

TRUST COMPANY BILL LOOKS LIKE A STORM CENTER IN THE HOUSE

Measure Prepared by Governor Withycombe's Commission Is in Committee.

GORDON IS MUCH OPPOSED

Multnomah Representative Declares Legislation on Subject to Date Has Been "Rotten" Clean Through.

Salem, Or., Jan. 18.—The "trust company" bill, which was drafted by a commission appointed by Governor Withycombe in accordance with a resolution passed by the 1915 legislative assembly, was reported to the senate Wednesday by the governor and was immediately referred to the committee on banking.

That it will be a storm center, particularly in the house, is the present indication. At the 1915 session a trust company act weathered the senate, but was lost in the house.

This measure is said to be a complete code in itself regulating trust companies. The commission which drafted it was comprised of Senator E. L. Cusick of Albany, chairman of the banking committee in the senate; Speaker R. N. Stanfield of the house; C. F. Adams of Portland, William Pollman of Baker, and Superintendent of Banks S. G. Sargent.

Gordon Strongly Opposed. Representative Herbert Gordon of Multnomah is strongly opposed to the bill, which he says has been framed in the interests of some of the big trust companies. He intimates that Bank Superintendent Sargent has been used by some of the big concerns as a cat's paw and Wednesday afternoon told the governor that if Sargent "went too far" in urging the passage of the bill, "something will happen to Sargent."

The bill does not apply to trust companies organized prior to 1913, but provides that companies having the word "trust" in their name and not coming under the act must state in connection with their name that they are not under the act. Mr. Gordon objects to this, saying it will cast a false inference against such companies.

"Trust Legislation Rotten." "Nothing has been more rotten in connection with the Oregon legislature than attempts to get through trust company legislation," declared Mr. Gordon, "and if the matter comes to an issue I am going to show up the whole business."

The measure provides for examination of trust companies by the state banking department and requires such companies to make five reports, upon call of the superintendent of banks, yearly. Provision is made for two examinations a year by a committee of stockholders, and a director must own at least five shares of stock.

Good Securities Listed. It names the classes of securities in which trust and fiduciary funds may be invested. A limit to loans to

any one individual, firm or corporation is fixed at 20 per cent of the capital and surplus of the company. It prohibits the buying and selling of stocks of other corporations, except that a trust company may own a limited amount of stock in a state deposit company which has vaults in connection with the trust company.

Loans from the trust funds to officers and directors of the trust company are prohibited. Private trusts must be held inviolable. It is provided.

Reserve Provided For. Reserve requirements, where the trust company does a banking business, are the same as for banks.

Provision is made that the superintendent of banks is to take charge of a trust company if it becomes insolvent, the same as is now done in the case of banks. The act makes the same requirements for capitalization as are now imposed on banks, and permits the organization of trust companies in villages and communities having a population of 1000 inhabitants or less, with a minimum capital of \$15,000.

Guarantee Deposit Required. A guarantee deposit with the state is required. Provision is made that trust companies having a capital of less than \$100,000 need deposit only one-half the amount of their capital, and makes the deposit optional giving the trust company the privilege of furnishing a surety bond to cover each individual trust, subject to the approval of the court.

"If the act is to be criticized," said Superintendent of Banks Sargent, "it should be on account of its liberality and any opposition to its passage should come from the public, whose interests we are attempting to protect, rather than from the trust companies that are to be restricted in their operations."

Many Failures Cited. The commission, in its report to the governor, points out that it found a comparative unanimity of opinion among trust companies and banking institutions for legislation along the lines of greater security, but there were a few who voiced objections. It points to the failure of the Trust, Guarantee & Trust company, the American Bank & Trust company, the Oregon Trust & Savings company, the Chapin-Herlow Mortgage & Trust company, and the criminal proceedings that followed in the courts, and also the recent failure of the Provident Trust company.

The commission feels, after investigation," says the report, "that the strongest kind of a trust company law is needed in this state, and this act now presented for your consideration is the result of the earnest efforts of the commission."

Yamhill Co. Union Endorses New Bills

Dayton, Or., Jan. 18.—Yamhill County Union, No. 12, of the Farmers' Educational and Cooperative Union of America, held its annual meeting in this city last Saturday.

Resolutions of endorsement on the following legislative bills were forwarded to the representatives from this county: Torrens system of land registration; irrigation; home dry state; procuring sufficient land deposits as is needed for agricultural purposes in Oregon using convict labor for manufacturing it, school books published by the state and furnished the districts at cost. The union opposed the move to place all district schools under the control of one board of directors.

\$89,600, HERETOFORE UNHEARD OF, WANTED BY GAME COMMISSION

Request, Coming at a Time When Decided Cuts Must Be Made, Makes No Hit.

