

MORE ELASTICITY IS DEMAND OF BANKS

Business Men Ask President to Widen Scope of Rediscount Securities.

WAREHOUSE PAPER BARRED

Democrat 'Insurgents' in Congress Favor Request of Commercial Interests - Wilson's Ideas Are Likely to Carry.

Although the recent 'insurgent' move among Democrats of Congress may change some features of the Owen-Glass currency bill, it is believed by local financiers that the provisions originally inserted in the bill by President Wilson will be retained.

These provisions are a concrete expression of the President's theory—and this theory is shared by nearly all bankers—that the chief function of banks is to foster commerce, trade and agriculture and not speculation and promotion work.

The central institution around which the proposed bank reform is to be built in the Federal Reserve Board of several members, sitting at Washington.

The Secretary of the Treasury, Secretary of Agriculture and Controller of Currency will be three of the members. The four others are to be appointed by the President and confirmed by the Senate.

One of these four shall be a person with banking experience. The Cabinet members on the Board shall serve without additional salary, but the Controller of Currency shall receive \$5000 a year in addition to his present salary.

Each of the others shall receive \$10,000 a year. The four members appointed by the President shall serve for terms of eight years each, and the terms of the first appointees shall be fixed so that one member retires every two years.

One of these four shall be designated governor and another vice-governor.

Reserve Banks Proposed. This Board, then, shall have power to establish not less than 12 'regional' banks in various parts of the country, which shall be known as Federal reserve banks.

Each of these banks is to be in the center of a Federal reserve district.

Every National bank within a given district shall be required to subscribe to the capital stock of the Federal reserve bank of that district a sum equal to 20 per cent of its unimpaired capital, one-half of that sum to be paid in under the usual legal restrictions.

The remainder of the subscription shall be called for only in case of emergency. The reserve bank can be established with less than \$5,000,000 capital, which means that the within such a district must be not less than \$50,000,000.

These regional banks shall have a life of 20 years. No provision is made, however, for their extension in existence, and the bankers have called the attention of Congress to this apparent oversight in the bill.

Each district shall have nine directors, six to be chosen by the stockholders and three by the Federal Reserve Board. Three of the directors of the reserve bank must be 'fairly representative' of the commercial interests of the district.

None of these three can hold stock in a bank. These regional banks are prohibited from paying dividends in excess of 5 per cent to shareholders. One-half of the excess is to go into a reserve fund and the remaining half into the Federal Treasury.

Surplus to Be Held Down. The surplus never can exceed 20 per cent of the capitalization. Whenever it reaches that proportion, all the earnings above the 5 per cent dividend go into the Federal Treasury. This is intended to do away with speculation and questionable investments.

National banks must, other banks may, affiliate with the regional banks. All members of the Federal Reserve banks are subject to the same regulations.

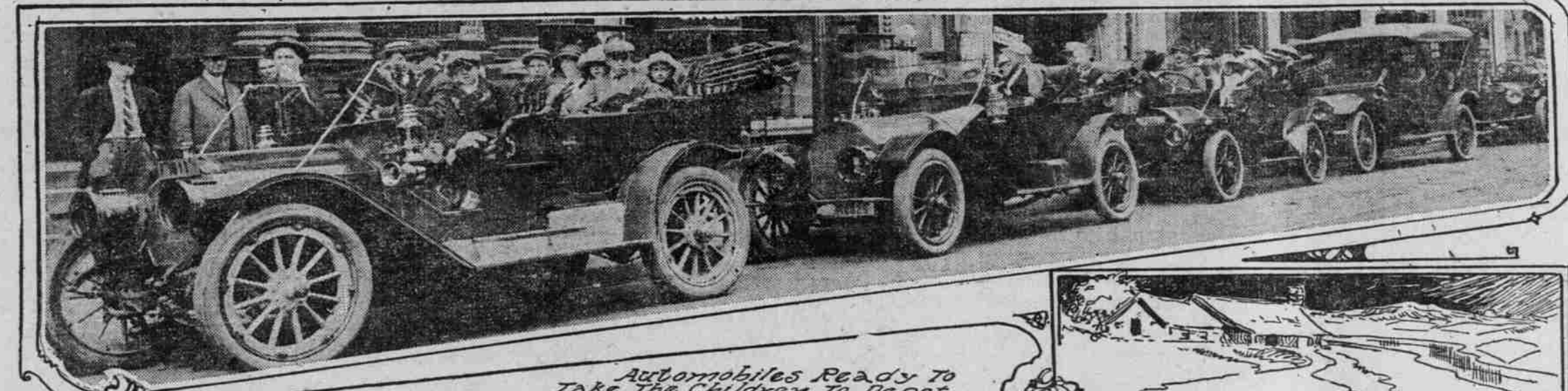
None of the Federal reserve banks shall accept deposits from individuals, but each shall represent all the banks in its district and shall also be Government depositories.

