

La Grande Evening Observer

An Independent Newspaper

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FOR JOHN TRULY BAPTIZED WITH WATER; but he shall be baptized with the Holy Ghost not many days hence. —Acts 1:5.

PROBLEM OF TAX-EXEMPT SECURITIES.

The reason for Secretary Mellon's withdrawal of his recommendation that tax-exempt securities be abolished is an interesting one for the tax-paying public to consider but we are undecided as to whether its character is thoroughly sound. Untaxed wealth is a problem the next few years will have to solve, and it may be that Andrew changed his mind partly because of good business reasons and partly because of strong influences.

It is true that state and municipal bonds—issues such as La Grande has just put on the market to finance city improvements—are sold at a low rate of interest largely because the securities are tax-exempt, and we therefore get cheaper money than would otherwise be possible. We are not, however, convinced that the difference between the rate available now and the rate that would prevail if the bonds were subject to income tax represents sufficient saving to the public to offset what is lost from wealth that now pays no toll.

In discussing some aspects of the problem recently the Des Moines Register gives three arguments in favor of the present system, as follows:

1. The exemption from taxation is offset by the advantage rural communities have in getting cheap money. The cheapest money for investment today is on state securities for local light plants, roads, consolidated schools and the like. It is because of this advantage of cheap money that no constitutional amendment is likely to be submitted by congress or voted by the states.
2. It is a grave question whether the government should be given power to tax state securities or the state power to tax government securities. Anybody can see into what entanglements that might run under our dual system. The nation could tax state enterprises out of existence or the state embarrass the nation by its levies on government bonds.
3. There is always a vast amount of money in the United States that is looking for security first, the money of old men, of estates, of insurance companies, and the like, and this money will never be available for business promotions no matter what is done with tax exempt securities. Abolishing tax exemption on state bonds will not drive this money into productive enterprises.

After all, it is not a question of getting state and nation entangled in tax privileges, nor of driving capital into productive enterprises, but merely of making large wealth bear its share of the income tax burden and federal government expenses. Constitutional changes making income from state and municipal securities taxable would increase the interest rate such bonds would require to be marketable, but would that increased expense to the general public be equal to the increased revenue to the government that purchasers of the securities would have to pay? Without doubt the present system has certain indirect benefits to Mr. Average Citizen, but we are of the opinion that he prefers his benefits in a direct form where he can estimate them accurately, analyze them, and judge them on their true merits.

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OUT OUR WAY



NAPOLEON AND THE SPHINX

By WILLIAMS



OFFICE CAT

By Junius

The hardest job is trying to catch rats by making a noise like a piece of cheese.

Hot heads rush in where cold feet rush out.

Life is full of good things, so have a care that you are not one of them. It's up to you.

"I paid the plumber the last installment today."
"Thank goodness! I can at last take a bath with a clean conscience."

Revised scripture: Parents obey your children in the Lord or you'll catch the devil.

The girl whom proposed to may say, "This is so sudden," but her inner thoughts are, "At last!"

OUR WORST JOKE.

The man that invented life-savers made a mint.

It sounds a bit paradoxical, but the man who is too big for his breeches is so little that he could successfully hide in a telephone booth.

"Well," said the disgusted bell boy as he looked at the nickel. "He is a real millionaire all right—his hat's not blurring."

He not afraid. The senate isn't going to degenerate into a mere something for nothing in pork at.

A physical culturist says that if you sing and shout before breakfast and before going to bed, it will prevent an unhappy old age. The neighbors will attend to that.

PLAIN TEEBLE.

There was a young man named Teeble.

Who wouldn't accept his degree, he said, "It's enough to be Teeble, without being Teeble D. D."

The tax doesn't seem so majestic to the fellow who can violate it and get by with it.

Say, is that a giraffe or a camel? Huh, you can't fool me, a camel is a giraffe.

We always wondered why huteh-cers were universally so fat. The matter was cleared up the other day when we overheard a rather thin cleaver-slinger complaining that his hand only weighed six ounces.

Before a Paupan can marry he must commit a murder. It is not surprising therefore, that as the date of the ceremony approaches the prospective mother-in-law takes to the hills.

CUBAN DIGGERS UNCOVER RELICS OF BYGONE DAYS

HAVANA (AP)—Relics of Cuba's past are being constantly brought to light through exploration or preparation for new buildings.

In Maceo Park, now near the center of the city but years ago some distance from the city walls, workmen uncovered a store of hand grenades and war material believed to have been buried about the time of the ten years war in the '60s.

Remains of the old Santa Clara convent, completed in 1643 brought discovery of a secret tunnel which led to a catacomb in which more than one hundred skeletons were discovered.

Near Malibana a farmer discovered a lump of wax in a hollow tree. He cut it open and found inside a revolver perfectly preserved, gold-mounted and carved. It was of a model popular in the United States about 1865 and was of the obsolete .35 calibre cap and ball type.

Markets

PORTLAND GRAIN MARKET

PORTLAND, Ore. (AP)—Wheat—Hard white B. S. Hart, June, \$1.55; July, \$1.46; soft white and western white, June, \$1.59; July, \$1.42; hard winter, June, \$1.60; July, \$1.45; northern spring, June, \$1.61; July, \$1.43; western red, June, \$1.54; July, \$1.41; BBH hard white, June, \$1.62; July, \$1.47.

Oats—No. 3 white feed and No. 2 gray, July, \$2.31.
Corn—No. 2 E. Y. shipment, June \$1.47; July, \$1.47.

REPORT OF AGENCIES.

Bradstreet's.

