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BANKS MAY INSURE JUDICIAL DISTRICT

ATTORNEY GENERAL DECIDES NATIONAL BANKS MAY DO SO.

Wickersham Says National May Insure Their Assets, While Democratic Platform Required Them So to Do. An Insurance Company to Be Organized for Purpose.

Attorney-General Wickersham, according to announcements made at Washington May 10th, decided that a national bank has a legal right to insure its assets against loss. The opinion was rendered in response to a request from the Secretary of the Treasury, who sent to the Attorney-General a form of policy to be issued "by an insurance company proposed to be organized." The Attorney-General approved the plan of insurance, but suggested some changes in the form of policy.

The Democratic platform a year ago recommended a tax on national banks, and on such State banks as wished to come in, to raise a guaranty fund to insure the depositors of the banks. Mr. Taft opposed this plan in his campaign speeches, and when Oklahoma as a State put the plan into operation the then Attorney-General decided that it could not be applied to national banks.

Mr. Taft opposed it as a proposition "to tax the honest and prudent banker to make up for the dishonesty and imprudence of others," that "the chief end, in the end, probably the only benefit would accrue to the speculator, who would be delighted to enter the banking business when it was certain that he could enjoy any profit that would accrue, while the risk would have to be assumed by his honest and hard-working fellow."

The form of insurance proposed now is voluntary, but it is remarked that insurance by one bank will force all others in its territory to insure making it in the end practically compulsory.

"I beg to say that, as a general principle," says the Attorney-General, "I have no doubt that it is entirely within the powers of a national bank to contract for the insurance of its assets against loss."

He says, however, that the form of the proposed policy submitted is somewhat peculiar, the contract thereunder being in effect an agreement to pay to the banks any deficiency in its assets upon ultimate realization necessary to enable it to pay all of its liabilities of every kind; that one paragraph seems to be objectionable as committing the bank to a profit-sharing feature, which might be contended to entail a corresponding liability for losses. Mr. Wickersham advises that this paragraph be eliminated.

He says also that he very much questions the legality of another provision in the policy which subjects the bank to a practical examination by the examiners of the insurance company, without notice and at such times as the company may elect, one of such examinations to be within each period of six months covered by the policy and all renewals thereof. He quotes a statute which, while not prohibiting the bank from permitting an examination of its books, does operate to prohibit it from obligating itself to permit such examination. He advised that the clause be reframed so as to make it clear that the agreement to insure is not dependent upon the failure to permit the examination, although it might be stipulated that in case at any time the examiner of the company should not be allowed access to the books of the bank for making an examination, of the company should have the option, upon reasonable notice, to terminate the contract.

The opinion concludes: "In my opinion, therefore, it is a matter for the discretion of the directors and officers of a bank to determine whether or not they will enter into any such contract in any given instance, this discretion to be exercised in view of the solvency and general financial condition of the company making the insurance and the reasonableness of the rate of premium; and, the form of the policy being modified to conform to the foregoing suggestions, I see no legal reason why a bank may not enter into it."

The Herald twice a week tell it all.

WASHINGTONIAN ERRS IN ACCUSING ABERDEEN OF BAD FAITH.

The Record Shows Aberdeen to Have Acted Not Only Fair but Generous with Hoquiam in the Entire Court-house Contention, While Hoquiam Has Not Toted Fair.

The Hoquiam Washingtonian of June 12, accuses Aberdeen of not acting fair in the matter of the location of the sub-courthouse, and says:

"The Aberdeen Herald devotes a column to the protest of Hoquiam against a second judicial district, and declares that Hoquiam is acting the part of a spoiled child. The Herald says:

"The press of Hoquiam has much to say of a 'square deal,' and the 'keeping of pledges' by Aberdeen that look well in print but will not bear scrutiny. When did Hoquiam tote fair with Aberdeen in the entire struggle to establish a court-house on Grays Harbor for the convenience of its people? Had Hoquiam stood true to Aberdeen—and itself—there would be no court-house discussion now. Hoquiam would have been the seat of county government for more than two years. Had our squalling neighbor kept faith with Aberdeen the whole matter would have been settled long ago. Was this grouchy bunch giving Aberdeen a 'square deal' when they attempted this spring to make a lineup with Montesano to place the sub-courthouse in Hoquiam? The less Hoquiam—or rather the small coterie that is making the present howl—have to say about keeping faith and giving a square deal the less attention will be given their perfidy in every move to secure the convenience of a courthouse on the harbor."