This system, while in itself a far step in currency reform, is but the foundation for the most-needed reform—elasticity. It is elasticity that the regional or reserve banks are expected to furnish.

CAMERA MAN GETS SOME PICTURES WHEN THE FIRST BUNCH OF FIFTY KIDDIES LEAVES FOR SILVERTON TO ENJOY VACATION IN THE COUNTRY.



Group of Youngsters At Depot, Ready For The Fresh Air Outing



Automobiles Ready To Take The Children To Depot

tributed among the reserve banks. The Secretary of the Treasury may charge interest on such deposits.

The act also provides for an issue of Federal reserve treasury notes in the sum of \$500,000,000, which shall be distributed among the several reserve banks. The reserve banks will be required to offer as collateral security for such notes the notes and bills accepted by them for rediscount from the individual banks in their respective districts.

Bankers are objecting to this limit of the new treasury notes. They contend that \$500,000,000 will not provide sufficient elasticity to the currency system.

The bill further provides some minor regulations regarding the balances that must be carried by the individual banks with the reserve banks in their districts. Provision also is made for loans by National banks on farm lands for periods not exceeding nine months, and not in excess of 50 per cent of the actual value of the property offered as security.

Runaway Horses Killed. Two horses attached to the wagon of L. Fries, a dairyman, got beyond his control in Macleay Park late Friday night and dashed over a 100-foot embankment, being killed by the fall. The wagon became hooked to a tree and did not go over the embankment. Fries and his young son, who were in the wagon, were not injured. The police had the bodies of the horses removed yesterday.

175 ATTEND REUNION

ANNUAL PICNIC OF ALBANYITES HELD AT THE OAKS.

The annual picnic and reunion of the Albany Association of Portland, composed of people who formerly lived in Albany, was held Wednesday at the Oaks, which approximately 175 people in attendance during the night and about 150 at the tables when the picnic dinner was served at 7 o'clock.

Mrs. M. Westfall, president of the association, was master of ceremonies, assisted by her children and grandchildren, while great-grandchildren of the still active women played around on the grass. At the dinner she presided and introduced the speakers, among them Judge M. C. George, one of Mrs. Westfall's neighbors in the latter 50's near Lebanon, and Rev. Dr. D. W. Poling, formerly pastor of the Congregational Church of Albany, now in charge of the Congregational Church in Overlook, Portland.

During the hour of twilight following the picnic supper, the election of officers was held, resulting in the unanimous re-election of Mrs. M. Westfall as president, and Mrs. Sarah Hochstedler as secretary.

Whether the police magistrate when sitting as such and not as a Justice of the Peace may go over the finding of a jury and allow a reopening of a case will be decided by Municipal Judge Stevenson next Tuesday, when the Rudolph Schwab case comes up again.

Yesterdays the agitator, who had been convicted the day before of applying vile epithets to Father O'Hara, went before the Judge for sentence, but a reopening of the case was requested on the ground that, if the offense was committed, it took place July 9, and not July 8, as had been charged by City Attorney LaRoche.

Sitting as a Justice of the Peace, there would be no question as to the magistrate's right to order the case reopened, but the question of whether or not that privilege also is accorded the Police Judge has not come up before. Mr. Stevenson is both Judge and Justice, but heard the Schwab case as a Judge. He set next Tuesday for hearing the arguments.

