

NEW CURRENCY PLAN

Congressman Fowler Offers System for Bank Circulation.

SECURED BY ASSETS OF BANKS

Banks to Deposit Money With Government to Guarantee Both Notes and Deposits.

Washington, Jan. 9.—The sub-committee of the house committee on banking and currency, to which was entrusted the framing of a bill to increase the elasticity of the currency, reached a conclusion yesterday and will report favorably to the full committee a bill drawn in the main by Chairman Fowler, of the committee. The bill will be introduced by Fowler and referred to his committee, where it will form the working basis for the framing of a bill of possibly the same scope and tenor.

The bill provides for the complete retirement of all outstanding national bank bond secured currency and authorizes in lieu thereof a currency based upon general assets of the banks, to be worked out in this way:

The controller of the currency will designate throughout the country certain redemption cities, so that there shall be a redemption city within at least 24 hours' reach of every national bank. The national banks will indicate to the controller of the currency to what redemption city they wish to be joined. The controller will then select a time and place within each redemption district for the organizing of that district in the following manner:

Each national bank in that district, regardless of its capital stock, will be entitled to one vote. Representatives of the banks will meet at a time and place designated and elect a board of managers to consist of seven members. The seven will elect a chairman, who will become a deputy controller of currency and assume control of his redemption district, except that he shall not have charge of the enforcement of the criminal statutes.

Each national bank is authorized to present to the secretary of the treasury national bank notes and lawful money in lieu of other national bank bond secured outstanding notes. Then, if the bank's application therefor is indorsed by the board of managers of the redemption district to which it belongs, the bank will receive guaranteed credit notes to the amount of its capital stock. These notes will be subject to a tax of 2 per cent per annum. Each bank will be required to deposit as a guarantee fund with the treasurer of the United States 5 per cent of its average deposits for the preceding 12 months and 5 per cent of the credit notes which it takes out. The revenue thus obtained is to be used to support a national guarantee fund of \$500,000,000 for the guarantee of both the deposits and the outstanding banknotes of every national bank. Eighty per cent of this fund is to be invested in United States bonds drawing 2 per cent interest, while the remaining 20 per cent is to be deposited in banks of the various redemption cities for the purpose of redeeming the guaranteed credit notes of the banks of the various redemption districts.

When the national guarantee fund reaches \$25,000,000, which would be almost simultaneous with the birth of the new law, the government is required to return to the banks the United States bonds now held as security for Federal deposits, the object being to enable the banks to get control of the bonds, so that the government can invest the 80 per cent of the guaranteed fund in 2 per cent bonds and regain control. In buying these bonds the banks holding them shall be paid their original purchase price, providing their exact purchase price can be proven.

It is Fowler's idea, as embodied in the bill, to have the new credit notes printed on a green background in differentiation from the yellow background of the gold notes and white background of the silver certificates.

Tunnel Open for Traffic.

New York, Jan. 9.—The first of the series of tunnels under the waters that divide Manhattan from Brooklyn on the one side and from New Jersey on the other was opened for traffic late last night, when the initial passenger train left the Bowling Green station of the Interborough subway and went the length of one of the long steel double tubes which parallel each other under the river to Brooklyn. The opening of this tunnel is regarded as a long step toward the solution of the transportation problems of New York.

Battleships Off Brazil.

Pernambuco, Brazil, Jan. 9.—The American battleship fleet under command of Rear Admiral Evans, was sighted passing this port yesterday at noon on its way to Rio Janeiro.

VERDICT DECLARED VOID.

Court of Appeals Reverses Decision in Schmitz Case.

San Francisco, Jan. 10.—"The judgment and order are reversed and the trial court is directed to sustain the demurrer to the indictment and discharge the defendant as to such indictment."

This was the decision handed down yesterday by the District Court of Appeals reversing the judgment of the trial court in the case of ex-Mayor Schmitz, sentenced to five years in San Quentin on the charge of extortion based upon the alleged "holding up" of liquor licenses and setting aside the indictment on which his conviction was had.

