

FAVORITISM IN BANK LOANS IS CHARGED

Policies of Federal Reserve Board Attacked.

COMPLAINTS HELD JUST

Ex-Controller Williams Tells Joint Commission That Farmers Are Mistreated.

WASHINGTON, D. C., Aug. 2.—Policies of the federal reserve board during the last 18 months or more were attacked today before a joint congressional commission by John Skelton Williams, ex-controller of the currency, who charged that the board had displayed undue favoritism in lending New York banking groups while southern and western borrowers were unduly curtailed.

The congressional commission was appointed to inquire into the agricultural situation and summoned Mr. Williams in connection with its investigation into credit facilities for farmers.

Many of Mr. Williams' assertions were challenged in cross-examination by Representative Ogden Mills, republican, New York, a commission member.

"I did not agree with the policy of the reserve board in indiscriminately raising interest rates in 1929," Mr. Williams said, "nor did I agree with it previously in a policy of making prodigal advances to institutions in the east to the disadvantage of the west and south."

"I found that the board in 1929, was advancing directly and indirectly a total sum of \$130,000,000 to a single institution in New York City."

Mr. Williams read statistics which he said showed New York, Chicago and other large city banks were getting more reserve loans than all the country banks during the period. He was asked to present 1921 figures, too, and promised to do so.

The New York reserve bank, Mr. Williams said, always was a tremendous borrower, "to the extent of four times its capital," for use in speculative operations and promotions.

It developed that the reserve board established "basic lines," compounded from resource totals of banks which controlled amount of rediscounts.

"On December 26, 1919," the report showed, "the New York federal reserve bank lent to one New York bank \$130,000,000." Mr. Williams said, "He said he had protested to the board at the extent of the credit, because the bank was conspicuous for its speculative activities."

"This was not a national bank," Chairman Anderson asked.

"It was not," Mr. Williams returned. "I asked a special examination of its condition but it was not allowed on the ground that the charge intervention might alarm the state banking authorities."

Law Declared Evaded

Senator Harrison, democrat, Mississippi, asked if the reserve law did not forbid "speculative borrowings." Mr. Williams said it did.

"But that does not prevent an institution from borrowing \$10,000,000 in liberty bonds," Mr. Williams added, "and rediscounting them in the reserve system and then lending the money to its president for speculative operations."

"The reserve board has always loaned largely and at low rates of interest," Mr. Williams continued, "to certain New York banks and maintained the practice in good times and hard times alike, when the board was forcing liquidation in Richmond, Atlanta and Dallas districts."

PIONEERS' MEETING ENDS

Reunion of Old Wheeler and Gilliam County Residents Enjoyed.

ed vice-president Mrs. Mary Thomas and Mrs. Helen Edwards were re-elected secretary and treasurer, respectively. C. Zacker, Joe Yonice and W. G. Hill were elected trustees.

AID ASKED FROM COLLEGE

Union Farmers and Business Men Want Experiment Station. Demand for experiment station assistance in the wheat maggot problem of the Grand Ronde valley, the purebred beef breeding with the aid of a purebred herd of the eastern Oregon branch station and in dairy breeding and feeding methods, was voiced by farmers and business men at the reception to the college board of regents by the Union Commercial club Monday.

P. D. Smith, president of the reception club, presided at the reception. Speakers were: J. K. Weatherford, president of the board of regents; Walter M. Pierce, C. L. Hawley and James T. Jardine, director of the branch station; E. L. Potter, head of the experiment station; J. McIntosh, agricultural writer for the college; M. P. Davis, mayor; J. F. Hutchison, county commissioner; Frank Wilson, A. T. Nelson, of the La Grande Observer; G. A. Schird, editor Eastern Oregon Republican; and W. G. Hill, Union B. S. Hughes and M. S. Levy.

