

STATE FUND TIED UP

Cannot Recover School Money in Defunct Bank.

NO GROUNDS TO SUE BONDSMEN

Treasurer Does Not Have to Account Except to His Successor. Three Years Hence.

Salem, Or., Nov. 21.—No steps have yet been taken to recover the \$396,000 deposited by the state treasurer in the Title Guarantee & Trust company bank, or to find out whether the state has any recourse against the surety company which was surety upon the bond of the state treasurer and the trust company. Demand was made for repayment of the money, but there the matter rests, and seems likely to rest, for some time to come. The surety company has acknowledged liability for \$100,000 of the amount, but no more. So far as known, no arrangements have been made for the payment of even this amount.

Governor Chamberlain has been earnestly seeking some means of enforcing payment of the money into the treasury, but has been unable to find any way of bringing to a legal test the question of the liability of Steel and his bondsmen. Though it is publicly known, and admitted, that the money is gone, not only from the treasury, but also from the control of the treasurer, there is no way of bringing a suit until the treasurer has been called upon to turn the money over to some one else and he fails or refuses to do so. It was this situation that first brought the suggestion that the state treasurer should resign, thus making it necessary that he turn over the funds to his successor, in default of which a suit would lie against his bondsmen. But the treasurer has said that he will not resign, and there the matter rests. His term will expire in a little over three years, and then a suit can be brought unless the money has been paid into the treasury sooner.

INVESTIGATE BANKING LAWS.

California Legislature Takes Steps to Protect Depositors.

Sacramento, Cal., Nov. 21.—Resolutions were introduced yesterday in both houses of the legislature, convened in extraordinary session, for the appointment by the governor of a special executive committee to investigate the banking laws of California and the banks of the state. Amendments will be drafted and the committee will draw up more stringent measures for the better protection of depositors and will report its findings and recommendations to the next regular session of the legislature.

The senate unanimously adopted the concurrent resolution approving four of the 20 amendments to the San Francisco charter, adopted at the recent election.

Must Call Session Again.

Sacramento, Nov. 21.—After an extra session for two days it has developed that the proper financial relief legislation and the rehabilitation of the courts on special holidays cannot be enacted by the legislature under the present call of Governor Gillette, and that a supplementary proclamation must be issued. Such was the conclusion arrived at late last night by a subcommittee of the senate judiciary committee.

State of Lincoln Resurrected.

Muskogee, Okla., Nov. 21.—Delegates from the Northwest to the Trans-Mississippi congress are today working on a proposition of a new state to be called Lincoln, composed of parts of Washington, Oregon, Idaho and Montana, with Spokane as the capital. The proposition is fathered by N. W. Durham, of Spokane. Resolutions were introduced for the establishment by the government of a bureau of mining and agricultural colleges, experimental stations and postal savings banks in every congressional district.

New Death Test.

Paris, Nov. 21.—A new death test which absolutely precludes the possibility of burial alive has been discovered at the Lariboisiere hospital in this city. Experiments have shown that radiographs of bodies taken even a few minutes after death reveal clearly the outlines of all the organs, whereas if the radiographs are taken during life the organs are not revealed.

Improve Rivers in Montana.

Helena, Mont., Nov. 21.—A call was today issued by the Helena Commercial club for a meeting of citizens of this state, to be held here November 26, for the purpose of forming a state association to bring about the securing from congress of a just share of the river and harbor appropriations for the betterment of the Missouri and Yellowstone rivers.

LUMBER CASES CONSOLIDATED.

Oregon and Washington Complaints Will Be Heard Together.

Washington, Nov. 22.—The Interstate Commerce Commission will hold but one hearing to dispose of the complaints of Oregon and Washington lumber manufacturers against the new rates on lumber shipped to Missouri river points and the Middle West and from points in Oregon to points in California. The Oregon and Washington Lumber Manufacturers' Association and the Pacific Coast Lumber Manufacturers' Association have filed separate complaints with the Interstate Commerce Commission but in effect their complaints are identical, as the rates complained of are the same from Oregon as from Washington, the defendant railroads are the same in each case.