The trial was made notable by the appearance of Abraham Ruef, the political dictator who controlled the municipal administration, and practically placed Schmitz in office, as a witness against the mayor, testifying that he had paid to Schmitz \$2,500 of the \$5,000 received by Ruef from the French restaurants, in order that Schmitz would permit the board of police commissioners to issue liquor licenses to them. Ruef had, previous to this, dramatically pleaded guilty to the same charge, at the same time making the enigmatical statement that he was innocent.

On the ground that the indictment did not show that a public offense was committed, because it did not allege any threat to injure property, the court holding that a liquor license was not property, but mere permission; that a threat to prevent the obtaining of a liquor license by one who had no authority in the premises did not constitute a threat against property, and because of numerous errors in the ruling of the trial judge—Superior Judge Frank H. Dunne—the Appellate court held that the indictment was invalid and the conviction null and void. In effect, the court held that Schmitz was not given a fair and impartial trial.

While the decision was not wholly a surprise, even to the prosecution, and had been freely predicted by Schmitz's friends for some time, it did not fail to cause something of a sensation and was the sole topic of conversation yesterday.

The decision will have the effect of invalidating the other four indictments charging Schmitz as well as Ruef with extortion, and renders void the plea of guilty made by Ruef, as the Appellate court held that no crime was committed.

By this reversal it is feared that the prosecution has lost its hold upon Ruef, and it was freely predicted last night that the former political boss would now refuse all overtures of immunity, wholly or in part, to testify in the bribery-graft cases, and fight every indictment against him. Although the court ordered Schmitz discharged from custody on the extortion indictments, neither Schmitz nor Ruef can take advantage of the reversal for 60 days, and even then there is little likelihood that either of them will be able to get the enormous bail required for their release. There are still pending against Ruef 126 indictments charging bribery, on which the total bail is \$1,170,000, and Schmitz would have to get bonds for \$450,000 on the indictments that remain against him. The prosecution has 20 days in which to ask the Appellate court for a rehearing of the appeal, and the court has 10 days in which to decide the motion. The appeal would then go to the Supreme court, where the same length of time would be required before the decision of yesterday can go into effect.

Cut Rates on Atlantic.

Liverpool, Jan. 10.—The White Star line today announced a reduction in its second and third class passenger rates from English ports to New York and Boston. This step is taken because of the traffic that has been deflected from the vessels of this line by the Lusitania and Mauretania, and to the refusal of the Cunard company to concede differential rates for vessels of the Baltic class. The second-class fares were reduced by from \$6 to \$7.50 and the third class fares by from \$4 to \$5. The Cunard company immediately said that it would meet the cut.

Loeb Goes Into Other Work.

Washington, Jan. 10.—Investigations in local financial circles by Representative Smith, of Michigan, chairman of the house committee on the District of Columbia, warrants him in saying that there is to be a consolidation of the streetcar companies of the District of Columbia, and that William Loeb, Jr., secretary to President Roosevelt, is to be given the active management. Mr. Smith has been making inquiry into the streetcar situation, with the view of getting authority for constructing new lines.

Greene and Gaynor Go to Prison.

Macon, Ga., Jan. 10.—Benjamin D. Greene and John F. Gaynor were taken to Atlanta today to be placed in the Federal penitentiary to begin four year sentences for embezzlement of government funds in connection with government work in Savannah harbor. They had been in jail pending an appeal to the United States Supreme court.

OREGON STATE ITEMS OF INTEREST

NEW KLAMATH INDUSTRY

Stockmen Organize Company to Operate Packing House.

Merrill—The organization of the Klamath Packing & Commercial company, incorporated in about complete. The capital stock is \$500,000.

