

PARTNERS' LETTERS FURNISH SENSATION

C. L. Davies, of Portland, Tells of Hunch He Had to Go to South America.

FIRM'S METHODS RECITED

In Reply to Mr. Davies, S. T. Knudson, of Seattle, Wrote That Company "Was Going After Mr. Freeman's Like House Afire."

SPOKANE, Wash., Jan. 30. Letters which passed between Galt Smith and his attorney, Mr. Miller, showed that the mail was defrauded in connection with the sale of stock in the Northwestern Trading Company, of Spokane, and its allied co-operative concerns in Portland, Seattle and Cedar Rapids, Ia., were sent by the Government today in their trial in United States District Court here. The letters, the Government contends, show a conspiracy to defraud on the part of the defendants. In one letter written by C. L. Davies, managing partner of the Portland branch to Stephen P. Knudson, manager of the Olympia Trading & Supply Company, the Seattle house, when application for a receiver was made in the Seattle court, Davies said: "I am rather inclined to think that it is now weather to go to South America. I think the time is ripe to put in a big co-operative store at Buenos Aires."

Several Letters Read.

Davies' letter was only one of several that brooked the sensations of the attorney's hearing. Another series of the most important letters followed.

Mr. Knudson, under a Seattle date line, April 8, wrote in reply to Mr. Davies:

"I presume you have purchased and have made reservations for your South American trip. I have just received a letter from Mr. Smith stating that everything is going along nicely over there and the optimistic feeling seems to predominate. Our cause is won here. Thursday. We have everything to win and nothing to lose. We are going after Miller Freeman like a house afire and if there is any chance at all, I think there is, we will have very soon what we want to get. If we are up this way soon, we will do some celebrating."

A letter written November 12, 1914, to F. B. Sears, who was manager of the collection department, by Galt Smith, who then was in Cedar Rapids, Ia., and the Cedar Rapids labor unions were preparing to inquire of Spokane labor leaders concerning the soundness of the Northwestern General Trading Company. Letter indicated that Galt Smith, Lawrence, one of the defendants, stood well with the labor leader unions and should use his influence to have a favorable reply made in the Cedar Rapids inquiry.

Farmer Is Advised.

A letter written by Lawrence to a farmer who inquired concerning the co-operative company, said Lawrence as a member of a committee appointed by the Farmers Union, had investigated the Northwestern General Trading Company and found everything satisfactory. It is alleged by the Government that Lawrence, at the time he made this investigation, was on the payroll of the Northwestern General Trading Company.

L. PATTERSON IS KILLED

ELECTRIC TRAIN HITS AUTO OF HARRISBURG MAN.

Young Farmer Meets Death When He Fails to See Train Because of Blinding Snow Storm.

HARRISBURG, ORE., Jan. 30.—(Special)—Lloyd Patterson, 28, a well-known farmer of Harrisburg, was killed tonight when his automobile was struck by northbound Oregon Electric train No. 22 at the grade crossing one mile out of Junction City.

Mr. Patterson was traveling alone in his car at about 5:30 P. M., intending to meet his wife in Eugene at the home of his stepfather, John Kelly, of the Booth-Kelly Lumber Company.

He is survived by a widow, aged 22, a mother and a sister, Mrs. Carroll Miller, of this city. The couple had been married only a short time.

BANK AT SEATTLE CLOSED

NORTHERN BANK & TRUST COMPANY IS INSOLVENT AND OTHERS HAVE RUNS.

SEATTLE, Jan. 30.—The Northern Bank & Trust Company, capitalized at

TRY THIS FOR A COLD—IT'S FINE!

"Pape's Cold Compound" Ends Severe Colds or Grippe in Few Hours.

You can end grippe and break up a severe cold either in head, chest, body or limbs by taking a dose of "Pape's Cold Compound" every two hours until the doses are taken.

It promptly opens clogged-up nostrils and air passages in the head, stops nasty discharge or nose running, relieves sick headache, dullness, sleeplessness, sore throat, sneezing, congestion and stiffness.

Don't stay sniffling! Ease your throbbing head—nothing else in the world gives such prompt relief as "Pape's Cold Compound," which costs only 25 cents a bottle and droppers. It is without assistance, tastes nice, and causes no inconvenience. Be sure you get the genuine.—Adv.

YOU HAVE A COLD OR LA GRIPPE
There's nothing better than "Pape's Cold Compound." It cures colds in less time than any other medicine. It costs only 25 cents a bottle.

\$100,000 and with \$1,000,000 of commercial deposits and \$500,000 of savings deposits passed into the hands of the State Bank Examiner W. E. Hansen today as insolvent, and clerks were set at work compiling a statement of the assets and liabilities of the bank, a preliminary report to be filed under the state laws. Examiner Hansen said he would welcome any effort to reorganize the bank.

A statement of the assets of the closed bank could not be obtained.