The complaint of the Western Oregon Lumber Manufacturers' Association is somewhat different, as it applies only to rates from Oregon to California established by the Southern Pacific and the Oregon & California Railroad companies. At the hearing, which will begin December 11, the railroads will be represented by their attorneys and the lumbermen by Teal & Minor, of Portland; A. E. Griffiths, of Seattle; W. H. Abel, of Montesano, Wash., and by Wimbish, Watkins & Ellis, of Atlanta, Ga.

In its complaint, recently filed with the commission, the Oregon and Washington Lumber Manufacturers' Association, allege that the Hill and Harriman railroads, by concert of action absolutely fix and maintain rates on lumber from Oregon and Washington to points in the Mississippi Valley, Rocky Mountain and Plains states, said rate being formulated through the trans-continental freight bureau at Chicago, said bureau being dominated and controlled by these two systems.

After setting forth the difference between the old rates and those which were to have gone into effect November 1, the complainants allege that this raise in rates is the result of a conspiracy to destroy all competition among the railroads operating in the Northwest, and to exact an unreasonable compensation for the transportation of lumber, and that the railroads, by increasing their rates, propose to absorb all or nearly all of the profits of the lumbermen.

HEARST HELD FOR LIBEL.

Sound Over to Grand Jury—Political Game Charged.

New York, Nov. 22.—Justice Wyatt, in the Court of Special Sessions today, held William R. Hearst for the grand jury on the charge of criminal libel, preferred by William Astor Chanler. S. S. Carvalho appeared for Mr. Hearst. The amount of bond was fixed at \$500, the usual sum required in misdemeanor cases. Mr. Carvalho is the general manager of Mr. Hearst's New York newspaper.

Both Mr. Hearst and his bondsmen were in court when Justice Wyatt handed down his decision. They repaired to the office of District Attorney Jerome while the bail bond was being prepared. It was later approved by Justice Wyatt and Mr. Hearst and his attorneys drove away in the big red automobile that had brought them to the criminal courts building.

The charge against Mr. Hearst grew out of a publication in the New York Evening Journal concerning the case of Raymond Hitchcock, the actor. Mr. Chanler's name was mentioned in connection with the article. Several hearings were had before Justice Wyatt, and Mr. Chanler positively denied that he had ever been at Hitchcock's house when little girls were there.

His counsel contended that the publication had been made for the purpose of injuring politically Lieutenant-Governor Lewis Stuyvesant Chanler, a brother of the complainant, against Mr. Hearst. This was denied by Mr. Hearst's attorneys, who made the counter assertion in court that Mr. Chanler's proceedings against Mr. Hearst were taken in the hope of hurting the chances of the Independence League ticket in the last country election.

Combined to Down Opposition.

Salt Lake, Nov. 22.—The Federal grand jury returned indictments against the Union Pacific Railroad company, the Oregon Short Line, the Union Pacific Coal company, J. M. Moore, general agent of the Union Pacific Coal company and Everett Buckingham, assistant general superintendent of the Oregon Short Line. The technical charge is a combination of restraint of trade by forcing a Salt Lake City coal dealer out of business because he had lowered the price of coal below that fixed by the combination.

St. Louis Bids for \$12,000,000.

St. Louis, Nov. 22.—At a meeting of St. Louis bankers today, it was decided to take \$12,000,000 of the government's treasury certificates, providing the money paid for this circulating medium be re-deposited in the banks taking the scrip. This the Treasury department has already signified its intention of doing.

Deposits Rushing Back.

New York, Nov. 22.—The Terminal Bank, one of the Brooklyn institutions which closed their doors several weeks ago, reopened for business today. More than 100 depositors were in line and \$45,000 was deposited during the first hour.

OREGON STATE ITEMS OF INTEREST

TESTS OF CEMENT.

University of Oregon to Make Exhaustive Experiments.

