NATIONAL BANK IN PITTSBURG CLOSED

Receivers Are Simultaneously Named for Three Affiliated Institutions.

STEPS TAKEN PROTECTIVE

Failure of First-Second Bank to Keep Satisfactory Reserve Causes Government Action in J. S. and W. S. Kuhn's Organizations.

PITTSBURG, July 7.—The First-Second National Bank of Pittsburg, the First National Bank of McKeesport, a neighboring city; the American Waterworks & Guarantee Company and the banking-house of J. S. and W. S. Kuhn, incorporated, of this city, were forced into the hands of a receivers today, through the failure of the first-named institution to open its doors this morning.

The closing of the First-Second National Bank was ordered by the Controller of the Currency, T. P. Kane, after every effort had been made to meet the Government requirements as to the legal reserve.

The Kuhn banking-house has extensive interests in irrigation projects throughout the West and mines and street traction systems throughout Western Pennsylvania, besides being a dominant factor in the American Waterworks & Guarantee Company.

Steps Are for Protection.

W. S. Kuhn was president of the First-Second National Bank, vice-president and director in the banking-house and vice-president and director of the American Waterworks & Guarantee Company, besides being a director of the McKeesport Bank. J. S. Kuhn was a director of the First-Second Bank and president and director of the American Waterworks & Guarantee Company, besides being a director of the McKeesport Bank and chairman of the board of directors of the banking-house.

When it was learned that the banks would have to suspend business steps were taken to protect the American Waterworks & Guarantee Company and the Kuhns' banking-house, and application was made in the Federal Court this afternoon for a receiver for both institutions.

June 4 Statement Available.

No statement of the condition of the bank was obtainable subsequent to the one issued June 4. That statement follows:

Resources.

Loans and discounts	$ 15,704,901.16
Overdrafts, secured and unsecured	2,571.76
United States bonds to secure circulation	1,000,000.00
United States bonds to secure United States deposits	171,000.00
United States bonds on hand	16,000.00
Premiums on United States bonds	40,121.26
Bonds, securities, etc.	8,549,226.95
Banking-house, furniture and fixtures	176,755.04
Other real estate owned	1,541,977.93
Due from National banks (not reserve agents)	1,318,987.06
Due from state and private banks and bankers	1,316,820.32
Due from approved reserve agents	3,216,447.15
Checks and other cash items	246,600.26
Exchanges for clearing-house	692,230.42
Notes of other National banks	176,290.00
Fractional paper currency, nickels and cents	13,237.88
Lawful money reserve in bank: Specie and legal tender notes	1,881,022.00
Redemption fund with United States Treasury (5 per cent of circulation)	50,000.00
Due from United States Treasurer, other than 5 per cent redemption fund	87,500.00
Total	$ 38,103,886.39

Liabilities.

Capital stock paid in	$ 3,400,000.00
Surplus	1,700,000.00
Undivided profits less expenses and taxes paid	250,968.45
National bank notes outstanding	976,000.00
Due to other National banks	9,239,871.82
Due to state banks and bankers	1,448,118.71
Due to trust companies and savings banks	3,712,210.31
Due to approved reserve ag'ts	174,355.41
Dividends unpaid	1,350.00
Individual deposits subject to check	15,105,144.50
Demand certificates of deposit	383,956.95
Time certificates of deposit	16,090.29
Certified checks	472,609.76
Cashiers' checks outstanding	176,485.73
United States deposits	415,814.18
Postal savings deposits	10,453.88
Total	$ 38,103,886.39

Tonight Mr. Kane issued a statement in part as follows:

"At a meeting of the directors of the First-Second National Bank held on Sunday, the condition of the bank and the results of the recent investigation of the bank examiner were discussed. The directors declared their inability to make good the banks' impaired capital, and it was decided that it would be best for protection of all interests to have the Controller of the Currency take charge.

Clearing-House Refuses.

"The Pittsburg clearing-house committee, which has been engaged for the last four days in going over the affairs of the bank with the examiners and in making a careful investigation as to its condition, refused to furnish funds sufficient to warrant the bank in keeping its doors open.

"The officers of the bank have expressed to the department the belief that there will ultimately be but little if any loss to the bank's depositors."

The Pittsburg clearing-house tonight issued a statement in part as follows:

"The closing of the First-Second National Bank by the Controller of the Currency was not entirely unexpected by this association, and it was therefore prepared for the crisis. The members of the clearing-house are all in good condition, and we believe that the banks and trust companies in the city of Pittsburg as a whole are prepared for any emergency."

Run Is Checked.