BOY MAYOR ASSIGNS AIDES

Young Commissioners of Department Named by Mayor Cohon.

Charles Cohon, Portland's Boy Mayor, has assigned to his Commissioners their various departments. Ralph Holzman will be in charge of the department of public utilities; Henry Pander is Commissioner of Public Works; Scandland Collins, Commissioner of Public Affairs, and Joe Dietz, Commissioner of Finance.

The young officials held a meeting last night and planned work to be taken up at the opening of the school term.

City Pay-Days Announced. The City Council yesterday decided that hereafter the third, fourth and fifth days of every month shall be pay-days for municipal employees. All those employed on public utilities will be paid on the third, those engaged on public works on the fourth and the employees of all other departments on the fifth.

It has been customary to pay on the first of each month, which necessitated making up the payroll on the 26th of the previous month, so that those who did not work between that day and the first might have their warrants made out for a full month's work. The new plan will remove this possibility.

SCHWAB CASE IS INVOLVED

Question as to Right of Magistrate Is Questioned.

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OTHER DELEGATIONS TO GO

Silverton Ready for Army of Youthful Pleasure Seekers and Urges That More Be Sent, While Other Towns Also Apply.

Members of First 'Fresh Air' Party Begin Arriving at 6:30 A. M. for Trip.

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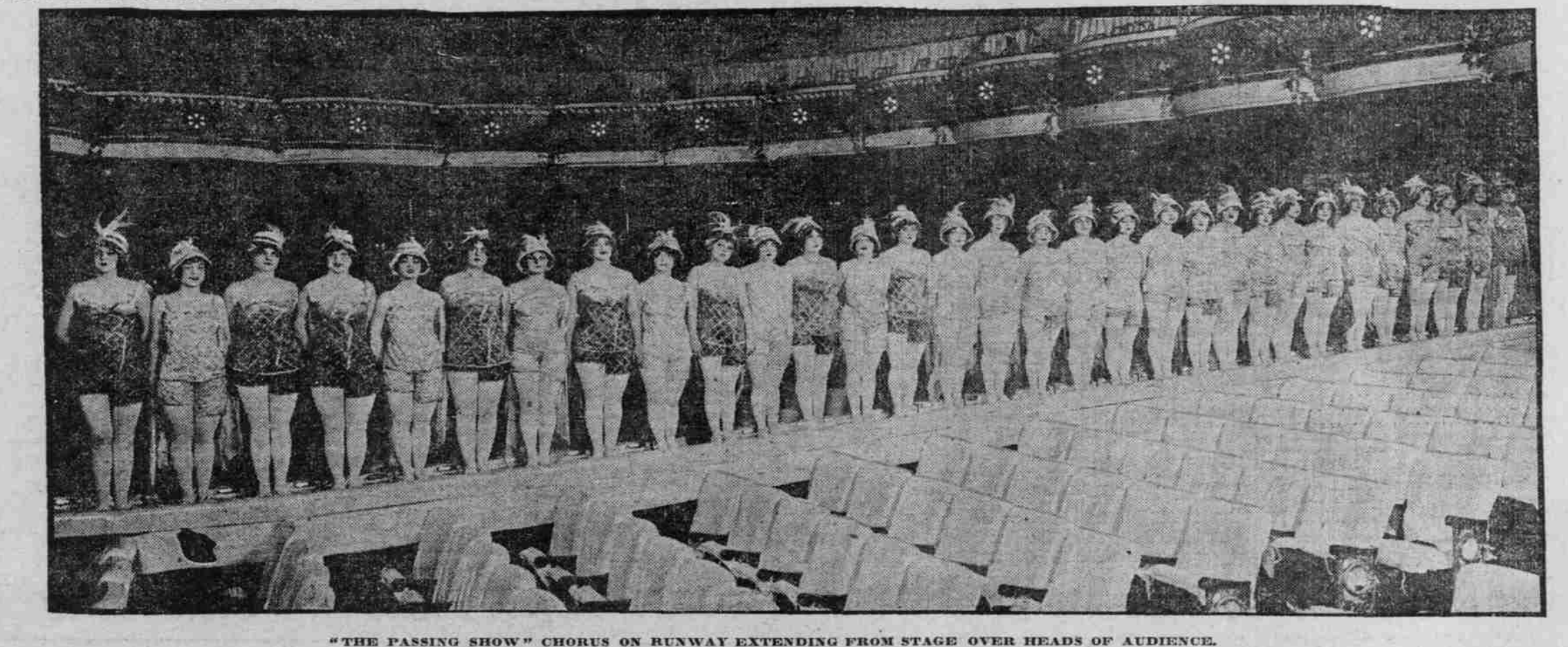
Interest of the people of Silverton and the surrounding country in the plan was intensified when the preparations were made for the reception and care of the 'Fresh Air' parties. More than twice the number of children were to be taken to Silverton, and no delay in assigning the children to families which had arranged to take them to the country.