IS UNDER CONSIDERATION

Expenditures of State Institution Maintenance Funds Comes in for Share of a Lively Discussion.

Salem, Or., Jan. 18.—The fish and game commission went before the joint ways and means committee of the legislature last night and asked for appropriations aggregating \$89,600 which had never been placed in the state budget.

Coming at a time when the committee is struggling to cut appropriations instead of adding new ones, the request of the fish commission made no hit with the legislators.

When the lawmakers began their work the state budget called for \$715,832 more than can be raised under the 6 per cent tax limitation, and this latest request for money boosts that excess to \$804,982.

The commission asked for \$25,000 for salaries and operation of coast hatcheries; \$10,000 for water supplies and dams in the coast district; \$5000 for new water supply at Bonneville; \$15,000 for additions and improvements at Bonneville; \$10,000 for enlargements at Clatskanie hatchery; \$10,000 for a new fishway at Oregon City; \$10,000 for improvement of hatcheries on the upper Columbia and McKenzie. These appropriations are asked for the commercial fishing interests. The game fish portion of the work is maintained by income from the fishing and hunting licenses.

Wood Starts Something. Senator Wood, chairman of the joint ways and means committee, started something when he offered for approval a form for a state voucher which would restrict the expenditure of the maintenance fund of the various state institutions to actual maintenance expenses.

In this connection the committee discussed the proposed budget of the state institution for feeble minded with Superintendent J. N. Smith of that institution.

Dr. Smith is asking for \$95,200 for general maintenance for 400 inmates, and he said that probably no more than three fourths of that sum would be spent for actual maintenance expenses, and the other one fourth will be used for the improvement of the farm and to meet emergencies. He said during the last biennium, out of his maintenance fund, he built a needed silo and cleared 100 acres of land.

Members of the committee were all

most unanimous in the opinion that institution heads should be restricted in the expenditure of maintenance funds and should have a contingency fund to meet possible emergencies, thus giving the legislature a more accurate check on the expenditures of an institution.

Hard to Revise Budget. Dr. Smith said it would be practically impossible for him to revise his budget without the agreement at this time. He said all the state institutions figure on using some of their maintenance fund for other purposes than actual maintenance. He pointed out that not a dollar is spent without the approval of the state board of control, and said it was impossible to get an item of expenditure past Secretary of State Olcott unless it strictly conformed within the scope of the appropriation as made by the legislature. He said he knew, because claims of his had been held up by the secretary of state.

Senator Strayer said it was not so much the institution for feeble minded that the committee wanted to hold down, but the appropriations for other institutions. The committee will take the matter up again tonight with Secretary of State Olcott and Attorney General Brown, asking for their opinion of the effects of the proposed change and the extent to which maintenance appropriations may be used for general purposes now.

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BILL FOR CARE OF DEPENDENTS AROUSSES HOUSE

(Continued From Page One.)

or providing that they should not receive state aid. That was only an incident, anyway, he contended, for the purpose of the bill is to change the present policy of the state and provide that it should take care of its defectives.

The sectarian institutions are getting the larger number of the defective children, Bowman contended, and the state had no control over them, even after helping in their support. He said the system should be changed and the state made responsible for the task.

Crandall contended that the state had a high trust reposed in it and that it could not be sidestepped or evaded.

When the vote was taken on the adoption of the minority report a rollcall was demanded. Seven members voted for the adoption of Stott's report, Callan, Corbett, Forbes, Mattheu, Mueller, Stott and Willett. Three members were absent, Brownell, Easton and W. Al Jones.

All the other members voted against the minority report, after which the majority report was adopted and the bill went on to the calendar for reading and final passage. If the temper of the house does not change the bill will pass.

Supports Chamberlain-Smith. The legislature is asked to memorialize congress to give favorable consideration to the Chamberlain-Smith bill now pending there for the guarantee of defaulting bond principal and interest on irrigation and drainage district bonds by the federal government by a joint memorial introduced by Laurgaard in the house this morning.

The Chamberlain-Smith bill provides in substance that whenever an irrigation or drainage district, formed pursuant to state laws and federal supervision and regulation, finds that it cannot pay the bond principal or interest, that the default will be taken care of by federal funds advanced for that purpose. Under the terms of the federal bill an appropriation of ten million dollars is set aside for the purpose of meeting this default, should they accrue. The Laurgaard memorial was sent to committee under the rules for consideration.

Churchill Is Roasted. Superintendent of Public Instruction Churchill came in for a roast during the early part of the morning session, when the committee on education reported the Walter B. Jones bill abolishing the office of county school supervisors back with an unfavorable report.