During the early hours of the day a run was made on the Pittsburg Bank for Savings, another Kuhn institution, because of the climax of the affairs in the First-Second National.

All demands up to $50 were paid without question, and notice for larger amounts was asked running up to 30, 60 and 90 days, according to the amount demanded by the depositor. This institution also made a statement that it had $5,000,000 in cash and quick assets and was prepared for any emergency. The run was over before the closing of banking hours, and it is not thought any more anxiety over this institution need be felt.

The former First National Bank, which was accredited as one of the strongest banks in the country, was merged with the Second National Bank last March. At that time Oscar Telling, formerly of the controller's department and now vice-president of the First National, was made vice-president of the combined banks and W. S. Kuhn, then of the Second National Bank, was made president.

Government Is Blamed.

Today, upon the closing of the merged institution, a statement was sent broadcast by a press agent for the Kuhn interests in which a director of the bank, "whose name could not be used," was quoted as saying the Government was unjust and was treating the bank unfairly. The statement further quoted the unnamed director as saying the Government was responsible for the merger of the two banks, because it was suggested by Lawrence Murray, then Controller of the Currency. The statement was almost immediately recalled by the distributors of the report, but the recall in many places was ignored.

Judge C. P. Orr appointed as receivers for the J. S. and W. S. Kuhn Company, incorporated, the two Kuhns and J. K. Duff, treasurer of the banking house. For the American Waterworks & Guarantee Company were appointed J. S. and W. S. Kuhn, J. H. Purdy, general manager of the company, with a fourth to be appointed.

The affairs of the First-Second National are tonight in the hands of C. C. Murray, who has been appointed receiver. Bank men are taking some reassurance in this appointment because of Mr. Murray's successful winding up of the affairs of the defunct Allegheny National and Fort Pitt National banks several years ago. W. S. Kuhn is at the bedside of his wife, at Prides Crossing, Mass.

IDAHO PROJECTS UNAFFECTED

Kuhn Enterprises in West Involving $16,000,000 Nearly Finished.

BOISE, Idaho, July 7.—The failure of the Kuhns will not directly affect any of the gigantic enterprises they inaugurated and put through in Idaho. All are completed or practically so.

The Kuhns have spent $16,000,000 in irrigation and power undertakings in the southern part of the state, reclaiming 500,000 acres of arable land. They have immense power plants at Shoshone Falls and Salmon Falls and recently bought from United States Senator Brady the American Falls plant for $2,500,000. The Kuhns personally spent dollar for dollar in Idaho with the proceeds of the bond sales of the Idaho projects, which amounted to $8,500,000.

NEW AMBASSADOR TO AUSTRIA APPOINTED BY PRESIDENT WILSON.

FREDERICK COURTLAND PENFIELD.

WASHINGTON, July 7.—President Wilson appointed today as American Ambassador to Austria-Hungary Frederick Courtland Penfield.

BANKS OF COUNTRY SAFE, SAYS M'ADOO

Pittsburg Failure Merely Case of Unsound Banking, Declares Government.

FIRST-SECOND 'SORE SPOT'

Discrepancies in Statements Given to Public and to Controller Add to Suspicion That Has Lasted Several Years.

WASHINGTON, July 7.—Secretary McAdoo in a statement tonight declared that the general banking condition in Pittsburg, as well as in the entire country, was strong and sound and that he expected no further trouble as a result of the failure of the Pittsburg First-Second National Bank.

"The failure of the Pittsburg bank is simply a sporadic case of unsound banking and has no other significance," the Secretary said. He added that the receivership for this institution removed a long-standing "sore spot" in the Pittsburg situation, leaving the general condition in that city sound.

The Secretary will make a sweeping investigation of the causes of the failure and probably will call upon the Department of Justice to assist the Treasury in unearthing any possible irregularities in connection with the collapse.

Statement Copies Differ.

It developed tonight that one fact which drew the critical attention and suspicion of the Treasury Department to the bank's condition was a discrepancy of nearly $2,000,000 between the sworn statement to the Controller of the Currency as to the bank's condition on June 4 and what should have been a true copy of this report published by the bank in the newspapers of Pittsburg. The law requires every bank to publish its reports to the Controller of the Currency, in response to his call, in local newspapers, so the public may know the facts.

The report to the Controller showed assets and liabilities aggregating $39,997,347.10 each, while as given to the Pittsburg newspapers for publication the report placed these totals at $38,103,886.39, the $1,893,460.71 difference representing rediscounts or borrowed money. Officials declared that this was illegal.

Losses May Reach $3,000,000.

