were Greeks. The mines, which are four miles up the canyon, are cut off from wire communication.

## EXCUSE TO BE LOOKED INTO

(Continued From First Page.)

Mr. Henry, went over the affairs of the Equitable, New York and Metropolitan life insurance organizations with the officers of each. The fact was developed that in the mutual companies the policyholders show little inclination to control the affairs of the companies and exert practically no power in the election of officers.

John C. McCall, vice-president of the New York Life Insurance Company, said in 1908 there were 900,000 policyholders of the company. Of these \$2 voted at the annual meeting. In 1911 \$1 voted.

Charles A. Peabody, president of the Mutual, said that in 1911 there were between 600,000 and 700,000 stockholders and 12,571 votes were cast.

Judge W. A. Fay, president of the Equitable Assurance Society, said that

out of 500,000 policyholders usually between 25 and 50 voted.

In the course of the testimony which led to the charge of contempt against Mr. Henry that witness testified that in the syndicate formed to market the stock of the California company were 15 officers of seven National banks, four of them in New York, two in Chicago and one in Detroit, and that 24 officers of the banks in New York, Chicago, Detroit and Milwaukee had the right of participation in the syndicate.

Before the bank officers were called on to take up their share of the syndicate, Mr. Henry said, practically all of the stock had been sold at a profit. About \$50,000, he said, was the bank officers' profit.

"These syndicate underwriters ever put up any money?" suggested Mr. Undermyer.

"No," answered the witness. "The stock was sold to the syndicate and sold by us for the syndicate to customers on the same day."

Mr. Henry declined to give the names of officers of the banks who were engaged in this syndicate.

**Witness Refuses Names.**

Mr. Henry likewise declined to give the name of the fourth firm associated in the original syndicate with Solomon & Co., Hallgarten & Co. and Lewisohn Bros.

The witness then read into the record the following statement prepared by Senator John C. Spooner in regard to his refusal to answer the question as to the National bank officers engaged in the syndicate:

"I decline to answer the question upon the advice of counsel that the committee is without jurisdiction to receive information called for on the ground that the subject is one in respect of which the Congress is without power to legislate; that the question is an unlawful intrusion into the private affairs of the citizen under the fourth and fifth amendments to the Constitution of the United States, and generally that the committee is not lawfully entitled to compel the information called for."

## ADAMS FEARED IN WEST

### IF HE SUCCEEDS FISHER DEVELOPMENT'S END SEEN.

## Western Senators Are Alarmed at Prospect if Chicago Man Is Elevated by Wilson.

### Elevated by Wilson.

OREGONIAN NEWS BUREAU, Washington, Jan. 7.—(Special.)—Considerable uneasiness is felt by Western Senators, both Democratic and Republican, over the fact that conservation interests are centering their influence back of Samuel Adams, of Chicago, for appointment as Secretary of the Interior, especially as they are alarmed in view of the intimation thrown out by Governor Wilson that he may select his Secretary of the Interior from the Middle West, and from a state having no public lands.

Adams is now Assistant Secretary of the Interior, having been brought to the post by Secretary Fisher, and it develops he is a lifelong Democrat, with considerable Eastern Democratic backing.

Opposition to Adams grows out of the fact that he is rather than Secretary Fisher has determined most of the land policy of the Interior Department for the last two years, and that he is not Fisher who instigated the opposition to much Western land legislation and that he joined with Fisher in fighting the three-year homestead law when it was pending in Congress.

Adams has shown during his two years in Washington that he is fully capable of reading into any statute something Congress did not place there and it was largely Adams who held back the pending of the Siletz lands for more than half the claims that should have passed to patent under that act.

Adams is a conservationist as extreme in his view as Pinchot and combined with that, has ability as a lawyer to twist the statutes to suit his personal views. If Adams is appointed Western Senators agree that the development of the West so far as new lands are concerned will be halted.

## TACOMA MAN MAY GET JOB

### Wallace Mentioned as Likely to Become Diplomat.

## OREGONIAN NEWS BUREAU, Washington, Jan. 7.—Hugh C. Wallace, of Tacoma, who is one of the Washington Democrats, is mentioned for appointment as Secretary of the Treasury, while not generally regarded as likely to receive that appointment, remains in intimate touch with Democratic party leaders.