Mrs. W. H. Hubbs, chairman of the committee, accompanied by Mrs. Oeder, met the party at Woodburn. The trip was in charge of Mrs. Margaret Thorman and Mrs. Barlow, of the Associated Charities of Portland. At Woodburn the children were assigned to the homes where they were to be entertained for the next few days and were labeled so that there would be no delay or difficulty in handling them at the Silverton station.

All who had arranged to entertain the visitors in the country were on hand when the train arrived. The party was quickly distributed and the children were soon merrily on the road to their vacation homes.

BALD-HEADS WILL GET NEAR VIEW OF PERFORMERS

Great Preparations Necessary for Transporting Large Company and Equipment Needed in Production of 'The Passing Show of 1912.'



'THE PASSING SHOW' CHORUS ON RUNWAY EXTENDING FROM STAGE OVER HEADS OF AUDIENCE.

A NEW bald-headed row has been established, and the patrons of the Hellig Theater for one week beginning Sunday, August 3, will have an opportunity to see the artists at closer range than ever before. Every member of the New York Winter Garden Company presenting 'The Passing Show of 1912' trips to the footlights on a brilliantly lighted runway, extending from the center of the stage over the tops of the seats to the rear of the auditorium 'over the heads of the audience' (used in the literal and not in the figurative sense of the theatrical manager's vernacular, for the entertainment has proved highly pleasing). Up it and down it at frequent intervals during the performance, the funmakers dart forward to deliver their songs, to indulge in some burlesque wrangling with the stage director

and to otherwise make things interesting and informal. So the news has gone broadcast that the optically deficient and the hairless gent need suffer no mental anguish when the carefully groomed young man in the box office nonchalantly announces: 'Front row all sold out; not one left, no nothing at all.' for the Messrs. Shubert have provided this runway, which has been a fixture at the New York Winter Garden since the advent of 'Sumarun.' Thus a considerable portion of the entertainment is tossed overboard from this pathway into the very laps of the audience.

Hence the Messrs. Shuberts' presentation of 'The Passing Show of 1912' forms a closer allegiance between the stage and the public than has ever been accomplished before. This runway will bring into intimate relationship with the audience such standard stars as Trizie Frigana, Charles J. Ross, Adelaide and Hughes, Clarence Harvey, Eugene and Willie Howard, Moon and Morris and a hundred others.

An example of the care taken in making arrangements for the stage production of big traveling organizations and the detail of preparation required for the proper mounting and 'putting on' of a large musical company nowadays, is afforded by the receipt under registered cover this week of a blue print from the master mechanic of the New York Winter Garden stage and scenic equipment department. This particular blue print, drawn to a scale, and with exact diagrams, elevations and transverse sections, is for the special purpose of instructing the master carpenters of theaters where the 'Winter Garden' company in 'The Passing Show of 1912' is booked to play on its present tour. This attraction requires for use in one of its special acts a tank for diving purposes. The blue print shows that this tank must be placed exactly 10 feet 6 inches up stage, measuring from the curtain line, and that the length of the aperture required for the imbedding of the tank is 16 feet by 10. An inspection of the diagram reveals minute and detailed drawings for the shoring of the tank, as also for the steam pipe connections for giving a Summer temperature to the water.

