OLD LAW IS CLUB TO LOAN SHARKS

Penalty for Usury Is Forfeiture of Claim to State School Fund.

MANY CASES UNDER EYE

Dearth of Collection Suits Is Noticeable in Courts Since Attorney Started Agitation to Aid Burdened Victims.

Usurious interest upon a loan, either direct or indirect, works forfeiture of the claim to the state school fund, with costs upon the plaintiff, under an Oregon statute, and in this enactment, hitherto allowed to lapse, the coterie which is warring against loan sharks have found a weapon that they will wield wherever possible. Under constructions of the statute, it is not necessary that the illegal interest shall be especially stated as such, but if the borrower in any way has paid money or other valuable things for the loan, it becomes the duty of the court to render judgment for the amount of the loan, without interest, to the school fund, and to assess the costs upon the lender.

It is the intent of the investigators to bring this statute before the court whenever an attempt is made to collect upon a usurious loan.

Woman's Case Heard.

An elderly and deserted woman, paying her savings month after month to save her chattels from attachment on a loan contracted by her absconding husband, told her story to Attorney Hurst yesterday. She names R. A. Frame as the person who made the loan. The debt, $100, was contracted in December, 1910, and soon afterward the woman's husband deserted her, leaving her to support herself and daughter by nursing and sewing. Every month she has paid $5 to renew the loan, and still owes $110, though she has paid $70 in all.

Frame says that he lent the money for G. A. Albright, a waiter at the Heidelberg restaurant.

Notice was served upon Ashley & Rumelin yesterday by an attorney that his client, a borrower from them, would make no further payments and that they might sue as quickly as they saw fit. The case was one where the borrower had paid more in fees than the face of his note, which he is still held to owe.

Loan Man Attempts Joke.

Great impetus has been given the movement by the adhesion of Senator Ben Selling, who offers to furnish $10,000 toward a fund of $25,000 to make loans to the worthy indigent. It is believed that there will be no difficulty in making up that amount or more. Senator Selling's idea is to keep the matter in the hands of a few persons, who will retain control of the money, employing an experienced man to administer the fund.

Jacob Lesser, a money lender calling himself the U. S. Realty Company, attempted to play a joke on Attorney Hurst, following the announcement that aid would be furnished to worthy borrowers. Hurst first became aware of the fact when his stenographer ushered in, one after another, about a dozen seedy persons who said they had come to borrow money. A little questioning brought forth the fact that Lesser had sent them, whereupon the attorney called him up and threatened to prosecute him as a nuisance if he sent any more.

Policemen and city firemen enjoy a preference in the offices of loan sharks and have to pay only 5 per cent a month on their borrowings, instead of the customary 10 per cent, says a former member of the fire department, telling his experience to Attorney Hurst. The man said that while he was on the extra list of the department he had to pay 10 per cent, but as soon as he was given a regular berth the interest was reduced.

Lenders Attach Wages.

This informant borrowed $75 in 1905 from Ashley & Rumelin, and carried the loan for two years, paying nearly $100 interest in the time. Then he became discouraged, quit his position and defaulted in his payments. He left the city and in his absence a judgment for $126 was taken against him in the Justice Court. He returned here last Winter and began working in a confectionery establishment for $2 a day, on which he supported his father and mother. News of his return reached the money-lenders and they attached his wages, obtaining $10. He quit his position and sought work where his wages would not be within reach of the execution.

Further light on the operations of Ashley & Rumelin is furnished by Secretary of State Olcott, who writes to Attorney Hurst that this firm was recently taken to task by State Bank Examiner Wright and warned that it must cease doing this class of business or lose its privileges as a state bank. Then, says Mr. Olcott, the firm organized the Security Company, with a capital stock of $5000, as a cover for its operations. This company was incorporated by E. M. Simonton, of the Ames Mercantile Company, recently balked in Justice Court in an attempt to recover on a loan; D. T. Short, a manager in the office of Emmons & Emmons, attorneys for S. J. Kaminsky, a collection agent who handles a large share of this class of business, and M. S. Monteith, an accountant.

Olcott Ready to Help.

Secretary Olcott expresses keen interest in the work of the investigators and offers any help within his power to break the grip of the loan sharks.