Jones, in pleading for the life of his bill, said that he was not surprised at the report of the committee, since, he said, it met in the office of Superintendent Churchill, who used the county supervisors mainly to build up his political machine—a task at which Churchill, Jones declared, is fairly successful.

Lafferty, a member of the committee, defended Churchill, saying that he thought Churchill was amply able to take care of himself. The committee met in Churchill's office, Lafferty said, because the school records were kept there, but that if the house wanted it to meet elsewhere it could go to one of the upstairs rooms. Churchill had not made any suggestions regarding the Jones bill, Lafferty said.

The bill was indefinitely postponed.

EFFORT MADE TO PUT AN END TO DEADLOCK ON WATER POWER BILL

(Continued From Page One.)

frictions over the Shields water power bill to get together. The president understood to have told Senators Shields and Bankhead that he was opposed to the Shields bill and he urged them to accept the house amendments to the measure. It is these amendments which have caused the deadlock.

President Wilson was asked whether he favored the Shields bill. He refused to commit himself definitely.

"I am interested," said the president, "in what is known as the general dam bill. I am really trying to help them get together."

The president also called upon Senator Stone, chairman of the foreign relations committee.

"Purely personal," he said as he left.

The president also conferred with Chairman Adamson of the house interstate and foreign commerce committee, the author of the house substitute for the Shields bill.

JOINT MEMORIAL TO CONGRESS ON WATER LEGISLATION STARTED

Salem, Or., Jan. 18.—A joint memorial asking congress to enact legislation which will make it possible to open and develop the water resources of the nation, was introduced in the senate this morning by Senator John Gill. It was immediately referred to the committee on resolutions. The text of the memorial follows:

Whereas, There is now pending in congress of the United States legislation designed to encourage the development of the water power resources of the nation; and

Whereas, The state of Oregon and other western states are blessed with beautiful natural resources, largely undeveloped, among which is water power; and

Whereas, Although water power is

said states is available in abundance, only a very small percentage has been developed; and,

Power Sites Are Numerous. Whereas, Numerous water power sites of large commercial possibilities are located in the public domain or in navigable streams; and,

Whereas, Existing federal laws and regulations are so inadequate and restrictive that development of water power in the public domain and in navigable streams has practically ceased; and,

Whereas, Electrical power at a cost to justify its use in the conversion of our natural resources into finished, marketable products, in the reclamation of lands at present unproductive, and in the transformation of the motive power of rail transportation is widely dependent upon the economical production of power on a large scale; and,

To Conserve Natural Resources. Whereas, The essence of conservation is intelligent and economical utilization of natural resources to serve the economic necessities and desires of our people, and to conserve those natural resources that are exhaustible; and,

Whereas, The use of exhaustible resources of power and fuel where and when such an inexhaustible resource as water power can be used results in economical waste, which is indefensible when it can be obviated; and,

Whereas, The use of legislation necessary to encourage development of water power has been a constant subject of study, investigation and discussion for years, it is the judgment of your memorialists that the time is at hand for action;

Congress Urged to Act. Resolved, That the legislature of the state of Oregon, in Twenty-ninth session assembled, respectfully urges upon the congress of the United States the absolute and urgent necessity in order that natural resources may be utilized to create new wealth by the settlement of lands, the development of agriculture, the establishment of manufactures of varied nature, and the econ-

omy and comfort of rail facilities of transportation may be enhanced, the means of transportation enlarged and made cheaper and traffic congestion relieved by opening to navigation waterways incapable of use because of natural obstructions removable by water power development in navigable streams, and adequate national defense may be aided, all of which will contribute to the increase and diversification of agriculture, commerce and industry and as a consequence promote economic security; and,

Resolved, That our senators and representatives in congress be requested to make every effort to carry out the purposes of the foregoing memorial, and, be it further

Resolved, That a copy of this memorial, duly signed by the president of the senate and speaker of the house, and attested by the chief clerks of the senate and house, be forwarded to each of Oregon's senators and representatives in congress.

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Baker Commission Is Against Strayer Bill

City Fathers Say They Oppose Any Attempt to Extend County Courts Power Over Road Funds.

Baker, Or., Jan. 18.—Baker's city commissioners went on record Wednesday opposing Senator Strayer's bill extending the power of county courts in spending road funds and urged re-enactment of a measure curtailing their power to spending 70 per cent in the

district where levied and 30 per cent in the general fund.

The claim is made that the local county court failed to observe the statute in the expenditure of road funds. The court shows that in some districts there is no taxable property whatever or very little, but that roads pass through, which must be kept up.

The commissioners also will ask Strayer to support the measure giving people of municipalities and districts the right to vote on whether competing public service corporations shall operate in districts, rather than to vest absolute power in the public service commission in the public service commission.