A large force of expert workmen, direct from the famous New York Winter Garden amusement palace, arrived yesterday for the purpose of constructing the tank. This tank will be as perfectly appointed and finished as though it were being installed in some exclusive private residence. The New York Winter Garden crew were sent to Portland not because the versatility of the local workmen was doubted, but because certain details must be perfect for the opening night, and precaution was merely the better part of valor.

TOTS IN HIGH GLEE LEAVE CITY BEHIND

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(Continued From First Page.)

and assisted the committee and Secretary Manning in getting the young passengers to their car and comfortably settled. Many of the smaller youngsters were almost frightened at the trains, but they were so happy they soon forgot everything in the realization that the promised trip into the country was really at hand.

A number of mothers were in the party, glad and smiling in anticipation of the two weeks' rest in the country, but they allowed themselves to step into the background in the last scenes of the departure, which were dominated and vivified by the measureless activity and enthusiasm of the children.

Toothbrushes Are Distributed. Just before the train pulled out the women of the committee distributed among the children toothbrushes which had been donated by Woodard & Clark, and these articles, flourished triumphantly above the heads of the children who crowded the car windows, took the place of tossing flags or fluttering pennons.

Just as the train was ready to pull out a little German girl who didn't know how to say 'toothbrush' in English, suddenly realized that she had no brush and all the others were provided for she gesticulated wildly and in pantomime made known her trouble, whereupon one of Portland's most dignified society matrons dashed up a moving train and thrust the brush in the child's outstretched hand. The girl was one of the larger family. Her father has been sick a long time, and she for months and the mother earns a little—just enough to keep the children from actual starvation.

Lone Mite Is Terrible. 'I'm all alone, traveling by myself,' announced a wee lassie of about 5 years. 'My mother, she's sick and so's my sister, and they can't go now.' She was quite brave and said a bright boy, eager with anticipation for the country he had never seen. He is one of the many who live in 'rooms,' and has had to watch the mother move out front, but she was not at all anxious to have her picture taken.

'We will go in wading and maybe we will ride on a pony,' said a bright boy, eager with anticipation for the country he had never seen. He is one of the many who live in 'rooms,' and has had to watch the mother move out front, but she was not at all anxious to have her picture taken.

J. M. Scott, general passenger agent of the Southern Pacific, was at the station to watch the train start. He moved about in the crowd of happy children with the whole-souled smile which seemed to break out spontaneously upon his face. He had a good imagination.

Thus went away the first party of the 'fresh air' women and children to meet with a warm and enthusiastic reception among friends, who have been preparing for them on the farms of Silverton since the movement was inaugurated, more than a week ago, by Mrs. G. W. Hubbs, president of the Social Service Club of that town. Farmers and their wives drove into Silverton early to meet and take home with them members of the 'fresh air' party.

Other Offers Come. That not only this 50, but 50 more, and, if possible, more still will come, is the hope of the warm-hearted people in and about Silverton. Individuals in many other places also have written to the Associated Charities asking that 'fresh air' guests be sent to them, and Mr. Manning expects tomorrow or Monday, to enlist several other towns in the Willamette Valley in the movement in the same way that Silverton has been enlisted.

The support of the work in Portland, ever since its inauguration, has been universal. Not only cash contributions, but gifts of clothing and other supplies have been generously given, and the parties being organized now are nearly as well provided for already as the party which has just left.

The Southern Pacific yesterday arranged that the car containing the party should be routed direct to Silverton, with no stops or transfers. A special rate for transportation of other parties that are being organized probably will be granted. Another party to Silverton will leave Wednesday, and a third on Saturday.

SILVERTON WELCOMES KIDDIES. Vacation Crowd Greeted With Open Arms at End of Journey.

SILVERTON, Or., July 26.—(Special.)—Welcomed by hundreds of residents of Silverton when their car reached the city today, 50 happy children from Portland members of the first 'Fresh Air' outing party organized by the Women's Social Service Club of Silverton and the Associated Charities of Portland, began their first real vacation in the open air.

Interest of the people of Silverton and the surrounding country in the plan was intensified when the preparations were made for the reception and care of the 'Fresh Air' parties. More than twice the number of children were to be taken to Silverton, and no delay in assigning the children to families which had arranged to take them to the country.

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