That the money-lenders, through the publicity given their activities, have, for the time at least, abandoned effort to recover their claims through the courts, is again shown by the case of R. W. Boggs, a molder in the Independent Foundry. This man borrowed $50 from Ashley & Rumelin several years ago, and paid them in all about $65 on the loan. About two months ago suit was filed against him for the face of the note, with interest and attorney's fee. His attorney filed a demurrer a few days later and the case is hanging at that point, the demurrer not having been argued, though weeks have elapsed.

TELEGRAPHERS GIVEN HELP

Western Union Strikes Blow at Practices of Loan Sharks.

By announcing its intention to loan money to its employes in cases of emergency and by subjecting employes who assign any part of their wages to creditors to immediate discharge, the Western Union Telegraph Company has struck a blow at the "loan sharks" and their usurious practices.

The system of making loans was adopted a year ago and has proved so successful that the company now believes that employes who avail themselves of these privileges no longer need to make assignments of their wages.

In a recent circular to its employes officials of the company said:

Effective January 1, 1911, the company announced that it would make advances of salaries or wages to deserving employes who, through misfortune by illness, death or other urgent necessity, required financial assistance, intending thereby to make it unnecessary for any employe of this company to apply to a loan broker for assistance and to assign his wages in consideration of an advance by such broker. The plan has been followed for 12 months and has required the company to advance many thousands of dollars.

The subject has had careful consideration and the company is now convinced that occasion will not arise in which a deserving employe will find it necessary to assign his wages. It has, therefore, been determined that the practice of assigning wages must cease, and a violation of this rule will subject the offending employe to immediate discharge.

W. A. Robb, manager of the Portland office of the Western Union said yesterday that during the past year five loans were made to employes in this city, who were hard pressed for money on account of sickness, or who required immediate assistance to prevent unnecessary expense in household matters.

"In the aggregate the sum loaned was about $500," he added. "The installments are always promptly paid and no applications for loans have been denied excepting in one instance, when the applicant desired to complete a real estate payment to save interest.

"The year's experience in loaning to employes has been that our employes are well able to take care of themselves financially, excepting under extraordinary circumstances. In the extraordinary circumstances the Western Union will help, but will not permit assignment of Western Union salaries to loan sharks or others owing to the provision it has made to protect employes from borrowing elsewhere at usurious rates of interest.

"Any employe making assignments of salaries will be discharged and I believe that such procedure is a greater protection to employes against themselves, by requiring them to live within their means, than the financial assistance, which is, however, always available."

The conditions under which loans to employes are made are as follows:

Loans shall be made only to relieve dire necessity, ordinarily such as that occasioned directly or indirectly by sickness or death in the family of an employe.

Advances shall not be made simply to fund existing indebtedness to tradesmen, nor to permit the payment of a debt on which monthly or weekly payments might be made by the employe.

No loans shall be made if the applicant has outstanding assignment or assignments of his earnings.

The amount advanced shall not exceed one month's salary of applicant and must be repaid in regular monthly installment of 10 per cent of the amount advanced. No interest is charged.

A second loan to the same employe can be made before entire repayment of first loan only under exceptional circumstances, and the amount of the new loan plus any balance remaining on the old one must not exceed the limit of one month's salary. In a general way, it is believed that the matter of determining whether a loan shall be made, and the amount of same (within the limit of one month's salary) should be left to the head of the department in which the applicant is an employe, subject always to the above-mentioned conditions and to prompt report of the same to the district commercial superintendent for confirmation.

ONE OF WORLD'S GREATEST TENOR VOICES TO BE HEARD IN PORTLAND SOON.

JOHN McCORMACK.

The wonderful new tenor, John McCormack, who has been creating comment in leading music-circles of the world, is coming to Portland under the direction of Lois Steers-Wynn Coman.

The most rare and precious of all gifts in the realm of music today is the possession of an inspiring tenor voice. No satisfactory explanation has ever been given as to the cause of the scarcity of tenors, but the fact is everywhere recognized that as a class they are very nearly extinct; and when one is created he is cherished and idolized in the world of art.

What emperor of the earth ever had such heartfelt homage paid him as did Jean de Reszke? And now that a romantic new star has risen in the person of John McCormack, the musical world is rapidly becoming interested.

This young tenor is in the beginning of his career, yet fresh and unspoiled by the honors that are being heaped upon him by kings and people in three continents. McCormack at 28 years old is acclaimed the greatest living tenor. He has an entrancing voice ranging from C to C sharp, perfectly even and fluent throughout, and under complete control.