University of Oregon, Eugene.—The department of engineering of the University of Oregon has begun a series of exhaustive tests on the strength and impermeability of concrete for building purposes and for the construction of dams and reservoirs. The ordinary water-proof concrete is mixed in the proportion of one part of cement to two parts of sand and four of stone. If, through electrolytic action, induced by the addition of a small percentage of clay, alum or other agents, the approximate proportion can be changed to the ratio of one to three to six, it can be easily seen that a large saving can be made in the cost of materials, since the cement is the expensive part of the wall. Certain experiments already made have tended to show that concrete so mixed has both greater strength and greater impermeability. To determine whether or not this is true, some three or four hundred tests will be made, extending through the year, with varying definite amounts of electrolytic agents added. Each sample will be submitted to a water pressure test of from forty to one hundred pounds to the square inch, in addition to the regular compression tests. The department of chemistry is co-operating, and the most thorough work possible will be done. C. A. McClain and J. W. McArthur, of the department of engineering, will have charge of the tests.

Since the university has at present no money available for the carrying on of such work, the expenses will be borne by the men in charge.

GOVERNOR NAMES DELEGATES

Oregon Men to Attend Rivers and Harbors Congress.

Salem.—One of the most important delegations Governor Chamberlain has appointed to represent this state at an unofficial gathering of citizens of the United States is the delegation to the National Rivers and Harbors congress, which will meet December 4 of this year at Washington, D. C. The appointment of this delegation is important because Oregon is deeply interested in river and harbor improvements, and because this convention will be held while the United States congress is in session, and the representatives will have an opportunity to do personal work in behalf of this state.

The delegation named by the governor is composed of: E. Hofer, Salem; Walter Lyon, Marshfield; B. F. Irvine, Corvallis; Ira A. Phelps, Harrisburg; W. A. Messer, Independence; Alex. Lafollette, Wheatland; William Gilstrap, Eugene; J. L. Stockton, Salem; James McEvans, Salem; A. Huckenstein, Salem; J. R. Gregg, Ontario; Fred J. Blakeley, Roseburg; C. T. Lacey, Ironides; Philip Buehner, Portland; J. N. Teal, Portland; Peter Loggie, North Bend; Orville Dodge, Myrtle Point; J. E. Peters, The Dalles.

Barley for Great Britain.

Portland.—A big movement of Oregon barley to the British Isles is under way. This use it is said more barley is being exported than in a number of years previously. Then lots ranging from 7,000 to 27,000 sacks, and aggregating approximately 100,000 sacks, have been certified from the Portland chamber of commerce this month for export on two vessels, the Lyra and the Woodford. The barley movement is regarded as a favorable sign in the general situation, and it is said there is a good prospect for a general revival of the grain export trade during November.

One Bad Spot.

Rock Creek.—The fruit crop in this section is now all picked and packed ready for shipment, but owing to financial conditions which have prevailed the past few weeks, shippers are slow to act. The entire apple crop this season was a partial failure. Most of the growers did not harvest more than a third of a crop. The Locust Grove orchard, however, succeeded in marketing about half a crop, mostly winter varieties. The product of the orchard was sold to a Los Angeles firm. The price ranged from \$2 to \$2.50 per box.

Mulkey Will Resign.

Esiem.—It is learned here on what is known to be reliable authority, that E. F. Mulkey intends to resign the presidency of Ashland Normal school about the first of the year and enter the real estate business in Medford. Several men are preparing to seek his position at Ashland. President Mulkey has made his plans known to his friends in this part of the state.

Cove Apples Moving.

Cove.—W. Chenault shipped \$600 worth of big red Oregon apples East, at \$1.50 a box. J. M. Gasset shipped 2,000 boxes, also last week, at \$1 a box.

RESTORE WORN LAND.

Government Experimenting on Tract Near Albany.