Reports to the department indicate that one-third of the $3,400,000 capital stock of the bank has been impaired and that the surplus and profits have been wiped out. While details are lacking estimates based upon the last report to the Controller of the Currency indicate that at this rate the losses might reach $3,000,000. Secretary McAdoo issued this statement:

"The Acting Controller of the Currency took charge of the First-Second National Bank of Pittsburg today because its directors, at a meeting held in Pittsburg yesterday, expressed their inability to make good an impairment of its capital and decided that the wise thing for all interests was for the Acting Controller to take the situation in hand. The Pittsburg Clearing-House Association, which has had the matter under consideration for several days, had in the meantime also decided that it was inexpedient to furnish the amount of assistance required to keep the bank going.

Bank Held "Sore Spot."

"This bank, which was handed down from the last Administration, has for some time been a sore spot in the local situation and its liquidation became inevitable.

"The Kuhns of Pittsburg were interested in the First-Second Bank and also in the First National Bank of McKeesport. The latter also closed its doors as the result of the former's failure. The general banking condition in Pittsburg is sound and no further trouble with banks is expected.

"The acting controller had no alternative in the circumstances but to take charge of the First-Second National Bank, in order to prevent the withdrawal of large deposits, which had already begun and to secure for the small depositors equal treatment with the large ones. Everything will be done by the acting controller to further prompt liquidation of the bank's assets, so that the depositors may be paid with the least possible delay.

"The recent reports of the National banks to the controller of the currency show a sound and strong condition throughout the country. The failure of the Pittsburg bank is simply a sporadic case of unsound banking and has no other significance."

Reserve Deficit $2,145,000.

The critical eyes of the Government had been in the First National Bank of Pittsburg for several years and on the Consolidated First-Second ever since the amalgamation in March. On June 9 the legal reserve was deficient by $2,145,000.

The report of the First National of McKeesport, which also closed its doors today, showed: Capital, $300,000; surplus and profits, $569,500; individual deposits, $3,444,500; loans, $2,923,000; cash, $221,680.

After working for weeks to prevent, if possible, a receivership for the First-Second, officials declared that they gave up the attempt in despair only after it became known that big depositors of the bank, who had heard rumors of its precarious condition, had begun to withdraw their deposits. In order to place the little depositors on the same footing with the big ones and accord them equal protection, the officials decided to place the institution under Government control.

Responsibility Not Placed.

Officials of the Wilson Administration disclaim responsibility for the merger of the First and Second National Banks of Pittsburg. They declare that the consolidation was authorized by the previous Administration, and that, although the amalgamation was not actually accepted until March 17, Secretary McAdoo had nothing to do with it.

During the several years the First National, previous to its consolidation with the Second, had been under the surveillance of the Government, various attempts, it is said, had been made to consolidate it with other banks. Lawrence O. Murray, ex-Controller of the Currency, compelled the bank two years ago to "charge off" $1,000,000 of its assets regarded by the Government as precarious. Shortly afterward Mr. Murray was offered, and virtually accepted, the presidency of the bank, but the plan fell through and O. L. Telling, chief of reports divisions of the Controller's office, became its president. An attempt later on to consolidate the Exchange National with the First brought forth protests from minority stockholders of the Exchange, which resulted in the abandonment of the effort.

By far the largest part of the world's turquoise comes from the mines near the Persian city of Nishapur, where Omar Khayam was born and lies buried.

ERIE HONORS PERRY

Events of 100 Years Ago Are Re-enacted in Detail.

TRIUMPHAL ENTRY MADE

Old Conestoga Wagon, Reproduction of That Which Carried Ammunition to Fleet, Arrives at Dock Where Is Rebuilt Niagara.

ERIE, Pa., July 7.—Commodore Oliver Hazard Perry, impersonated by Ludwig Meyer, a local business man, left Fort Anthony Wayne at the Pennsylvania Soldiers and Sailors' Home tonight, driving over the route followed by the hero of Put In Bay, and entered Erie one hour later.

Earlier in the day Perry Square was the scene of another notable event, when the Conestoga wagon, a reproduction of the wagon which carried ammunition to Perry's squadron a century ago, arrived after a 500-mile drive from Philadelphia.

The arrival of the wagon, with its accompanying guard of United States cavalrymen from Fort Myer, Va., was timed to correspond with that of the original first load of ammunition, and the route was the same as that covered 100 years ago. At the point on the harbor front where the rebuilt Niagara, Perry's old fighter, lies moored to the dock, the guard was received by a detail of naval militia from the training ships. The wagon was driven to the side of the old ship and the troopers quickly dismounted.