But its power of appeal who can describe? It is this and the enthusiasm, humor, and imagination of his personality that have caused him to spring so suddenly into fame. These qualities have helped him greatly in his operatic roles. As Turiddu in "Cavalleria Rusticana" he took London by storm on occasion of his debut at Covent Garden. Few equal him as Rodolfo in "La Boheme," which he sings to Melba's Mimi. Great ovations have been tendered him when he sang the leading tenor parts in "Traviata," "La Sonambula," "Lucia," "Lakme," "Faust," "Don Giovanni" and "Madame Butterfly."

McCormack is now singing with Melba and her opera company in Australia, and comes from there direct to Vancouver, B. C., and thence to Portland.

SUMNER WINS SUIT

Receiver to Be Named for Northwestern Phone Co.

CONSPIRACY IS CHARGED

Bell Interests Declared to Be Seeking Control of Independent Concern Through Foreclosure Following Bond Issue.

Charles E. Sumner won his suit before Judge Gatens yesterday in his effort to have a receiver appointed for the Northwestern Long Distance Telephone Company, on the property of which the Title Insurance & Trust Company, of Los Angeles, was seeking to foreclose because of default on bond interest. The judge announced that he will name a receiver tomorrow morning. As it was apparent that the combatants could not agree upon a receiver, the judge will himself select one.

Attorney H. Wilson, representing Colonel Sumner, went into the details of the alleged mismanagement of the telephone company and charged that P. L. Willis and William A. Mead had conspired, after obtaining control, to "freeze out" the minority stockholders and turn the company over to the Bell interests. Attorneys for the Northwestern Long Distance Telephone Company and the Title Insurance & Trust Company retaliated by saying that Colonel Sumner's principal desire is to force someone to buy him out.

Creditors Are Considered.

"It is apparent that the friendliest feeling exists between the plaintiff and the defendant companies in this case," said Judge Gatens. "Other creditors in addition to the bondholders are entitled to consideration. I believe that the appointment of a receiver would redound to the benefit of both parties to this controversy if governing motives are as pure as here set forth."

Colonel Sumner intervened as a defendant some time after the foreclosure suit was filed, alleging manipulation by Willis, Mead and others. He is a minority stockholder, obtaining his interest some years ago when he promoted practically all the independent telephone companies in the Northwest, including the long distance line now in controversy. He started suit in California and compelled the return to the treasury of $750,000 in bonds issued after the parties he is now fighting had gained control of the property.

Illegal Issue Charged.

"The National Securities Company, which financed the independent companies, owes the Northwestern Long Distance Telephone Company $88,000," said Colonel Sumner. "This will demand the attention of the receiver. There is also a bond issue of $120,000 issued illegally to be looked after. The company is doing well and the stock should pay 5 per cent with proper management. The Bell people got the independent company in Tacoma, but they will have a fight on their hands before they get this one."

"Some time ago Willis and Mead controlled the stock and the biggest part of the bond issue," said Attorney Wilson in his argument. "Now it is in the hands of a San Francisco bank. The bank does not own it and admits it, but the president of the bank says in his affidavit here that he is authorized to act for the holder, whose name is not disclosed. The person not disclosed is the Bell Telephone Company, and it would be really that company foreclosing on the Northwestern Long Distance Telephone Company if this foreclosure suit prevailed."

This is the second time that the company has been in the hands of a receiver. W. D. Tyler, the former receiver, was appointed because of the item of $88,000 on which the National Securities Company, controlled by Willis, Mead and others, sought to evade payment, according to Colonel Sumner. The claim was purchased by Willis and Mead and associates and the receiver dismissed.

RECEIVER FILES REPORT

Assets of Four Southern Oregon Companies Are $3023.

Inventories showing the combined assets of the Pacific Western Company, the Grants Pass & Rogue River Railway Company, the Rogue River Townsite Company, and the Land Company of Rogue River, to be worth $3,023.58, were filed in the Circuit Court yesterday by Receiver John C. Jenkins, who was appointed a few weeks ago at the request of H. L. Chapin. The assets of the two last-named companies are asserted to be worth nothing.

The several hundred feet of track laid by the railway company and the trestle over the Rogue River constructed by the same company are estimated to be worth $2500, and the assets of the Pacific Western Company, the holding concern, are scheduled as worth $423.58.

The four corporations were organized to build a railroad for 30 miles, with Grants Pass as a terminus, to develop a townsite called South Grants Pass, and to sell farm land and lots in townsites along the railway right of way. The plans fell through because of conflict among the men interested.