Albany.—The work of laying the tile drainage system on the Experimental Farm one mile south of Albany was begun last week by representatives of the Federal Government, who are co-operating with local persons in the establishment of an experimental farm on a piece of worn-out grain land that has been selected for purposes of investigation. The purpose of the work just started is to test various methods of soil-treatment, and to determine how this type of land, which at the present time is producing very little, may be brought into a state of greater productivity and made to yield a greater revenue. There are thousands of acres of this kind of land in the south end of the Willamette Valley, and the results obtained, if successful, will have a far-reaching effect in improving present agricultural conditions in the whole Willamette Valley.

Fruit Rate Lowered.

Portland.—The Southern Pacific company November 23 will put into effect a new rate of 30 cents per 100 pounds on canned goods in carlots from Ashland, this being the same rate made recently for Grants Pass. The company's intention is to encourage development of the canning industry in the Rogue river valley. Similar rates will be made from Willamette valley and other points. The freight traffic department is busy revising its traffic to comply with the Interstate Commerce commission's order that the long and short haul feature be eliminated and specific rates be made from each point in a proportion nearer the through rate. All railroad companies have until January 1 to make the necessary changes.

Lane Fruit Association.

Eugene.—At a meeting of a number of Lane county fruitgrowers it was decided to incorporate the Lane County Fruit & Vegetable Growers' association, with a capital stock of \$5,000, the amount having been raised by subscription among the farmers. The objects and purposes for which the association has been formed are to encourage, promote and engage in the business of fruit and vegetable raising and farming; to buy, sell, ship and deal in any and all kinds of fruits, berries, vegetables and farm products and any articles manufactured therefrom.

Elections Valid Despite Holidays.

Salem.—Attorney General Crawford has rendered an opinion in which he advised city officials that there is no doubt whatever of the validity of a city election held while the bank holidays are continuing. He also holds that proceedings leading up to the election, such as notices and registrations, are valid, notwithstanding the holidays.

PORTLAND MARKETS.

Wheat—Club, 84c; bluestem, 86c; valley, 84c; red, 82c.
Oats—No. 1 white, \$28.50; gray, \$29.50.
Barley—Feed, \$28.50 per ton; brewing, \$30; rolled, \$30@31.
Corn—Whole, \$32; cracked, \$33.
Hay—Valley timothy, No. 1, \$17@18 per ton; Eastern Oregon timothy, \$23; clover, \$15; chest, \$15; grain hay, \$15@16; alfalfa, \$14.
Butter—Fancy creamery, 27 1/2@32 1/2¢ per pound.
Veal—75 to 125 pounds, 7 1/4@8 1/2¢; 125 to 150 pounds, 7c; 150 to 200 pounds, 7c.
Pork—Block, 75 to 150 pounds, 7c; packers, 6 1/4@7c.
Poultry—Average old hens, 11@12¢ per pound; mixed chickens, 10@11¢; spring chickens, 10@11¢; roosters, 8c; dressed chickens, 12@13¢; turkeys, live, 15@16¢; geese, live, 9@10¢; ducks, 12 1/2@13¢; pigeons, \$1@1.50; squabs, \$2@3.
Eggs—Fresh ranch, candled, 35@40¢ per dozen.
Fruits—Apples, 75c@82¢ per box; peaches, 75c@81¢ per crate; pears, \$1@1.25 per box; grapes, 75c@81.50 per crate; quinces, 50c@61¢ per box; cranberries, \$9.50@12 per barrel.
Vegetables—Turnips, \$1.25 per sack; carrots, \$1.25 per sack; beets, \$1.25 per sack; beans, 7@8¢ per pound; cabbage, 1@1 1/2¢ per pound; cauliflower, 90c@1 per dozen; celery, 50¢@90¢ per dozen; corn, 85c@91¢ per sack; cucumbers, \$1 per sack; onions, 15¢@20¢ per dozen; parsley, 20¢ per dozen; peppers, 8¢@17¢ per pound; pumpkins, 1@1 1/2¢ per pound; radishes, 20¢ per dozen; spinach, 6¢ per pound; sprouts, 8¢ per pound; squash, 1@1 1/2¢ per pound; tomatoes, 25¢@50¢ per box.
Potatoes—50¢@75¢ per hundred, delivered Portland; sweet potatoes, 2 1/2@2 1/2¢ per pound.
Hops—1907, 5@8¢ per pound; olds, 3@4c.
Wool—Eastern Oregon, average best, 13@20¢ per pound, according to shrinkage; valley, 18@20¢, according to fineness; mohair, choice, 28@30¢ per pound.