The company has purchased of N. S. Merrill ten acres of land at the foot of Front street, bordering on Lost river. The object of the concern will be to pack and ship all kinds of meat. During the past season over 25,000 head of cattle and sheep have been driven through this city to Montague and thence shipped to Sacramento and Oakland, where they are slaughtered for market.

There are many conditions which make this long drive and shipment unsatisfactory. Among these are the loss of flesh on the 100-mile drive, the damaging of meat caused by the good stick of the cart driver, the fevered condition resulting from the close confinement, the cramped position in the crowded cars, and the general unfitness for market of the four footers upon arrival at their destination.

The slaughter of these animals in this country will insure perfectly healthful and palatable meat, will eliminate the shrinkage, and will double the profits of the stock raiser, as he will receive not only his first profit as producer, but as a stockholder in the company will receive a second profit as wholesaler.

Because of the lateness of the season, comparatively little work can be done this year, but the company will be put upon a working basis and several hundred head of hogs will be converted into hams, bacon and lard. Early next spring conveniences for the preparation of all by-products will be installed.

MAKE WARFARE ON SCALE.

Marion County Fruitmen Learning to Fight Dread Pest.

Salem—The most practical, interesting and instructive discussion of San Jose scale ever given in Marion county was heard here last week when County Fruit Inspector E. C. Armstrong addressed the meeting of the Marion County Horticultural society. About 200 growers of Marion and Polk counties were present, and it was the unanimous opinion that if similar talks and demonstrations were given in every part of the Willamette valley this winter, it would be but a short time until the great enemy of the fruit industry would be under control. That a very large number of growers do not know scale when they see it, and therefore are in a very poor position to fight it, was evident. Mr. Armstrong made his address so plain and illustrated it so fully that no one who was present will ever have trouble in distinguishing this pest.

To Develop Oregon Borax.

Burns—The Oregon Borax company, of which Joseph Gaston, of Portland, is president, has commenced the work of developing the soda and borax deposits at Alkali lake, on the edge of Lake county near the Harney county line at Gray's Butte. A large amount of lumber has been ordered for permanent buildings, and Superintendent Zell Young, with a party of carpenters, is on the ground to carry on the work. In addition to these preparations, the sheet iron for boiling and settling tanks has been ordered in California and will be shipped up to the lake by the narrow-gauge railroad from Reno to Alturas, where the tanks will be constructed on the grounds.

Beets Do Well in Klamath.

Klamath Falls—That Klamath basin is to become one of the leading sugar beet districts of the country is evidenced by the results of analysis of sugar beets just received from C. O. Townsend, pathologist in charge of sugar beet investigations of the Department of Agriculture at Washington. The sample sent was of three beets grown on a test patch of a quarter acre of land a mile from Klamath Falls, on which was produced 8,385 pounds of beets, or nearly 17 tons per acre.

Laying Out Reclamation Work.

Klamath Falls—The reclamation service has several surveying parties laying out next year's work on the Klamath project. One party is now engaged on the second unit in the Olene district, while Engineer Sargent has a force on the extension of the Keno canal, paralleling the Klamath river, south.

Hides Take Big Drop.

Pendleton—After the highest prices ever paid for hides in Eastern Oregon, in the past eight weeks, prices have now dropped to the lowest price known. Only a few weeks ago dry hides were quoted in this city at 18 cents per pound. Now dry hides are worth but 9 cents and green hides but 4 cents.

Fulton Files His Petition.

Salem—C. W. Fulton has filed a copy of his petition for Republican nomination for United States senator.

DALLAS AFTER A CANNERY.

Fruitmen Believe They Will Have a Market for Crop.

Dallas—A committee appointed at the meeting of the Horticultural society last week for the purpose of securing the co-operation of the fruit raisers of this vicinity in the establishing of a cannery at Dallas, is hard at work.

With the exception of the berry crop, sufficient fruit is raised within a radius of five miles around Dallas to easily support a cannery, and it is believed that the establishment of that industry in this city will result in the planting of enough of the small fruits to keep the cannery in operation during the entire season each year.