H. L. Chapin is now under indictment in Grants Pass, on a charge of conducting a lottery in connection with the sale of lots in South Grants Pass.

$250 Awarded for Auto.

VANCOUVER, Wash., Jan. 27.—(Special.)—John Stuber, of Camas, who sued the Spokane, Portland & Seattle Railroad Company for $1000, alleged to be due for smashing his automobile August 10, 1911, was awarded $250 by a jury yesterday. Stuber had been in possession of the auto for an hour when he attempted to cross the tracks of the company in Camas and a freight train demolished the machine.

PORTLAND HAS ONLY ORCHESTRA IN THE WORLD COMPOSED EXCLUSIVELY OF ONE-ARMED MUSICIANS.

STANDING, LEFT TO RIGHT, A. R. SPREADBOROUGH, JACK WEDEL, L. STEIN, R. S. FRANK, SEATED, LEFT TO RIGHT, L. M. COX, W. H. TIENKEN, A. E. HANSON, B. R. AMEND.

Portland has the distinction of having the only one-armed orchestra in the world. It is known as the Amend-Frank One-armed Orchestra, and is incorporated and chartered under the laws of Oregon. The officers and the instruments they play are: B. R. Amend, piano, president; Arthur E. Hanson, violoncello, secretary; R. S. Frank, violin, musical director; Frank R. Spreadborough, manager. The other members are: William Tienken, mandolin; L. Stein, first cornet; Edwin Carpenter, second cornet; Jack Wedel, trombone, and Lester M. Cox, drum and traps. Every one of the members has lost an arm through accidents happening in Oregon and Washington. A unique feature is the playing of instruments requiring two hands, thus necessitating two men playing on the same instrument at the same time.

The Way to Buy a Talking Machine Is to Get Records, Needles, Etc., With It

The Place to Buy a Talking Machine Is Where Selection Can Be Made of All Makes and All Records Side by Side, and Not From an Agency Selling But One Make

Study the Great Combination Offers of Eilers Music House

For $59 we furnish a superb modern hornless talking machine producing tonal results hitherto found only in $150 and $200 types, and we include 24 choicest selections of disc records, among them such subjects as the six-voice rendition of "Lucia" and the soul-stirring "Rigoletto" Quartet. Read this offer carefully. Nothing more priceworthy has ever been obtainable and it will probably never be duplicated. Many have thought it necessary to pay $13 for the two above-mentioned subjects alone.

For $59—This beautiful machine with 24 latest and best selections included—$7 cash and $4 a month.

The big delayed shipment has come—but we're selling these wonderful machines so rapidly that there'll not be many left after Wednesday. Make your selection right away—pay later.

This new Talking Machine of latest hornless type produces in every way the results obtained heretofore only in instruments that cost $150 or $200.

Many additional advantages aside from the extraordinary low price are now offered to each buyer.

Most superb records, among them selections like the famous Rigoletto Quartet, and also the Lucia Sextet, for which two subjects alone many talking-machine devotees have had to pay $13, will be included with each machine sold. Or buyer's own selection of records will be supplied.

This wonderful new talking machine may be purchased on terms of $7 cash and $4 a month until $59 all told has been paid. No extras.

The machine and the records will be sent on three days' free trial to any home in the city or state.

So confident are we that the instrument will please even the most critical, that we agree to refund all money paid by any purchaser who may not in every way be satisfied with the instrument.

An unconditional guarantee as to material and workmanship accompanies each instrument sold, the guarantee being signed by the manufacturers and countersigned by us for Portland, Or.

The instrument is furnished in very choice mahogany case, and also in quarter-sawed oak or fumed oak.

The finest selected woods are used in the construction of the cases, and the finish is as perfect as found upon the most expensive pianos.

Needless to reiterate, this hornless talking machine is simply perfect in tone and quality. The instrument is equipped with largest size turn-table, and the very best, thoroughly noiseless triple-spring motor. It will play six records with one winding, and has a new regulation device, whereby the music can be rendered at exact tempo—positively true to pitch. The machine has a new concert sound reproducer, which eliminates the heretofore objectionable rasping noise of needles. A clear, thoroughly natural tone is produced, such as has never heretofore been obtained in any instrument costing less than $150 or $200.