TURN LIGHT ON THE BANKS.

Gillett Recommends Inquiry and Tells Cause of Stringency.

Sacramento, Cal., Nov. 20.—The special session of the legislature called by Governor Gillette convened yesterday. The governor's message, which was read in both houses, says the session has been convened to enact legislation believed to be imperative because of unusual financial stringency brought about by conditions existing in the East. The country is prosperous and legitimate business was never in better condition. The present state of affairs is attributable to extravagant living, wild speculation, the frenzied finance of the stock and bond manipulators of Wall street. The message adds in substance:

The banking laws need to be amended so as to afford better protection to depositors. Trust companies and corporations doing an interstate business should be placed under Federal laws, and if necessary the constitution should be so amended.

A committee should be appointed to investigate the methods of doing banking business in California.

Owing to conditions in the East, California banks are unable to secure the balances due them. This, with the withdrawal of money from the banks and the hoarding of it, has depleted the cash reserve. A bill will be presented extending the time for the payment of taxes; also provisions for permitting courts to proceed on legal holidays, to ratify recent amendments to the charter of San Francisco.

ALABAMA FOR PROHIBITION.

After 1908 No Liquor Will Be Sold in State.

Montgomery, Ala., Nov. 20.—Unprecedented scenes were enacted in the senate chamber of the historical capitol of Alabama yesterday when the statutory prohibition bill was passed by a vote of 32 to 2. Women and children thronged the corridors and galleries and even invaded the sanctity of the floor itself, pushing the senators from their seats and giving vent to their enthusiasm by shouts and cheers that echoed and re-echoed through the building. Senators who opposed the bill were hissed down when they arose to speak against the measure.

When two carloads of Mobile men came to lobby against the bill they found that delegates who favored that measure had filled the senate galleries until not a seat was left. It was the plan to crowd them out and it succeeded. Little children stood in the lobbies and pinned ribbons on everyone.

Children were kept out of school yesterday to work against liquor.

The statutory prohibition bill, which was passed, was in the nature of a compromise between the anti and prohibitionists. The anti, seeing the handwriting on the wall, agreed to give up the fight, provided the time was extended until January 1, 1909, when the sale of whisky will be forbidden in the state of Alabama. This amendment will be sent to the house and will be concurred in without a fight.

CLOSED CO D YS.

Bank Examiner Does Not Expect Bank to Open Sooner.

Portland, Nov. 20.—Bank Examiner Claude Gatch has only fairly begun actual examination into the conditions of the suspended Merchants National bank. It is said a period of 60 days will probably elapse before the public can be apprised as to what course the bank will pursue.

So many interruptions have occurred that the bank examiner has not been able to get down to steady work. The public has in a limited way access to the banking rooms, and many wish to see the bank examiner on business affecting the bank's affairs. These interruptions are said to be nearly always a preliminary to the work of investigating a suspended bank.

Most of the urgent callers have now been disposed of, and the examiner expects to push the examination with all possible speed. After his report has been made up it will not be given out here, but will be forwarded to the comptroller of currency at Washington.

Japan Satisfied at Present.

Victoria, B. C., Nov. 20.—Owing to the favorable conditions under which Japanese sealers may now operate in Bering sea, the proposed treaty between Great Britain, the United States, Japan and Russia for the settlement of the sealing question and the indemnification of the pelagic sealers is being held up by the refusal of Japan to enter the agreement. Japanese sealers are still in position to hunt seals at will, regarding only the international law, by which they are prevented from going within three miles of the rookeries.