"The quickest way to answer Editor Carney is to print the minutes of the joint meetings held by committees from Aberdeen and Hoquiam. The Herald is quite wrong in all of its statements, as the following reports will show:"

Then follows the minutes of the meetings of March 19 and 20, which instead of proving the Herald wrong, substantiates its statements. The minutes of the first meeting simply shows that both committees were in the air on the subject; that they could do nothing that would bind the county commissioners, and, on motion of W. L. Adams, that the two chairmen confer with Commissioners Hopkins and Davis, and request them to attend the next meeting of the joint committees. It is true that a motion prevailed calling for tossing a coin as to the location on either side of the line between the cities, but it was recognized as useless unless the commissioners would abide by the result, and the meeting adjourned without having definitely obligated anybody to anything.

The committees met again the next day, with Commissioners Hopkins and Davis present, and again found themselves up against a snag, in the absence of Commissioner Arland, who had not been invited. Davis said he was willing to abide the decision of the joint committees as to the location, but Hopkins declined to commit himself in the absence of Arland, and the meeting again adjourned without accomplishing anything or obligating either side to any proposition, merely directing the chairmen to confer with the commissioners, and if possible, come to definite arrangements with them, and, to quote the minutes: "if favorable to the judicial district, the two delegations shall at once proceed to settle the matter of location of the sub-courthouse."

The foregoing is the substance of the minutes of those meetings, to which the Washingtonian points and says:

"These are the agreements that Aberdeen is now going back on. Neither Editor Carney, nor any of the people of his balliwick have the slightest intention of 'toting fair.' It is not in their makeup, so arguments amount to nothing with them."

Where are "the agreements that Aberdeen is going back on?" There was but one agreement made—to toss a coin for the location—and that was made subject to the agreement of the commissioners to abide by the result, without which agreement the casting of lots would be useless.

Whatever kick Hoquiam has coming in this entire matter, it is at the commissioners, not Aberdeen. The commissioners declined to obligate themselves to agree to a location made by the committees, and of their own motion designated Aberdeen as the point for the holding of

court in the second judicial district. Since the movement of three years ago for the removal of the county seat to Hoquiam, Aberdeen has acted more than fair with the former city, and the Herald is ignorant of a solitary act by this city that could be construed as bad faith.

Could the same be said of Hoquiam, the county seat would have been in that city two years ago, and had not underhand intrigues been attempted in the location of this sub-courthouse, that city might have deserved more consideration at the hands of the commissioners, but as it is, our sister city has forfeited all claims to sympathy in that regard. The attack on the constitutionality of the law was but the finale of a long record of treachery to Aberdeen—and the best interests of Grays Harbor—including Hoquiam. The attorney who discovered such glaring constitutional defects in the judicial district law, was present at all those committee meetings, took an active part in the effort to land the court in his city without a suspicion of anything wrong with the law, until the commissioners—acting without solicitation on the part of Aberdeen—took the location out of the hands of the representative committees of the two cities. The less Hoquiam has to say of bad faith, the less light of publicity will be thrown upon its own shady actions in this whole courthouse matter.

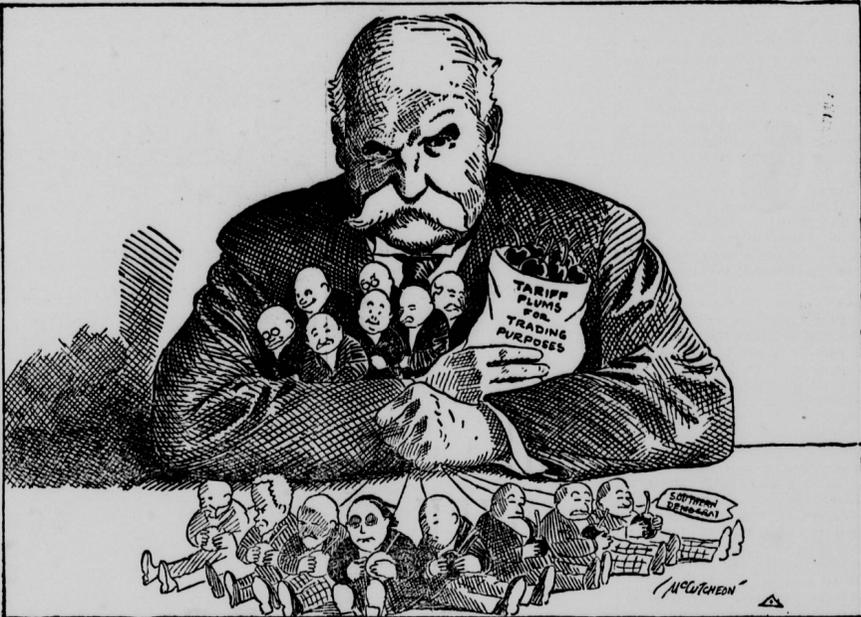
THE FARMERS' TRAIN
The Demonstration Train From State College Will Be In Aberdeen This Evening.