Immediately old-time kegs, presumably filled with explosives, were passed from the wagon to the dock amid the cheers of the crowd. The National colors were run up to the masthead and the ceremony was completed by the firing of a commodore salute of 13 guns from the naval training ship Wolverine, lying alongside the Niagara.

RANGES ARE RESTORED

JUDICIOUS USE INCREASES CAPACITY FOR CATTLE.

Check on Overgrazing in National Forests Shown to Have Had Beneficial Effect.

WASHINGTON, July 7.—(Special.)—The improved condition of the National forest range after regulated grazing is pointed to by experts of the Department of Agriculture as a demonstration that areas which have been severely damaged through overstocking by sheep and cattle can be brought back to their former carrying power through a system of sufficiently intelligent use.

When the Government took charge of the livestock ranges within the National forests, some of them were so badly overgrazed and otherwise injured from reckless handling of the stock that their grazing value appeared to have been almost entirely destroyed. Many of these ranges, however, have been restored and made as valuable as ever.

An example of this improvement is cited in the Nebo National forest, Utah. In 1906, when that forest was created, the ranges within the forest boundaries were found to be badly overgrazed and trampled because there was a lack of any control or supervision over the areas. One of the areas was at that time estimated to be capable of carrying only 3000 head of cattle. Now, through conservative management and judicious distribution of the cattle over the ranges and improvements in water conditions, the carrying capacity of the range has been increased until, in the present grazing season, nearly 5000 head of cattle are using this particular area, and forest officers feel that a few hundred head more can be safely grazed there without injury.

LOS ANGELES REGIME NEW

Mayor Alexander Succeeded by H. H. Rose, ex-Police Judge.

LOS ANGELES, July 7.—Los Angeles has a new city administration today. At noon George Alexander, who had been the city's chief executive for more than four years, joined the "ex's" and H. H. Rose, formerly a police justice, became mayor.

A new council of nine members of whom one is a Socialist, also took office.

A modified form of commission government will prevail. All functions of the city government will be grouped into nine divisions and each councilman will be a special committeeman for one of the classifications.

The council is required to hold sessions every day except Sunday.

CROSSING ACCIDENT FATAL

Nebraska Train Hits Auto, Kills 2 Women and Injures Two.

WALTHILL, Neb., July 7.—Two women are dead and a woman and a man seriously hurt as the result of a crossing accident this afternoon, one mile south of here, when an automobile containing William Denshaus, his wife and two daughters was struck by a Burlington passenger train. Mrs. Denshaus and her daughter, Ethel, aged 25, were instantly killed and Mr. Denshaus and daughter, Hazel, seriously injured, the latter suffering from a fractured skull.

The family resides at Lake Park, Ia.

NORTH BEACH ATTRACTS

Big Crowds.

The fame of North Beach as a Summer resort is being shown by the crowds already flocking there, and the inquiries the O.-W. R. & N. passenger department is receiving concerning this wonderful beach. Steamer T. J. Potter made its first trip of the season last Saturday at 1 P. M. and will leave daily hereafter at 8 A. M., except Sunday, and on Saturday at 1 P. M.

Reservations can be made at Ash-street dock, or City Ticket Office, Third and Washington streets. Phones Marshall 4500 and A 6121. **

LABORER BURIED IN DITCH

C. N. Coleman, of La Grande, Aged 60, in Precarious Condition.

LA GRANDE, Or., July 7.—(Special.)—Caught by a huge slide of earth and gravel while working in the bottom of a city pipe main ditch, C. N. Coleman, aged 60, was so badly injured today that his condition is thought to be extremely precarious.

He was dug out by companions whom the slide missed and was unconscious for some time. One leg and arm are right tonight and internal injuries of a serious nature are feared.

Going Out of Business SALE

$75,000 Stock at Sacrifice Prices

Interest Intense
Shopping Eager
Values Phenomenal

EVERYTHING GOING
Lease, Stock and Fixtures for Sale

Here Are Just a Few Items Picked at Random
See Window Display

40 Suits, values to $20 ....$6.95 | 50 Suits, values to $25 ....$9.95

Every Desired Material—Every Popular Style

60 Suits, values to $30 ....$12.45 | 50 Odd Coats now only ....$1.98 | 30 Odd Coats now only $3.98

Wash Dresses at 98¢, $1.49 $1.98 | 1 lot Dresses, values to $10 ....$3.98 | 100 Dresses, values to $20 ....$6.95

SKIRTS AT HALF PRICE

WORRELL'S SAMPLE CLOAKS AND SUITS

SIXTH AND ALDER STREETS OPPOSITE OREGONIAN OFFICE

CUBAN CHIEF SHOT

Havana Governor Mortally Wounds General Riva.