Local business men are preparing a

bill, of which Senator Strayer approves, seeking abolishment of the state water board, on the alleged grounds of non-efficiency and complication of adjudication, and vesting full adjudication powers in the circuit court.

Indian Murderer Is Hanged.

New Westminster, B. C., Jan. 18.—(U. P.)—Frank Jones, Popcorn Indian, convicted of the killing of Gus Hall, a shingle bolt cutter, who lived near Hope station, was hanged in the courtyard of the provincial jail here yesterday.

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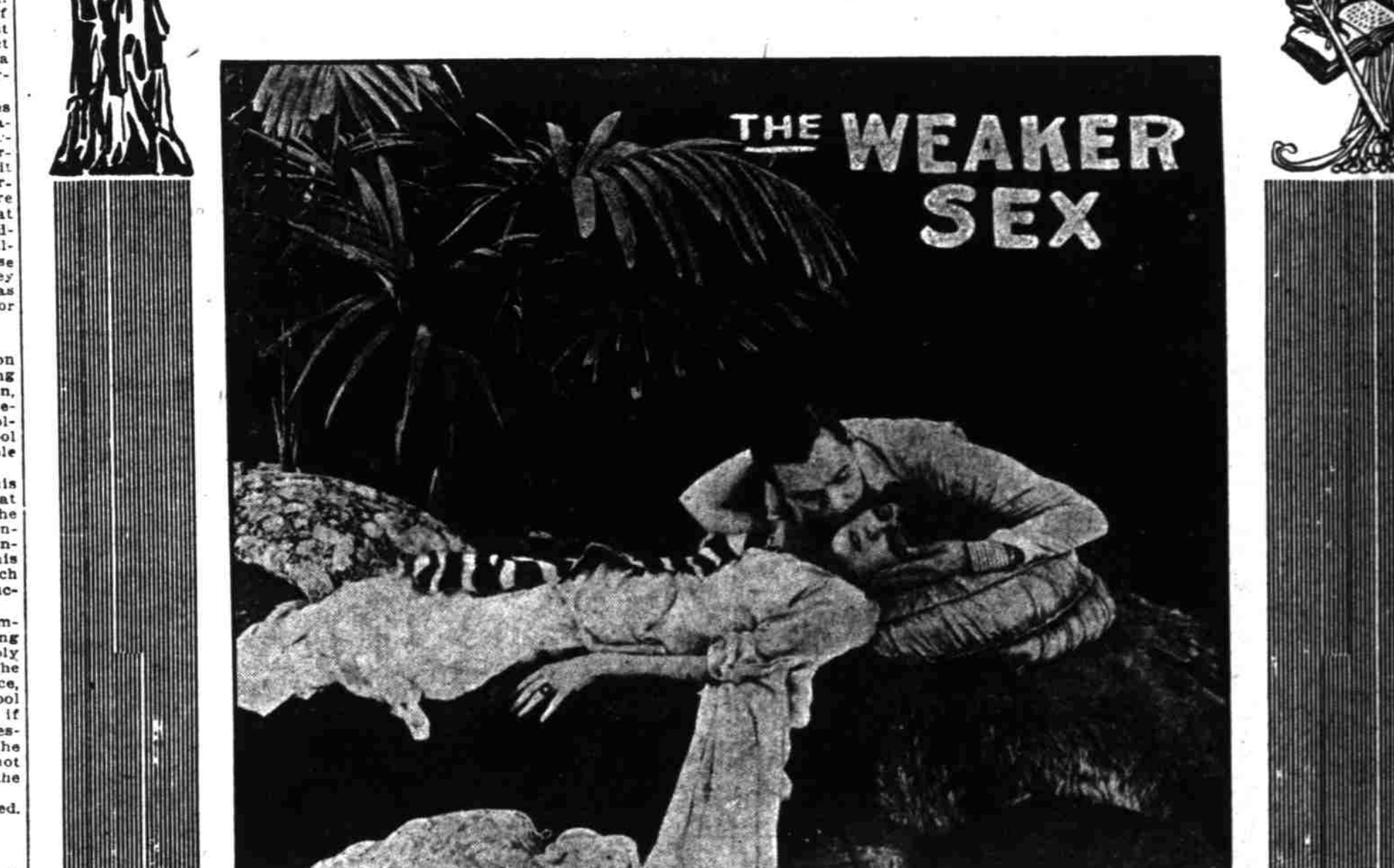
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\$12.50 Opossum Muffs...	\$ 6.25	Chinchilla Set...	\$ 3.75
\$25.00 Jap Mink Sets...	\$12.50	\$ 7.50 White Iceland...	\$ 3.75
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\$19.50 Red Fox Muffs...	\$ 9.75		

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