Recently National Chairman McCombs was Wallace's guest in this city and for the last three or four days Mr. McAdoo, ex-New York Democratic vice-chairman and possible appointee as Secretary of the Treasury, have been holding conferences at Mr. Wallace's home, consulting Democratic Senators and Representatives regarding Cabinet and other appointments, and questions of legislative policy. The fact that both McCombs and McAdoo have made their headquarters at Mr. Wallace's residence has given rise to renewed talk to the effect that Mr. Wallace himself may be tendered an important office by President Wilson, possibly some place in the diplomatic service.

# DEFERRED REBATE GRANTED SHIPPERS

### Ocean "Trust" Declared to Have Competed With Brazilian Government.

## RATE ON COFFEE ADVANCED

### Contracts Are Executed in Brazil and Allowance Made by London Agency—Refusal of Cargo Held as Threat.

WASHINGTON, Jan. 7.—A system of deferred rebates granted by the so-called "ship combination" to shippers who deal exclusively with its members was described today to the House merchant marine committee by a representative of a firm alleged to have received rebates for four years.

The testimony was given by Joseph Purcell, of the Lazard, of New York, one of the largest importers of Brazilian coffee to the United States, who said that for shipping its coffee exclusively by the Lazard, of New York, the Prince line and the Hamburg-South America line, his concern receives a maximum rebate of 10 per cent.

**Brazilian Government Loses.**

J. J. Stechta, New York agent for the Lloyd Brasileiro line, owned and operated by the Brazilian government between New York and Brazil, had testified that his company lost \$4,000,000 in the last six years in attempting to compete with the "conference" lines. He further testified that his company had been able to get the trade of only one big coffee importer, and said that in his opinion the only explanation for this was the existence of a deferred rebate system. He acknowledged he had no positive knowledge of such a system.

Mr. Purcell testified the rebate system was started in 1908 and, with modifications in 1909 and 1910, existed today. The contracts, he said, were signed in Brazil, and the printed forms for claims for rebates sent to the London agencies for allowance. His competitors, Mr. Purcell said, got the same rebates if they signed the contracts.

**Charter Privilege Conceded.**

The witness said he believed the rates were reasonably just, because the contracts permitted shippers to charter a vessel to carry the coffee. When a charter could be procured at 10 cents a bag less than the "conference" rate available.

Mr. Stechta had told the committee that the "conference" lines had raised the rate since 1912 from 40 to 50 cents a bag, but that an offer by his line to Lazard & Rand to carry their coffee for 25 cents a bag had been declined.

When Chairman Alexander, of the House committee, asked Mr. Purcell to explain this, the witness testified that had the offer been accepted this company would have lost its deferred rebate, only to get a service that would not have been satisfactory.

"In addition, the 'conference' lines would have refused to carry your coffee from Brazil to Europe," suggested Representative Thayer.

"They could have done that if we had broken their contract," was the reply.

## INDIANS' SKULLS EXHUMED

### Railroad Work Near White Salmon Discloses Relics of Red Men.

WHITE SALMON, Wash., Jan. 7.—(Special.)—Skulls and other bones of Indians are being exhumed by the Lorimer & Gallagher crew, removing a hill of sand on the C. D. Moore farm, to be used for filling in a trestle on the North Fork Road, a few miles east of this place.

Mr. Moore has dug up bones and the crude utensils of early Indian life several times and the railway workers built many evidences of Indian occupation were uncovered.

Historians maintain that at one time there was an Indian population of over 40,000 along the Columbia River. Arrow heads are plentiful along the river bank and the present site of White Salmon is known to have been a favorite haunt of Indians.

## Snow Disappearing at Carlton.

### CARLTON, Or., Jan. 7.—(Special.)—Four inches of snow fell here last night.

# Great Annual Clearance Sale OF FINE FURS

Every high-grade fur in our enormous stock reduced. Prices for quality and style unequalled.

Illustrated style book sent free upon request. Mail orders given our prompt attention. Furs sent on approval.

Highest Prices Paid for Raw Furs

286 MORRISON STREET Manufacturing Furriers OPPOSITE OLD LOCATION

## A Bank for All People

## The Security Savings and Trust Company

Fifth and Morrison Streets.

Capital and Surplus \$1,400,000

Established 1890.