The State college demonstration train is due to arrive in Aberdeen at 6:45 this evening to remain two hours or longer. The equipment for lectures and demonstrations includes many kinds of dairy appliances, such as milking machines, cream separators, coolers and bottling machines, appliances for cleaning and sterilizing dairy utensils, and plans of model dairy barns. The horticultural equipment is very complete and includes several kinds of hand and power spray pumps, exhibits showing proper and improper pruning, heading and grafting. An extensive photographic display of fungus orchard diseases typical of Western Washington is shown with suggestions for treatment. The train is lighted with a "farm home electric plant," operated by a graduate electrician of the college.

NOTICE TO BIDDERS.
Notice is hereby given that sealed proposals will be received by the Board of Directors, School District No. 48, at the office of the School Clerk up to noon, July 6th, 1909, for the erection of a school building in said School District.

Plans and specifications may be had from the school clerk or County Superintendent of Schools. The Board of Directors reserves the right to reject any and all bids.
PERRY PENNOYER,
School Clerk District No. 48.
7-1.

STRATEGIC MR. ALDRICH.



—McCutcheon in Chicago Tribune.

THE SPECIAL SESSION OF LEGISLATURE OPENS WITH A BITTER FACTIONAL FIGHT.

The Old Line-Up of the "Wets" and "Drys" Prepare for the Fray Ruth Is Chosen President of the Senate, and Meigs Speaker of the House.

OLYMPIA, June 23. — When the eleventh legislature of the state met in session extraordinary today to consider the report of the special legislative investigating committee that has been probing into state offices and to hear the message of Governor Hay, President A. S. Ruth of Thurston county was again chosen president of the senate, while Leo O. Meigs of Yakima was retained as speaker of the house.

Bitter fights were made against both men. In the senate the friends of H. A. Rosenhaupt of Spokane lost by a vote of 21 to 19, two being absent when Booth of King, who was in the chair, ruled the senate was organized and ready for business, and was sustained.

For two hours the fight in the house waged back and forth merrily. The representatives called each other names and was only ended when Speaker Meigs from the chair asked that his resignation be accepted, and it was refused by a vote of 43 to 47.

While the house was in the midst of a bitter wrangle over whether it was proper to elect a new speaker or not, or whether the body was already organized, T. J. Bell of Pierce, who was in the chair, declared he had been informed that the senate considered reorganization unnecessary; that, therefore, he held likewise, and called Mr. Meigs to the chair. Before anyone was aware of what had happened Meigs had taken the oath of office and then the storm broke.

Various representatives made talks amid cheers, hooting, handclapping and catcalls, and even hisses came from the floor and the gallery until the sergeant-at-arms was instructed to preserve order.

At last the denunciations of the "high-handed method" and "gag" rule" were so strong that Meigs said he would resign.

This threw the friends of J. W. Slayden, the opposition candidate, on the defense, and Meigs' resignation was rejected on the first roll call of the day.

The house set three house bills passed by the last legislature and vetoed as a special order for January, 1911, but the senate will take up its three vetoed bills tomorrow afternoon at 2 o'clock.

At 5 o'clock the house and senate met in joint session in the house chambers and listened to the reading of the special message of Governor Hay by the governor himself.

The line-up in the senate is the same old "wet" and "dry" with the liberal element in the saddle with two votes to spare. The absentees are Piper of King, who is ill, and Mtcaif of Pierce, who is in the east.

THE NEW CRIMINAL CODE

Is Fearfully and Wonderfully Made—Section Seven Would Turn Back Clock of Progress.

Editor of Herald: The caustic comments in an article in your paper of late date on "Tax Sales," wherein the conclusion is reached, "Great is the science of law making," recalls to mind another chunk of legislative wisdom passed by the late aggregation of statesmen at Olympia, viz:

Section 7 of Criminal Code, Laws of 1909, is as follows:

"It shall be no defense to a person charged with the commission of a crime that at the time of its commission he was unable by reason of his insanity, idiocy or imbecility to comprehend the nature and quality of the act committed, or to understand that it was wrong; or that he was afflicted with a morbid propensity to commit prohibited acts; nor shall any testimony or other proof thereof be admitted in evidence?"