A crowd had gathered in front of the Northern Bank before the usual opening time this morning, a rumor having been circulated last night that the bank was about to open today. This crowd grew larger as the day wore on. In the afternoon depositors began to withdraw money from all savings banks, and there was a run on the Peoples Savings Bank, one of the strongest financial institutions in the Northwest, and which had made provision last night against withdrawals, owing to its location near the Northern Bank. The Peoples Bank paid all depositors unquestioningly, as did all the other banks.

PROPOSED CLAUSE LIKED

MANY INDORSE "PUBLIC NECESSITY AND CONVENIENCE" IDEA.

PUBLIC SERVICE COMMISSIONER COREY BELIEVES SENTIMENT WILL RESULT IN PASSAGE OF BILL.

SALEM, ORE., Jan. 30.—(Special)—Public Service Commissioner Corey, who fathered the idea before this Legislature and first broached the subject of inserting a clause of "public necessity and convenience" in the public utilities act, today said he has received telegrams, letters, telephone calls and editorial endorsement from the press and the state of the proposal. He believes the public sentiment probably will result in its passage without much opposition.

Letter Also Sent to O. W. W. & N.

In addition to writing to President Sproule, he also addressed a letter to J. P. O'Brien, general manager of the O. W. W. & N., in much the same strain.

"We regret to be again obliged to call your attention to car shortage matters in Oregon, but the situation is almost unbearable. Financial ruin has been and still is starting in the face of what we consider to be imminent loss from bringing this question to your personal notice would not be doing our duty to Oregon shippers or your lines.

"The complaints of unjust discrimination

in the distribution of cars are of almost daily occurrence. Especially is this true on the branch lines and at non-competitive points.

No Relief Is Apparent.

"The car shortage today is fully as great as a month ago and no relief is in sight. Our mill men and other shippers are making arrangements for future business and are very anxious to know what service they may expect from us.

"If equipment will be available to handle the volume of traffic ordered, great development will take place in all commercial and agricultural lines, and we will be able to compete in the repetition of last year's lumber mills and other industries will necessarily be hindered and restricted in their activities and the losses suffered this year will be far greater than last.

"Little or no complaint reaches us relative to car shortage at strong competitive points, but numerous letters have been received alleging that different in service criteria between railroads located at remote stations from those at points more favorably located. These statements are of such a character and so often repeated that we are forced to the conclusion that there is considerable foundation for them.

Loss Declared Enormous.

"It is impossible to estimate the direct loss to this state you caused by our inability to market our products, but it was enormous. The car shortage was responsible for many failures. Confidence in the ability of our mills and factories to compete in the market of other states which led to the establishment of business connections elsewhere, the belief of business men here that their products cannot be transported to market promptly, are some of the causes for these losses."

"This Commission has done all in its power to relieve the existing conditions and impress upon you the seriousness of the situation, and yet we are being criticized and held responsible for things absolutely beyond our control."

Complete Survey Demanded.

"A complete and adequate survey of transportation requirements, full investigation of the cutting capacity of mills served, and fair and equitable distribution of all equipment must be definitely determined so that the future will alone satisfy your Oregon customers."

"In the light of the past, business men cannot be expected to invest money in new industries or to maintain them already in existence and operate them to maximum of capacity without positive assurance that future transportation facilities will fully and adequately meet the demand. Unless immediate and positive efforts are made to secure power and additional freight equipment are adopted, this year will be a duplication of the very unsatisfactory conditions existing last year. Will you arrange promptly to meet this need?"

JOHN Memorial Is Held.

Senate and House Joined Today in Memorial Services to Deceased Legislators Among whom A. T. Stream, Senator W. G. McCall, G. M. McLean, Wahkiakum; A. S. Ruth, C. G. King, R. A. Ayers, Thurston; N. A. Karr, Grays Harbor; David S. Troy, Allen, Weir, Jefferson.

Governor Lister Today Approved \$1,000,000 Appropriation for State.

Entire Remaining Wenatchee Bridge Bonds on February 1, and Senate Bill 19, which changes the name of North Yakima to Yakima, becoming effective January 1, 1918.

As to the labor situation at the prison and the possible competition of prison-made goods with free labor the executive declared that it should be the policy of the state to avoid competition with free labor as far as possible.

With Free Labor.

SALEM, ORE., Jan. 30.—(Special)—After studying for a few days the report of the Prison Survey Commission recently filed with the State Board of Control, Governor Withycombe today said he believed that if an effort were made to carry out the provisions of the report systematically, it would advance the state's interest in the development of modern penal institutions.

As to the labor situation at the prison and the possible competition of prison-made goods with free labor the executive declared that it should be the policy of the state to avoid competition with free labor as far as possible.

With Free Labor.

STANDARD OIL ENTERS SILVERTON.

SILVERTON, ORE., Jan. 30.—(Special)—The Standard Oil Company, having taken an option upon a part of the John G. Lais mill site in this city, expects to establish a distributing station here within a short time.

Labor Problem Reviewed.

"I see three possibilities in keeping the men at the prison free from idleness—tax development, road work and development of lime deposits," said the

WATER CODES APPEAR AGAIN

STATE HYDRAULIC ENGINEER PROVIDED TO SETTLE DISPUTES.