GOVERNOR'S AIDE QUILTS

Hollis Fultz to Be New Secretary to Washington Executive. OLYMPIA, Wash., Aug. 2.—(Special.)—Governor Hart today announced the resignation of his secretary, Carl L. Shuff of Spokane, who has been secretary to the governor practically ever since he took office on the death of Governor Lister. The resignation is effective August 21. At the same time that the announcement of the resignation was made, Governor Hart announced the appointment of Hollis B. Fultz of Olympia, secretary of the Olympia chamber of commerce, as his new secretary. The new secretary, who will go into the governor's office immediately, is a well known acquaintance with his duties before Secretary Shuff's departure. He is a past exalted ruler of the Elks lodge of Elks, and recently was elected secretary of the Washington State Elks association at their meeting in Seattle.

OLYMPIANS OUT FOR HIKE

Strenuous Attempt to Be Made to Scale Olympus. HOQUIAM, Wash., Aug. 2.—(Special.)—For two weeks of hiking and camping with Mount Olympus as their objective, the Olympians local mountaineering organization, will leave Thursday, via Quinault. At Quinault the party will hike six pack-horses to carry their impedimenta. They will make a strenuous attempt to scale the mountain, as his new secretary. The new secretary, who will go into the governor's office immediately, is a well known acquaintance with his duties before Secretary Shuff's departure. He is a past exalted ruler of the Elks lodge of Elks, and recently was elected secretary of the Washington State Elks association at their meeting in Seattle.

MEDALS TO BE AWARDED

Citizen-Soldiers Conclude Work at Camp Lewis Saturday. CAMP LEWIS, Wash., Aug. 2.—Twenty-seven medals and trophies will be given this week to members of the citizen's military training camp who show proficiency. Major-General Charles H. Muir will present the trophies in a final review of the camp, which will break up its six weeks' work Saturday.

The student company making the best record on the rifle range will receive a cup, and individuals will compete for medals in various drills and in rifle shooting. The citizen-soldiers are formed into regular companies with student officers and non-coms.

Water Rights at Issue

OLYMPIA, Wash., Aug. 2.—(Special.)—To determine the water rights of Crab creek and Moses lake, a hearing will be held at Ephrata, August 24, by the Neppel Townsite company and other claimants in Grant and Adams counties. Marvin Chase, superior of hydraulic, will be referee for the hearing. Chase has filed a map of the locality under investigation, with a statement of the facts, in compliance with the state law.

Hoquiam Permits Reported. HOQUIAM, Wash., Aug. 2.—(Special.)—Included in the July building report of City Clerk Naick is a permit for the \$150,000 Masonic building and for two houses, making the total for the month in estimated costs of construction work for which permits were issued \$156,365. The driving of piling against the concrete foundations for the Masonic building have been completed and the skeleton work is fast going up.

CATHOLIC SOCIETY OPENS CONVENTION

Knights of Columbus Meet in San Francisco.

SCHOOL PLANS OUTLINED

Head of Order Deplores Efforts to Excite Religious Prejudice in United States.

SAN FRANCISCO, Aug. 2.—A decision to establish what it terms the "largest correspondence school in the United States," which shall be devoted exclusively to the education and general welfare of ex-service men, and announced that the order had increased by \$7,650 since last year, made up the outstanding feature today of the opening session of the Knights of Columbus 35th annual supreme convention.

William J. McGinley, supreme secretary, outlined the correspondence school system, which will have its headquarters in the new building which the order is erecting in New Haven, Conn. "No limit will be placed upon the number of ex-service men seeking enrollment in the correspondence school, and no limit will be placed upon practical subjects in the course of study," McGinley reported. The system, he said, will cost approximately \$1,000,000 to establish and will call for a first-year enrollment of 100,000 students.

Four Million Dollars Spent on Schools. James A. Flaherty, supreme knight, reported that approximately \$4,000,000 had been expended by the Knights in the past year in maintaining 132 free night schools and 300 university and college courses for ex-service men.

Membership is 738,125. "We shall stay with the veterans until the end," he said. "The total membership of the Knights of Columbus was 738,125, and New York led the states with 107,640 members," McGinley reported. The Knights were instrumental in raising \$4,000,000 for charity during the year, principally for Herbert Hoover's relief work, relief in Ireland and Cardinal Mercier's Belgium rehabilitation fund. He expected that the order will have 1,000,000 members in another year.