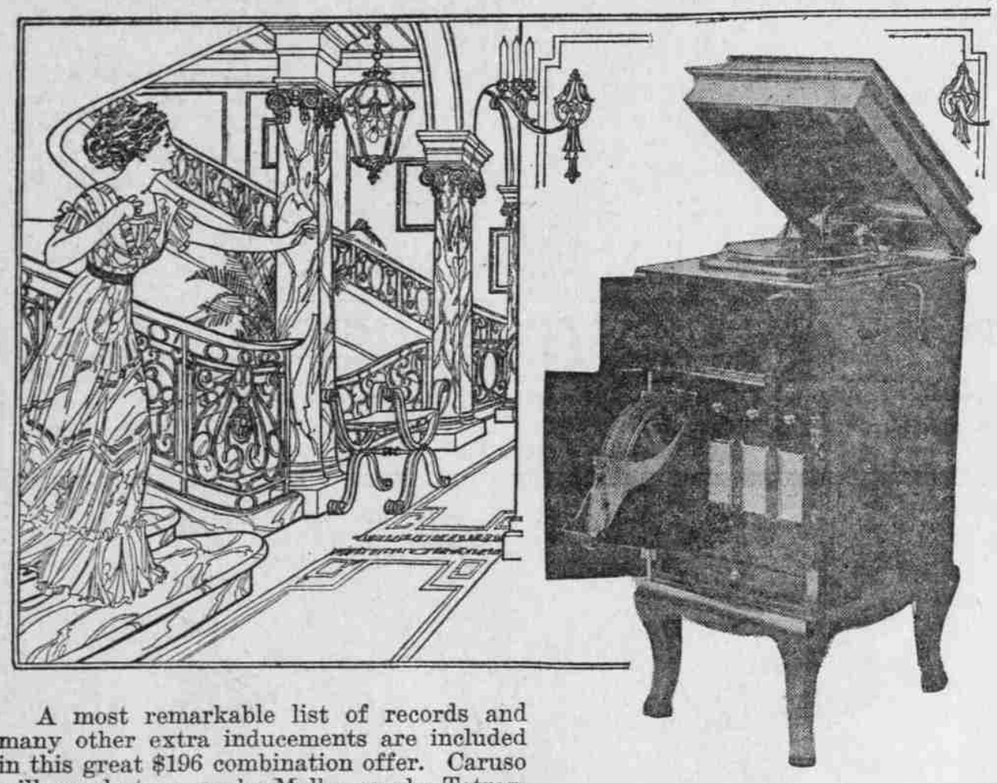
The machine is equipped so that the famous fiber needles can be employed, which preserves talking-machine records so that they last practically forever.

In this machine the concealed horn is built separately from the motor, which permits the tone to come forth without any interference. The sound boards in this machine are carefully selected and so placed as to reproduce a tone absolutely lifelike. Modulating doors have been provided whereby the tone volume can be definitely regulated and reduced or augmented at will.

The price is, as stated, $59; cash or payments of $7 cash and $4 a month. This includes free the big selection of records stated in the foregoing. The instruments are now on sale in the Talking Machine Department of Eilers Music House in their fine new building on Alder street, at Seventh.

Also Investigate Our Great $196 Offer

A Bona Fide Free-Trial Offer—That Means Free Trial—This Is No Misleading Offer, Such as Has Been Appearing Over the Signature of Another House Which Tries to Make You Buy Records Upon a "Free-Trial" Proposition.



A most remarkable list of records and many other extra inducements are included in this great $196 combination offer. Caruso will supply two, one by Melba, one by Tetrazzinni, one duet by Gogorza and Eames, two selections by Mary Garden, two by Alice Nielsen, two by David Bispham, two by Olive Fremstad, one by Maud Powell, the violinist; one by Fritz Kreisler, one by Harry Lauder, the Sextet and a selection from "Lucia," the Rigoletto Quartet, twenty-five popular selections and four of the latest dance selections. If our selection does not meet your desires you are also at liberty to choose your own selections. As stated above, we also include, besides these forty-eight selections, one hundred fiber needles and two hundred steel needles, and also the new wonder, the fiber needle cutter, which will trim your old fiber needles and make them new again. And the price! $196 cash, or $28 now and $12 a month; no interest if paid for in one year. Three days' free trial. Telephone us to send this out, if you cannot conveniently call at Talking Machine Headquarters. Eilers Music House. All the makes of talking machines and all the records all the time. Eilers Building, Alder street at Seventh.

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