## You Salesman at

forty must know that a buyer can change his mind quicker than you can change your glasses. Save the orders by combining two pairs into one pair of Kryptok Invisible Double Vision Lenses made our way. Suggestion: Kryptok Lenses in Shur-on Mountings. Nothing better.

## THOMPSON

Optical Institute  
Second Floor Corbett Bldg.  
Fifth and Morrison

and a still heavier fall is reported in the mountains a short distance west. A warm rain is melting the snow rapidly today and the North Yamhill River is gushing rapidly. No damage is anticipated.

## Albany May Have Riding Club.

ALBANY, Or., Jan. 7.—(Special.)—Plans are being developed for the establishment of a hunt club and riding academy at this city. A large number of local people are interested in the project, which is receiving favorable consideration. Fred Gould, a liveryman, who was formerly master of a riding academy at Fort Dodge, Kan., probably will establish the academy.

## Engineers Offer to Arbitrate.

NEW YORK, Jan. 7.—The Brotherhood of Locomotive Firemen and Enginemen declined this afternoon to accept the schedules proposed yesterday by a committee representing 30 Eastern railroads, but offered to arbitrate the questions involved under the Erdman act.

## Run-Down System

### Built Up By Hood's Sarsaparilla.

In many cases of general debility Hood's Sarsaparilla has shown its great intrinsic medicinal worth, as in the case of Mrs. L. U. Bickford, Gosville, N. H., who writes: "Whenever I have suffered, as in the Spring, from a general run-down condition of the system—prostration, dyspepsia, weakness, that tired feeling—I have taken Hood's Sarsaparilla, and it has effected a complete restoration to health."

Hood's Sarsaparilla achieves its great victories, not simply because it contains sarsaparilla, but because it contains the utmost remedial values of more than 20 different ingredients. Do not be led to accept any preparation said to be "just as good." There is no real substitute.

Get it today in the usual liquid form or in the tablets known as Sarsantab.

## Snow and icy pavements increase the cost of delivery.

### PRESENT PRICES ARE LOW

### Will Your Fuel Supply Carry You Through?

### HOLMAN FUEL CO.

Main 333. Commercial Club Bldg. A 3533.



## GLOBE THEATER

WASHINGTON, BETWEEN 10TH AND 11TH.

## ROMEO and JULIET

Most beautiful production of the Romantic Play ever attempted. In two exceptionally artistic reels. Those who have seen it played or read and those who have not done so, will surely be charmed—THURSDAY, FRIDAY AND SATURDAY. 10c—ALL SEATS—10c

## PERFECTION

SMOKELESS OIL HEATER

**Efficient.** Will heat a good sized room even in the coldest weather.

**Economical.** Burns nine hours on one gallon of oil.

**Ornamental.** Nickel trimmings; plain steel or enameled turquoise-blue drums.

**Portable.** Easily carried from room to room; weighs only eleven pounds; handle doesn't get hot.

Doesn't Smoke  
Doesn't Leak  
Easily Cleaned and Re-wicked  
Inexpensive  
Lasts for years

At Dealers Everywhere

### STANDARD OIL COMPANY

(California) San Francisco

461 Market Street

## OUR PROPOSITION:

Suppose we offer you a mortgaged note, being doubly secured by local real estate and "cashable" twice a year at

### 6%

in exchange for your savings bank book for same amount, which is not expressly secured and bearing only

### 3% or 4%

You would, in justice to yourself, investigate the value of our mortgage. We cordially invite your closest scrutiny.

## The 1st Trust Company

of Portland, Oregon

Third and Washington



Original Tickets Remain On All Rugs. See Our Window Display

## Attention, Every Lover of Oriental Rugs!

HOW many times in the past year have you thought of some place in the home or office for which you'd like to have one or more Oriental Rugs?

You who know what a splendid stock we carry—how fair are our regular prices—will realize what an extraordinary opportunity it is when we offer our entire stock at a straight reduction of one-fourth.

This is our seventh Annual Clearance and the only time of the year when we deviate from the strictly one-price basis of selling Oriental Rugs. Why not take advantage today, before it's too late?

## CARTOZIAN BROS.

Oriental Rug Importers WASHINGTON, BETWEEN 13TH AND 14TH