OLYMPIA, Wash., Jan. 30.—(Special)—Another effort is made this session to pass a water code bill. Bill 122, introduced in both houses today by the joint committee on irrigation and arid lands.

IRRIGATION DISTRICT REGULATIONS ARE INCLUDED IN HOUSE BILL 122.

The latter is designed to work in harmony with existing irrigation district statutes, in providing for the organization of sub-districts within districts in order that private property may be assessed for extension of irrigation of lands over a five-year payment period.

The proposed water code comprehends the employment of a state hydraulic engineer, who will be invested with authority to adjust conflicting water rights.

CITY OWNERSHIP PROPOSED

SENATE BILL WOULD ALLOW TOWNS TO OPERATE TELEPHONES.

OLYMPIA, Wash., Jan. 30.—Among the bills introduced in the Senate today were the following:

By Johnson, Spokane.—To permit any city or town to obtain and operate any local utility, including a telephone system.

By Nichols, of King.—Giving first-class cities the right to vote whether public-service corporations operating within its borders shall or shall not be granted the jurisdiction of the state Public Health Commission.

The Senate passed a bill giving to the city of Wenatchee, for a public park, a tract of waterfront on the Columbia River.

Now Playing!

THEDA BARA

in her most famous picture

"The Darling of Paris"

from Hugo's "Hunchback of Notre Dame." A remarkable star in a remarkable production.

Majestic

MR. SPROULE SCORED FOR CAR SHORTAGE

Service Commission Wants to Know Prospects for Relief in Situation.

GREAT LOSS POINTED OUT

Survey of Needs of State Is Demanded as Well as Prevention of Discrimination That Has Been Common for Years.

for further service in the trenches, are sent back to England, where they are kept in active roles at some tasks involving danger, permitted to enter private life, while the pay given them is barely sufficient for the necessities of living.

"I left the trenches a year ago," says the letter, "and have more soldiers coming. Instead of sending me back to my work and out of the army, they have kept me here doing nothing all this time."

"We enlisted; they sent us to France. Bring us back to life and, when they keep us for months doing nothing at all, I suppose our government will wake up some day. My father sent five sons into this war and every one is out of action now, and not one is likely to be admitted again."

"I trust something will be done soon to stop this useless war and that we will have a peace—the peace we are longing for—from one end of this country to the other."

"We are compelled to buy most of our food, it soon goes. I have been broke the last four days, with not even a penny for smokes or stamps. . . . I am afraid this is not a very cheerful letter, but it is quite as most of us here feel."

MERCHANTS ARE ARRESTED

Charge of Deceptive Advertising Is Filed Against J. and M. Simon.

On charges of deceptive advertising, warrants were issued yesterday afternoon by Deputy City Attorney Stader against J. and M. Simon, proprietors of the Simon Salvage Store, 131 First street. The warrants were sworn to by Charles W. English, secretary of the Better Business Bureau of the Better Ad Club. According to Mr. English, the stores had been advertising "leather hand-bags values to \$6, for 69 cents each." He said that no leather was used in making the hand-bags.

COLLEGES REFUGE PEACE

(Continued From First Page.)

mittee hearing tonight determined to yield nothing the State College now has, with the University equally determined.

President O. E. Holland opened the programme in presenting his argument to the Legislature, supported by E. T. Coman, president of the college board of regents, and W. V. McAll, president of the State Farmers' Union.

Representative Swofford of Lewis, who is president of the State Auditor, has opened what may develop into a fierce fight over the bill.

Counties would then be subject to periodic auditing for which they pay at the rate of \$8 a day for each examiner employed.

PRISON PLANS LIKED

Governor Hopes to See Recommendations Adopted.

LABOR PROBLEM IS VITAL

Executive Says State Prison Employment for Convicts if Possible Should Not Compete With Free Labor.

Governor Lister today approved \$1,000,000 appropriation for state.

SENATOR LISTER today carried a bill by Senator French of Clark, which requires that one member of the State Board of Control be a woman. The State Federation of Woman's Clubs and other organizations request the

SENATOR W. S. Davis, of Pierce, undertakes to establish a State Board or Censorship for movie shows, one member of which must also be a woman. Salaries are fixed at \$1800 for board members and \$1200 for the secretary.

Producers are charged \$1 for each 1900 feet of film surveyed by the board.

Senator Landon, of King, filed a constitutional amendment to exempt ships registered in the state from taxation.

Governor Lister today approved \$1,000,000 appropriation for state.

After studying for a few days the report of the Prison Survey Commission recently filed with the State Board of Control, Governor Withycombe today said he believed that if an effort were made to carry out the provisions of the report systematically, it would advance the state's interest in the development of modern penal institutions.

As to the labor situation at the prison and the possible competition of prison-made goods with free labor the executive declared that it should be the policy of the state to avoid competition with free labor as far as possible.

With Free Labor.

SALEM, ORE., Jan. 30.—(Special)—

</