A company will be formed and the farmers, fruitgrowers and business men will be solicited to take stock in it. Heretofore the fruit crops of this vicinity were shipped to the canneries in Salem and Newberg.

Many Counties Represented.

University of Oregon, Eugene—The following table, taken from the records of the registrar's office, shows that the students of the University of Oregon come from every county in the state. There are now in attendance in the departments at Eugene, exclusive of music, 400 students, which is the largest body of students of college rank enrolled in any institution in Oregon. That they are not from the homes of the rich is shown by the fact that nearly 70 per cent of them are either wholly or partially earning their own way. Most of them are registered from the smaller cities of the state that support good high schools. The following counties are represented: Baker, Clackamas, Clatsop, Columbia, Coos, Curry, Douglas, Gilliam, Grant, Jackson, Josephine, Klamath, Lane, Linn, Marion, Multnomah, Polk, Sherman, Tillamook, Umatilla, Union, Wasco, Washington, Whashington, Wheeler, Yamhill.

Cow Earns Her Feed.

Oregon Agricultural College, Corvallis—A five-year-old Holstein at the college dairy made a milk yield of 13,744 pounds for the year ending December 31. The product carried a butter fat record of 446.55 pounds, and yielded \$20.97 pounds of butter, that at prices current during the year brought \$170. She was not pushed in the feeding, but given the ordinary rations incident to any well-kept dairy. Her food for the year cost \$40, leaving a net profit of \$130.

Big Milton Ranch Sold.

Milton—For the price of \$28,562.50 Henry L. Frazier, of Milton, has sold his ranch near this place to William H. Harder, and the deal represents one of the biggest individual transactions made in this section of the country for many months. The Frazier ranch is located just southwest of Milton, and contains 246 acres of wheat land. This sale also included the Frazier residence in Milton.

PORTLAND MARKETS.

Butter—Fancy creamery, 32½@35¢ per pound.
Veal—75 to 125 pounds, 9¢; 125 to 150 pounds, 7¢; 150 to 200 pounds, 5¢@6¢.

Poultry—Average old hens, 14@16¢ per pound; mixed chickens, 14¢; spring chickens, 14¢; roosters, 8@10¢; dressed chickens, 14¢; turkeys, live, 16@17¢; dressed, choice, 18@20¢; geese, live, 9@10¢; ducks, 15¢; pigeons, 11@15¢; squabs, 12@13¢.

Eggs—Fresh ranch, candled, 30¢@32¢ per dozen.
Pork—Block, 75@150 pounds, 8¼¢@7½¢; packers, 6¼¢@7¼¢.

Wheat—Club, 84¢; bluestem, 86¢; valley, 84¢; red, 82¢.
Oats—No. 1 white, 27.50@28; gray, 27.50@28.

Barley—Feed, 27¢ per ton; brewing, 32¢; rolled, 30¢.
Corn—Whole, 32¢; cracked, 33¢.
Hay—Valley timothy, No. 1, 11\$ per ton; Eastern Oregon timothy, 121@22; clover, 15; chest, 15; grain hay, 11\$@16; alfalfa, 15; vetch, 14.

Fruits—Apples, 75¢@82¢ per box; peaches, 75¢@82¢ per crate; pears, 11.25@11.75 per box; cranberries, 19.50@12 per barrel.

Vegetables—Turnips, 75¢ per sack; carrots, 65¢ per sack; beets, \$1 per sack; beans, 15¢ per pound; cabbage, 1¢ per pound; cauliflower, 75¢@1 per dozen; celery, \$3.25@3.50 per crate; onions, 15@20¢ per dozen; parsley, 20¢ per dozen; peas, 10¢ per pound; peppers, 8@17¢ per pound; pumpkins, 1@1½¢ per pound; radishes, 20¢ per dozen; spinach, 6¢ per pound; sprouts, 8@10¢ per pound; squash, 1@1½¢ per pound; tomatoes, 12¢ per box.