AFFAIR OUTCOME OF RAID

Head of National Police Fired On by Officials, Who Protested Against Arrests in Fashionable Gambling Club.

(Continued from First Page.)

promenaders, including many women and children.

Riva Not Expected to Live.

General Riva made a statement that he was shot by Governor Asbert. An operation was performed, but he is not expected to survive.

A warrant has been issued for the arrest of Asbert and his companions.

The shooting has caused the most intense excitement throughout the city. All political clubs were ordered closed. Central Park and the Prado were patrolled by squads of police who prevented any assembling in groups. A strong force of rurales is being held in reserve.

General Riva is an officer of the regular army. He was appointed chief of the national police by President Gomez and reappointed by President Menocal.

Immediately after the shooting General Asbert and his companions hastened to the country residence at Mariance of President Menocal, to whom they made a statement, the purport of which has not been given out. Then the Governor and his friends returned to Havana and surrendered themselves to a magistrate, by whom they were provisionally detained.

General Riva in his ante-mortem statement declared that he was shot by Asbert and Arias.

No Chance Given Riva.

Two witnesses have given testimony that Riva was shot while he was attempting to shelter his sons in the carriage. He had no chance, according to these witnesses, to return the fire of his assailants.

President Menocal summoned a meeting of the Cabinet tonight, at which it was decided to convene immediately the Supreme Court, in whose charge the accused have been placed. This course was necessary because the assailants of General Riva, on account of their official station, are not amenable to the ordinary courts.

It is thought that the Supreme Court will not decide upon its future action until after the Cabinet meeting tomorrow. The following official statement was given out at the palace:

"The city is completely tranquil, but precautions have been taken to prevent any further disturbance resulting from public excitement.

Event Not Political.

"The government is determined to proceed with the utmost energy in the defense of order and has no doubt that the highest tribunal in the republic will pursue the right course.

"The event appears to have no relation to politics, originating from the suppression of prohibited games in the General Asbert and General Betancourt clubs by General Riva."

Late tonight the superior officers of the army and rurales were summoned to the palace and received from President Menocal personally directions to insure against any disturbance in any part of the island.

INJUNCTION SUIT ON TRIAL

Tillamook Paving Case May Continue All Week.

TILLAMOOK, Or., July 7.—(Special.)—The injunction suit brought by a number of citizens to restrain the City Council from making an assessment on their property for street pavement constructed by the Warren Construction Company was up today for hearing before Judge Campbell, with a large array of attorneys from Portland, Hillsboro and Salem. It is contended that the pavement does not comply with the specifications and the citizens charge collusion and graft in awarding the contract and in the laying of the pavement.

Engineer Richardson was on the stand most of the day. It is thought it will take a week to argue the case.

Big Ontario Elevator Burns.

PORT HURON, Mich., July 7.—The plant of the Point Edward Elevator Company, located north of Sarnia, Ont., on the St. Claire River, was burned today, causing a property loss estimated at $350,000, partly covered by insurance. About 60,000 bushels of wheat and 220,000 bushels of oats were burned. The origin of the fire has not been determined.

Parcel Post Goes C. O. D.

VANCOUVER, Wash., July 7.—(Special.)—The first C. O. D. parcel post package passed through the local office yesterday, reaching its destination. The new law permitting the sending of packages C. O. D. became operative July 1.

Edlefsen guarantees good fuel. **

You will find nothing equal to Chamberlain's Colic, Cholera and Diarrhoea Remedy for summer diarrhoea in children and for the colicky pains to which children are subject. It never fails and is pleasant to take.

"When our little boy, now 7 years old, was a baby he was cured of cholera morbus by Chamberlain's Colic, Cholera and Diarrhoea Remedy," writes Mrs. Sidney Simmons, Fair Haven, N. Y. "Since then other members of my family have used this valuable medicine for cramps, colic and bowel troubles with good satisfaction and I gladly indorse it as a remedy of exceptional merit."

$985 F. O. B. TOLEDO

Overland

$985 F. O. B. TOLEDO

The Overland Automobile is the most popular car in the world today in its price class. 40,000 automobiles is the production of the Willys-Overland plant this year. This is the greatest business—in dollars and cents—ever done in the history of the industry.

If our cars did not give more value for less money than other cars, this immense business would not be possible.

People buy where they get the most for the least money, and where at least twenty-five per cent can be saved it is always worth consideration.

A striking example of this is our Model 69-T for $985.

This thirty-horsepower touring car by actual point for point comparison will duplicate any $1200 car made. It has the power, size, finish, comfort and completeness.

If you can't pay cash, we will give you terms.

J. W. Leavitt & Co.
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