

LA GRANDE EVENING OBSERVER

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HIGH INTEREST RATES.

The recent failure of such a large number of 4 per cent municipal bond offerings to find satisfactory purchasers and the rather indifferent success of many offerings at 4% and even 4 1/2 per cent lead to the belief that money rates are finding a tendency to seek higher levels. remarks the American Banker. Added to these facts, the announcement that savings banks will decrease or have decreased the interest allowance on deposits from 4 to 3 1/2 per cent is a further indication that financial institutions are compelled to exact a larger margin of profits on transactions.

By far the greatest factor, however, in the demand for higher interest rates is the attitude of the private investor, who is no longer willing to accept the ordinary scale of returns on money invested, but who is constantly seeking an enhanced revenue, commensurate with the increased cost of living expenses. It would appear, almost, as if the security which offered 4 1/2 per cent or more were the only ones in which any considerable interest could be aroused. Then, when it is remembered that many bankers have customers who are clamoring for loans and are willing to pay 6 per cent or more for accommodation, it is not to be wondered that securities of whatever nature offering a lower rate are declined, and remain without purchasers. This condition has been the

reason for the failure of such cities as Philadelphia, Baltimore, Chicago and Milwaukee to dispose of first-class securities on a 4 per cent basis, rather than any reflection on the nature of the desirability of the issues.

A collation of the opinion of a large number of investment bankers leads to the conviction that though the country at present is on a high interest level, this condition is not one of permanency, but will be subject to a radical readjustment that will ere long make its appearance. Says one student of the situation: "The recent difficulty in placing new security issues is due to two causes. The first is the diminished supply of available capital for productive enterprise in the United States, individual and public extravagance, municipal as well as National, has absorbed the ordinary savings of the country to a greater extent than heretofore. An increasing percentage of public and private expenditures for several years past has been for account of non-productive purposes.

"The second cause is the necessity on the part of the individual if not of the institutional investor for a higher return in the form of interest rates. The National and municipal expenditures are constantly calling for higher taxes, and the increasing withdrawal of men and means from productive labor into non-productive pursuits enhances the cost of service and commodities, which enhanced cost falls upon the individual whose income is derived from stocks and bonds with the same force as upon individuals whose income is derived from wages.

"We do not believe that the country is on a permanently higher interest level, although we would not venture to predict when the change will occur. It may be five years or it may be ten, but within one of these periods there will be a radical readjustment, and it will likely come as all other such changes have come in the past, namely, through drastic liquidation in commercial, industrial and real estate circles. However, pending this readjustment, the issue of new securities under necessitous conditions which compel the payment of higher rates of interest will naturally have an adverse effect upon long term and old securities which were put out under more favorable conditions.

DOESN'T AFFECT GRANDE RONDE.

The telegraphic story appearing in last night's Observer to the effect that railroads of the west had discharged several thousand employees does not look good, and while it does not indicate that a panic or hard times are about to be precipitated it does impress upon the public that something is wrong.

The labor problem is today the hardest one to solve. Demand is greater than the supply and men for public works are hard to get and much harder to keep. Such a bitter feeling is engendered against the foreigner that most corporations have a reluctance in turning construction of their entire physical property to men who cannot speak the English language.

Then, too, things are not settled at Washington regarding railroad legislation. There is a spirit of unrest and in all probability the railroads desire not only to retrench but to make somewhat of a demonstration as well at this particular time.

Whichever it may be the effect is the same and idle labor is not desirable in either case.

This is only another link welded in a chain that was bound to be thrown in the way of rapid advancement. The country was going pell mell in a business way with no air

brakes to set, and it is much better for things to slow down gradually than it is for them to come to a sudden stop such as is encountered when a panic strikes.

The stock market and the price of commodities show decline, but healthy decline rather than a slump, and this is satisfactory to every business man. All realized that things could not keep up the pace they had been traveling.

But in the Grande Ronde valley the demand for labor keeps up. Not a day passes that ranchers and fruit growers do not comb the valley for men and offer extraordinary wages. That is the advantage of a valley that produces commodities for the world's market.

THE COUNTY FAIR.

The fair association is to be strongly commended for getting into the advertising game early this year. At a recent meeting of the board of directors it was decided to start the work at once and not let it lag for an instant until after the gates were closed on the last day.

This means a greater success than was scored last year if such a thing is possible. It is understood the former plan of converting the fair into a trades display as well as a complete exhibition of the soil products will be followed which will give local manufacturing, jobbing and retailing concerns an opportunity to take part.

The fair is not confined wholly to the Grande Ronde valley, for all parts of Union and Walla counties are invited to take part and every exhibit will be gladly received and properly cared for. In the fair this fall the broad spirit of pushing all parts of these two counties will obtain and the event will be advertised in such a manner that all strangers who contemplate a visit to this part of Oregon will make it a point to come while the fair is in progress so that products can be seen at a glance.

The best way to observe what a country produces is to attend a fair. It takes but a short time to determine then whether you are satisfied with the showing made, after making due allowances for the products not shown as well as giving credit to those that are exhibited.

Few organizations possess the enthusiastic workers that the fair association has, and nothing but the word success can spell the outcome of their efforts for this season.

The question of salaries for teachers is now up to the people in Portland and statistics show that the Oregon metropolis pays less than any city on the coast. This in itself is as bad an advertisement as Portland could possibly have. There are few cases where teachers get more than their services are worth.

Mary Adele Case, the Oregon nightingale, complains that Portland is unappreciative. Perhaps Portland would warm up a little if the singer would remove that polka-dot veil the next time she has her picture taken.

Well, those who did not attend the circus today will take the children for the evening performance. You know the children must see the show.

Hubbard council refused a license for a second saloon.

SUMMONS.

In The Circuit Court of The State of Oregon, For Union County.

E. A. Brownell, Plaintiff, vs. Ella L. Brownell, Defendant.

To Ella L. Brownell, the above named defendant: You are hereby summoned and required to appear and answer the complaint filed against you in the above entitled suit on or before six weeks after the first publication of the summons in this cause, and you will take notice that if you fail to so appear and answer said complaint, the plaintiff will apply to the court for the relief demanded in said complaint, to-wit: for a decree of the court dissolving the bonds of matrimony now, and heretofore existing between you and the plaintiff, and for general relief.

You will further take notice that this summons is published in the La Grande Evening Observer, once a week for six consecutive weeks, of seven issues, by order of the Hon. J. W. Knowles, Judge of said court, made, dated and entered April 6th, A. D. 1910, the first issue of said publication being June 9th, 1910.

T. H. CRAWFORD,
Attorney for the Plaintiff.
June 9-16-23, July 7-14-21.

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REWARD NOT BRIBERY.

Browne's Attorney Argues That Rewards for Votes Permissible.

Chicago, June 16.—Arguing that accepting a reward for voting doesn't constitute bribery, Attorney Forest for Browne, on trial for alleged bribery, in connection with Lorimer's election to the senate, fought against admission of testimony of Representatives Link, Beckemeyer and others who are expected to testify that they got \$100 each for voting for Lorimer.

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