Onions—1.60@1.75 per hundred.
Potatoes—40¢@60¢ per hundred, delivered Portland; sweet potatoes, 22.75@3 per hundred.

Hops—1907, prime and choice, 5@7½¢ per pound; olds, 1@2¢ per pound.
Wool—Eastern Oregon, average best, 13@20¢ per pound, according to shrinkage; valley, 18@20¢, according to fineness; mohair, choice, 29@30¢ per pound.

VESSEL IS SAFE.

Steamer Mount Royal Encountered Severe Storms.

Queenstown, Jan. 8.—The long overdue Canadian Pacific steamer Mount Royal steamed slowly into Queenstown today, and the news of her safety was received with gladness in shipping circles. She had been last reported off the Lisard, December 10, and watch was being kept for her on both sides of the Atlantic, and as far south as Bermuda. She left Antwerp December 7 for St. Johns, N. B. She had on board 300 Hungarian emigrants and a crew of about 100 men.

She was definitely sighted off Old Head of Kinsale, 16 miles west of this port, early today. She was then proceeding slowly under her own steam, and signaled that she was coming in here. She declined the help of a tug sent out to assist her, and came in alone.

Trouble with her boilers was the reason the Mount Royal had to put back. She is at best a slow boat, and shortly after leaving the British coast she encountered a series of violent gales. She battled with the heavy weather for a fortnight, until Christmas eve, when serious trouble with her boilers developed. The steamer was then in longitude 24.50 west and latitude 43 north. The engine room staff ultimately got up steam, but in view of the weather the captain made for the Irish coast. Passengers and crew are well.

The Mount Royal officers described the weather off Lisard as the worst experienced on the Atlantic for many years.

HAVE PLENTY OF MONEY.

Petition to Have Standard Oil Bond Increased.

Chicago, Jan. 8.—District Attorney Edward M. Hynes filed a petition today in the United States court of Appeals, declaring that the Standard Oil company, of Indiana, has assets amounting to more than \$27,000,000, and asking for an increase in the super-sedeas bonds of that corporation filed on its appeal from the \$29,240,000 fine imposed by District Judge Landis.

The government renewed its original plea that the bond of the oil company, pending disposal of the appeal, should be the same in amount as the fine. It was originally fixed at a total of \$6,000,000, on statements by attorneys for the defense that the property of the company at Whiting, Ind., would be worth but \$2,500,000 to \$3,000,000 if sold at auction. The other holdings of the company were alleged to be worth, on the same basis, little more than \$3,000,000 to \$4,000,000. The government now charges that the actual value of the company's property subject to execution is largely in excess of \$2,000,000 and the profits of the company for the three years embraced in the indictments against it were \$23,067,126, and that the profits of the company for 1906 alone—the year in which the indictments were returned—were \$10,516,082.

PLUNGE OFF BRIDGE.

Wreck on Southern Railway Kills Three and Hurts 80.

Atlanta, Ga., Jan. 8.—Running at a speed of 30 miles an hour, the second section of an excursion train on the Southern railway from Cleveland, known as the Collier Special, and bound for Florida points, plunged through a trestle over Copper Mine creek, about 30 miles west of Atlanta, today, and as a result, three persons are dead, two others fatally injured and 80 passengers were so seriously injured as to require medical attention.

It was nearly midnight when the Southern railway relief train reached Atlanta bearing the body of Engineer James Edwards and about 60 of the injured, among whom were Mrs. Emil Hoover, of Columbus, Ohio, who is in a dying condition, and Florence A. Studebaker, of Cleveland, internally injured and probably fatally hurt. Foreman of Engines Schnapp and the negro fireman, Mose Baldwin, died soon after reaching the city. Many of the other injured were lifted from the car window in Atlanta and conveyed to hospitals, while some of the hurt were able to take cabs to hotels.

After Government Land.