Pontifical Mass Sung

At they knelt on the flowered square in the convent gardens of Mission Dolores (the Mission of Sorrows), where the Franciscan padre intoned their first high mass, more than a hundred years ago, Knights of Columbus from all parts of the United States and from Canada, Mexico, Cuba, Hawaii and Porto Rico, gathered for the 35th international supreme convention of the order today. The visit to Mission Dolores, which marked the end of a big pageant of military and other features staged by the knights, was for the purpose of receiving the pontifical blessing, with which the Knights began their annual meeting.

The pontifical mass was sung by Rt. Rev. P. J. Keane, coadjutor bishop of Sacramento, Cal., assisted by clergy from all parts of the state. Rt. Rev. Archbishop Edward J. Hanna of the archdiocese of San Francisco preached the sermon.

Three hours later, after a series of receptions had been held, the business sessions of the convention were formally opened with the announcement of the convention program.

The city extended its formal welcome tonight, when Mayor Ralph addressed the delegates and their friends at the public reception in the civic auditorium. Representatives of the army and navy were present, and response was made by Supreme Knight Flaherty.

Mr. Flaherty today addressed a telegram of condolence to the widow of Enrico Caruso, the singer, saying that before he left New York the last time Caruso praised highly the work of the Knights of Columbus.

Opposition to religious prejudice was the keynote sounded in Mr. Flaherty's pre-convention address.

He denounced what he termed "professional purveyors of prejudice," whom he charged with seeking to divide American citizens into classes and to create suspicion and distrust.

Oath Story Cited. Mr. Flaherty's address drew attention to the widespread circulation of an oath attributed to the fourth degree members of the Knights of Columbus, which was characterized as a "willie lie."

"This oath," he declared, "is impossible and ridiculous on its face, but it now is being circulated by millions of copies through the country, bearing the imprint of the Congressional Record, because by accident it appeared as an exhibit in the proceedings of congress."

"For the first time in the history of the Knights of Columbus, at this convention, we take occasion to ask press and public to make known as widely as possible the real obligation taken by all Knights of Columbus. I swear to support the constitution of the United States. I pledge myself fully on my duties as a citizen and to conscientiously perform such duties entirely in the interest of my country and regardless of all personal considerations."

"I pledge myself to do all in my power to preserve the integrity and purity of the ballot and to promote reverence and respect for law and order. I promise to practice my religion openly and consistently but without ostentation. I pledge myself in public affairs as to reflect nothing but credit upon our country and our country prosper to the greater honor and glory of God."

AUTO MISHAPS INCREASE

Fatalities, However, Declared to Have Been Few in June.

SALEM, Or., Aug. 2.—(Special.)—"Make Oregon safe to drive in" was the motto that has been adopted by T. A. Rafferty, chief inspector for the state automobile department.

Reports submitted at last week's traffic conference by the Oregon highway department indicated that accidents had increased 20 per cent in the state during the past six months and that the month of June was notable for the few fatalities recorded.

As the paved highways increase, Mr. Rafferty said, it probably will be necessary to increase the number of traffic officers.

CARS WILL STOP TONIGHT

Halt Ordered in Des Moines Pending Foreclosure Action.

DES MOINES, Aug. 2.—Federal Judge Wade this afternoon ordered cessation of Des Moines street cars at midnight Wednesday pending foreclosure proceedings. F. C. Chamberlain and Homer A. Miller were appointed receivers to act under the new suit. The court's order combined all suits pending against the company.

Astoria Salmon Run Slackens

ASTORIA, Or., Aug. 2.—(Special.)—While some fairly good catches of salmon were made by the gear inside the river Sunday night, they were only a spurt, following the Sunday closure of the fish station and will only a few of the purse seiners operated on Sunday and this was said to have permitted the fish to come in. The catch last night was slack, the hauls by the seine grounds are falling off. The netters are either almost at the breakers about the mouth of the river or in what is known as the "chute" above Tongue point.

Peace Union Delegates to Sail

WASHINGTON, Aug. 2.—Senators McKimley, republican, Illinois; Robinson, democrat, Arkansas, and Walsh, democrat, Montana, will sail today from New York on the steamer George Washington as American delegates to the inter-parliamentary peace union at Stockholm.