\$30,000,000 Damage Suit.

New York, Nov. 20.—The suit for damages brought by the Pennsylvania Sugar Refining company against the American Sugar Refining company came up for trial today before the United States court for the Southern district of New York. The plaintiff company asks for damages in the amount of \$30,000,000.

MONEY FOR CELLO

Effort to Have Canal Put Under Continuing Contract.

JETTY IS GOOD OBJECT LESSON

Construction Under Spasmodic Appropriations Expensive, Wasteful and Uncertain.

Washington, Nov. 23.—The recommendation of General Mackenzie, chief of engineers, that an appropriation of half a million dollars be made this winter to continue the construction of the Celilo canal, opens up an opportunity for placing this work under continuing contract system.

In the river and harbor bill passed last session was an item authorizing the appropriation now recommended; that means congress sanctions the appropriation, and will make the money available when asked for. The appropriation will come as a matter of form in the sundry civil bill, which will be passed toward the close of the approaching session, unless it turns out that the available money is exhausted before spring, in which event the appropriation may be made in the urgency deficiency bill, which will be passed in January or February.

It is most desirable that the canal should be brought under a continuing contract, for unless this is done the work must progress spasmodically, as congress appropriates money from time to time. Inasmuch as there is yet to be appropriated upwards of \$3,000,000 to complete the canal, it is doubly important that it should be made a continuing contract. Otherwise, the money is likely to be made available in quarter or half-million lots, and construction will be strung out over a long period of years. This is undesirable, for experience has demonstrated that all large works of this character, built under spasmodic appropriations, cost much more in the end than those which are built under continuing contracts, the money being made available as rapidly as needed.

PEAT FOR FUEL.

Canada Attempting to Solve Problem by New Process.

Washington, Nov. 23.—Canada, like the United States, is confronted with a fuel problem that is causing no little concern. There is a much smaller supply of coal in Canada than in this country, hence the greater need for the development of some new fuel. Attention centers on the vast peat beds.

Over top of the bog has been placed a series of railway tracks about five yards apart, and over them run what are called collectors. The collector can be compared to a large electric can equipped with a suction pan. From the side of the car protrudes a long pipe perhaps two feet in diameter, at the end of which is a shoe with a "lip," through which the dry peat dust on the surface of the bog is drawn into the pipe by suction and deposited in the car.

As the car moves along the rail the amount of peat which is drawn up is scarcely perceptible to the naked eye, and yet one collector will pick up 50 tons of dust a day. The sun quickly dries the exposed surface which has been uncovered by the collector, and the same process is then repeated.

The dust is taken from the collector into the factory, and run through a large pipe, or covered trough, through which runs a screw similar in shape to an auger. Around the outside of the pipe or trough is a steam jacket placed several inches from the pipe to allow the steam to pass through the space between, in order to dry out the dust passing through the inside of the pipe. The dust is ground fine to pass through 100 mesh—or in other words, finer than flour. The dried out dust is then placed in a unique press and at a temperature of 200 degrees and a pressure of 80 tons formed into bricks. In two days after going through the press the bricks are harder than coal and nearly the same color.

Hawaii is After Hindus.

Seattle, Wash., Nov. 23.—Hindu laborers on Puget Sound, who have been driven from town to town by anti-Asiatic societies, will be shipped to the Hawaiian islands for work on sugar plantations. Arrangements are now being made for chartering a special steamer to carry away all the Hindus gathered in the Puget Sound country, and it is believed by agents of the Hawaiian planters that several thousand Hindus in Washington and British Columbia can be induced to go back to the tropics.

French Court Liable.

Paris, Nov. 23.—The court which has been hearing the case against Charles P. Baird, of Philadelphia, who on October 10 ran down and killed a boy at Neuilly, while driving an automobile, condemned him to a month's imprisonment and \$10 fine. In addition Baird must pay \$2,000 damages.