Denver, Jan. 8.—Half a dozen suits, naming more than three score defendants, for the recovery of thousands of acres of land estimated to be worth several million dollars, were begun today by the government in the Federal court here. The men accused of timber, coal and other land frauds in the indictments recently quashed by Judge R. E. Lewis are defendants in these suits. Should the government win in the present proceedings the lands involved will again be placed in the public domain and thrown open.

Ontario Votes on Local Option.

Toronto, Ont., Jan. 8.—Local option was voted on yesterday in a number of small towns, villages and townships in Ontario. Returns from 58 show that it was defeated in 37 and carried in 21.

WARNING TO JAPAN

Root Says She Must Stop Flood of Coolie Immigrants.

EXCLUSION LAW MAY BE PASSED

Japanese Government Attempts to Adroitly Dodge Issue—Root Staves Off the Crisis.

Washington, Jan. 11.—Negotiations between the United States and Japan have reached a serious stage. While war as an eventuality is not seriously apprehended, largely because of Japan's unpreparedness, it is known that the historic friendly relations are strained almost to the point of breaking.

The official denial given at the State department of cabled reports of demands having been made upon Japan are literally true in a diplomatic sense, but the denial, in a measure, is an evasion. The "oral representations" and the exchange of "memoranda," reduced to plain English, mean just this:

Ambassador O'Brien, acting under instructions, has, since reaching his post last October, been attempting to secure from the Japanese government satisfactory assurances that under the pledge given at the time of the passage of the immigration law last February the Japanese government would assist in restricting the emigration to this country of objectionable Japanese labor. Twice has he communicated to Secretary Root replies obtained from Count Hayashi, in which the Japanese government attempts adroitly to dodge the issue.

Mr. Root has submitted to the Japanese government, through Mr. O'Brien, statistics prepared by the department of commerce and labor, showing that the immigration of the undesirable class of Japanese since the Japanese government gave its promise has been monthly at least twice as large as before the promise was given, and during some months four times as large.

The presentation of cold statistics showing laxity, coupled with the intimation that congress may adopt more stringent measures, possibly an exclusion law, brought from the Japanese government the second reply, which reached Mr. Root a few days ago in the form of a cablegram which cost several thousand dollars.

Mr. Root is now preparing an answer, with the assistance of several experts in Oriental affairs. The Japanese government will be informed that assurances cannot be given that an exclusion act will not be passed, but that the administration will exercise its influence to prevent such legislation, if possible, pending negotiations.

The issue in official circles in Japan has caused acute agitation, and because of the strained condition of affairs, Mr. Root will not unnecessarily precipitate matters, with the battleship fleet so far from its base in the Pacific.

Estimates Too Low.

Washington, Jan. 11.—Because of changed conditions from those existing in 1905, when the minority of the board of consulting engineers of the Panama canal submitted its report, it is now admitted in responsible quarters that the estimate made by that report for building the canal was far too low and that the cost may approximate \$200,000,000. This includes various incidental items, such as administration, sanitation and improvements aggregating several millions of dollars in Panama and Colon, which, however, will be refunded by the Panama government, and the expenses of the same government and various expenses incidental to the relocation and acquisition of the Panama railroad.

The estimate of the board in 1905 was that the cost would be \$139,765,200, but this estimate did not include expenses on account of interest during construction, sanitation and some government.

Rent Strikers Evicted.

New York, Jan. 11.—Eighty evictions of East Side rent strikers took place today, and Monroe street was filled with a picturesque litter of displaced furnishings. It is believed that the strike situation is now near a solution, and claims of victory are being made by both sides. The indications are that the honors are about even for, although most of the tenants paid the rent asked when they saw that eviction was inevitable if they longer refused, others obtained concessions from landlords.

Withdrawing Troops From Muncie.

Muncie, Ind., Jan. 11.—Major General McKee issued orders this afternoon for the return to their homes of three companies of militia now in Muncie. Street cars are now running on normal schedule.