Paris Paper Predicts Signing

PARIS, Aug. 2.—Germany and France will probably sign the reparations agreement negotiated by Louis Loucheur and Dr. Walter Rathenau, German minister of reconstruction, in a few days. It was declared by the Petit Parisien today.

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FUGITIVE BANKER TRACED

CHICAGO FINANCIER BELIEVED TO HAVE CROSSED BORDER.

Reports From El Paso Indicate Warren C. Spurgin Has Fled Into Mexico.

EL PASO, Tex., Aug. 2.—United States immigration officials at Presidio, Tex., 200 miles east of here on the Rio Grande, believe Warren C. Spurgin, the missing Chicago banker, crossed the border there July 20. The man, they say, represented himself as a mine operator and carried a passport made out in the name of Scott Sanderson.

SANDERSON, Tex., Aug. 2.—There is no foundation here for reports that Warren Spurgin, missing president of the Michigan-avenue Trust company of Chicago, has crossed Presidio county in an automobile and fled into Mexico. However, a telegram has been received from the sheriff at Spurgin stating that a man answering Spurgin's description crossed the Rio Grande into Mexico at Presidio July 24.

CHICAGO, Aug. 2.—A telegram from Marfa, Tex., was received by Bank Examiner H. M. Lofgren today inquiring if there was a reward for the capture of Warren C. Spurgin, missing president of the closed Michigan-avenue Trust company. The message contained no other details. It was turned over to the state attorney's office, which immediately began to trace the source of the message.

A second telegram, signed like the first, by J. Humphrey and T. C. Clausen, informed the county authorities here that the man thought to be Spurgin was being kept under surveillance, although the Marfa men were not sure of his identification.

A third telegram from Marfa said the man thought to be Spurgin had fled across the Mexican border, but was still under surveillance. The shortage in the Michigan-avenue Trust company, of which Spurgin was president, is \$1,124,368, according to publication here of a statement purporting to come from Anderson Russell, state auditor. The visible assets, including the \$100,000 bond furnished by Lloyds for Spurgin, were given as \$471,128.

Highway Work to Begin

WALLA WALLA, Wash., Aug. 2.—(Special.)—Work of reconstructing the highway from the end of the oil macadam to Touchet will start within a few days as a crusher was set up to produce gravel in station and will start immediately preparing the rock. Thirty-five thousand dollars is available from the state and federal bond furnished by Lloyds for Spurgin, were given as \$471,128.

Treaty Becomes Law in Hungary

BUDAPEST, Aug. 2.—The Trianon treaty, by which peace between Hungary and the allied nations was established, became a law in Hungary yesterday.

Railroad Shop to Resume Operation

SEDALIA, Mo., Aug. 2.—Announcement was made today that the Missouri Pacific railroad shop would resume full operation tomorrow.

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M. Sichel 331 Washington St. announces the new retail prices of arrow, ear & Wilson and ide colars, to take effect immediately. \$2.65 per doz. 1.35 per half doz. .25 each.

SKAGGS UNITED STORES MONEY SAVING CASH STORES. Prices quoted below are in effect at our stores at 226 Yamhill, 291 Yamhill, 249 Yamhill and Tenth and East Burnside Streets, Portland. Fresh Guaranteed Eggs, 1 doz. 37¢. Best quality Butter, 1 lb. 42¢. 5 15-oz. Seeded Raisins. 98¢. 6-oz. Toilet Tissue Paper, 3 for 25¢. 1 lb. Parowax 19¢. 3 6-oz. French-style Mustard. 25¢. 16-oz. Snider's Catsup. 33¢. 6 cans Campbell's Soup. 63¢. French Shelled Walnut Meats, 1 lb. 58¢. Cream of Wheat, pkg. 28¢. 6 No. 2 cans Libby's Special Blackberries. \$1.19. 4 cans 2 1/2 Standard Pineapple. 95¢. 21 bars Crystal White Soap. \$1.00. 12 bars Creme Oil Soap. 94¢. 6 cans Maine Corn. \$1.00. 16 lbs. Jap Rice. \$1.00. 18 lbs. Small White Beans. \$1.00. 5 lbs. Bulk Coconut. \$1.19.

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