This act certainly delighted the spirit of Cotton Mather, of Salem witchcraft fame; who two hundred years ago frequently entered the theological prize ring and slugged Colonel Satan for monkeying with the religious buzz-saw. Occasionally he would take a day off and have a few witches hung, just to straighten things out. He preached that insanity was demoniacal possession; and was a manifestation of the devil and hisimps who took possession of the souls of men. In the dark ages knowledge was in an eclipse and legions afflicted with insanity, were burned while praises were sung to God.

This late law is manifestly the product of minds keenly alive to the much abused defense of insanity, so often interposed by lawyers in murder cases, notably in the Thaw case. Other defenses too, are overworked, as self-defense, "the higher law," alibi and others. Society is hardly prepared to abolish money, because it is counterfeited; nor to put Christians under ban because of the blight of countless hypocrites.

The boasted progress of science in mental diseases during the last hundred years, applied by the greatest judicial minds in criminal cases, may after all, only be an illusion, snare and mistake. At any rate, let us be patient and see if the wise men assembled at Olympia really did turn back the clock of evolution two hundred years.

L. W. BILLINGSLEY,
Aberdeen, Wash., June 23, 1909.

ZELASKO TO BUILD HOTEL.

K. Zelasko has purchased the 24-foot east of his building on Wishkah street that was recently burned, of Phil Davis, and is having plans drawn for a three-story fire-proof hotel building, 75x130 feet. As contemplated, the new building will contain 80 rooms, and the lower floor will be arranged for two stores in addition to the hotel office, dining room, etc. Mr. Zelasko is now having the debris of the old building removed to make way for the new structure.

BEFORE THE BATTLE

BIG EDDY'S IMPRESSION OF LEGISLATIVE SESSION.

A Political Battle Royal Due to Arrive at Olympia. Opponents of Gov. Hay Lined Up for Fight. A Long Session Is Deemed as Very Probable.

OLYMPIA, June 22.—(Special to the Herald)—"Just before the battle, mother."

When this appears in print the battle will doubtless be on, but a general resume of the situation on the eve of hostilities is the best that can be done this week, an epitome of local official and legislative sentiment and underlying causes and intrigues, insofar as they can be grasped by the darkened mind of the laity, being the province of these articles, rather than competition with the stereotyped reports of the Associated Press.

I stake my reputation as a political prophet (somewhat frayed and frizzled though it be) that it will be a "good fight" and the casualties something fierce.

Senator Ruth is quoted as giving his opinion that Governor Hay is a "pot-house politician of the pin-head order," while Hay's opinion of Ruth is locked in the gubernatorial bosom.

Ruth greets the interviewer with a wide smile and warbles of grave danger to the republican party and the ultimate political downfall of one M. E. Hay. The threatened governor goes serenely on his corner-stone-laying way and on the burning issues of investigation and impeachment, has the Sphinx looking like the garrulous president of the Ladies' Aid. He has the report of the investigating committee in his inside pocket and the message to the special session up his sleeve, but if anyone has been shown his hand, the cards he holds are not being proclaimed from the housetops.

The insurance commissioner occupies the center of the stage and if the lime light is becoming wearisome, he does not show it by so much as the batting of an eye. When the investigation cloud began to lower, Mr. Schively was visibly perturbed, but when the storm burst and political cyclone cellars were in demand, he instantly recovered his old time urbanity. The pressure which resulted in the retirement of his whilom chief only stiffened his back bone and attractive offers to serve as a burnt offering for the party's sake were politely refused. They may get him yet. His supreme self-confidence may be a bluff, or a mistake. But if he does go down he will have given a beautiful demonstration of the "stiff upper lip." I am giving no opinion as to his guilt, technical or moral, being neither an investigating committee, judge, jury or spiritual adviser. Besides, division does not seem to be along those lines. The threat to abolish the office is not considered seriously here. Aside from constitutional doubts, the remedy is too childishly absurd even for the present legislature, to say nothing of establishing a precedent which might result in the state capitol being "To Let."

Remanded to the Thurston county jail to await the September term of court, Ortis Hamilton is "lost to sight," if not "to memory dear." The disposition on the part of the family to furnish bonds was met in an equally accommodating spirit on the part of the prosecution to furnish additional charges to bring the bonds up to a reasonable proportion to the alleged peculations. The charges at present are at least one lap ahead and Mr. Hamilton's status as Thurston county's star boarder reasonably assured. There seems a disposition to consider the Hamilton case a side issue. On the contrary, it seems the direct result of an era of child-like faith in official associates, of delegation of powers, rubber stamp signatures and general careless goodness far more dangerous to god government than any half-dozen cases of individual delinquency.

The length of the session? Well, I consider the one week talk a joke and give them from four weeks for a short business session to consider