NEW YORK (AP)—Bradstreet's today says:

"Trade, industry and collections are rather spotted, and the whole presents a slightly quiet appearance as they enter the summer season. Crop reports too, are more irregular, as the result of advances of a widening area of the south, especially Texas and the Atlantic coast. Corn and spring wheat reports, however, are better. The quieting down process in trade and industry, however, does not seem to progress at the speed noted, especially in industry in the second quarter of 1925, the result being that current stay of trade volume and industrial movement tend to make better comparisons with a year ago than they did a while ago, although the quieting down from April and May comes in for notice. Retail trade is naturally the most active branch of distribution, but a good volume of filling in orders is noted by jobbers and New York and Chicago wholesalers report seasonal goods selling better.

"Weekly bank clearings, \$10,046,992,000."

MARKETS AT A GLANCE

NEW YORK (AP)—Stocks—Strong; sugar shares at 1925 top prices.
Bonds—Irrregular; United States government issues rally to new highs.
Foreign exchange—Ready; trading and liquidation recovery.
Cotton—Declined; southern selling.
Sugar—Steady; Cuban buying.
Coffee—Lower; easy Indian markets.

CHICAGO (AP)—Wheat—Firm; bullish crop advice.
Corn—Steady; in sympathy with wheat.
Cattle—Firm.
Hogs—Higher; desirable grades active.

Yesterday In Washington

Senator La Follette's body left for his home at Madison, Wis.

Hearing on the Nickel Plate merger continued.

Increased disorders in Chicago King were reported to the state department.

Labor department officials continued attempts to settle the plasterers' strike.

MIST RENEW PLEDGES

PORTLAND, Ore. (Special)—Druggists, physicians, dentists and other practitioners must renew their narcotic registrations with Clyde G. Hunter, collector of internal revenue, on or before July 1. Proper blanks have been mailed to every registrant of record, and unless applications are received in Collector Hunter's office on or before July 1, heavy penalties will be incurred. Furthermore, it will be unlawful for persons failing to register to have any narcotic drugs in their possession or to prescribe, dispense or administer them.

If Los Angeles man named Nelson had two sisters. It was discovered when one objected to a half-Nelson.

STORM DAMAGE IS REPORTED

PROMISE (Special)—This part of the country was visited last Tuesday by a severe electric storm accompanied by hail and washing rain. The gardens were injured and much timber destroyed by the lightning. There was no wind, therefore the grass and hay did not suffer much. Apples and cherries were damaged by the hail.

Born: Wednesday morning, June 16, a son to Mr. and Mrs. Fisher Lively at Maxville.

Mr. and Mrs. Bill Carper went to Wallowa Friday and returned home Saturday.

Mrs. Edna Peterson, 25 years a resident of Eden, died at her home, Tuesday, June 11. She was born near Stockholm, Sweden, and came to America in 1865. In 1900 she moved to Eden where she has lived since with her son, Ansel. She is survived by five sons: Henry, of Lakeview, Wash.; James, of Coaleville, Wash.; A. R. of St. John, Wash.; Frank, of Spokane, Wash.; and Ansel of Eden. She is a member of the Lutheran church. Services were conducted Sunday by Reverend Fred Potter and she was buried in the Eden cemetery.

Mrs. Stella Pontson conducted the eighth grade examinations in District.

Henry Carper went to Wallowa Friday.

Will Reed, Holes Newby and Thos. Carper are working the Grossman road this week.

Mrs. Allie Smith went to Maxville Wednesday where she is employed as nurse for Mrs. Lively. Ethel and Lillian Carper and Theresa Smith visited Sunday afternoon with Gladys and Edna Roby.

Lora Carper spent Sunday night with her cousin, Nona Carper.

John Carper, who is working on the fire patrol with Jonah

Trump, came in to attend the annual school meeting.
Mr. and Mrs. Charles Bennett, of Lower Valley were visiting friends and attending to business at Promise the last of the week. Their two small daughters, Dorothy and Jessie, are still visiting here.
Howard Carper made a return trip to Middle Point Saturday to see about some stock.
Tex Williams made a trip to Wallowa last week and brought back 200 small Rhode Island Red chickens.

Obituary

MILDRED ADAMS

Funeral services over the remains of Mildred Adams, who died in La Grande yesterday at the age of 30 years, will be held tomorrow afternoon at three o'clock from the L. D. S. Tabernacle. Mrs. Adams has been a resident of La Grande for three years and is survived by her widower, George Adams, two children, Laxon and George Verne, her mother, Mrs. W. E. Harris, and five brothers, W. E. Verne, Marion and Sterling Harris, all of Emmet, Ida., and L. E. Harris, of Perry.

Needs of Education To Be Discussed by Nation's Schoolmen

INDIANAPOLIS (AP)—As a means of approaching their present problems, educators who will attend the 62d annual meeting of the National Education association here June 28 to July 2, will first give their attention to a review of educational progress in the first quarter of the 20th century.

A series of addresses by schoolmen will give the body at its first general session a retrospective view of the teaching profession. Having delved into the past, the delegates on succeeding days will take up matters of more recent concern.

The opening day of the convention, which falls on Sunday, will be given over largely to religious services and to a mass meeting which will be addressed by John L. Tigert, U. S. commissioner of education.

On Monday, June 29, will come the review. The list of speakers includes Superintendent Frank W. Ballou of the Washington, D. C. schools, who will talk on "Progress in the Science of Education"; Dr. George D. Strayer of Teachers college, Columbia university, whose subject will be "Progress in Administration and Support"; President William Lowe Bryan of Indiana university, who will discuss "Schools and the Building of

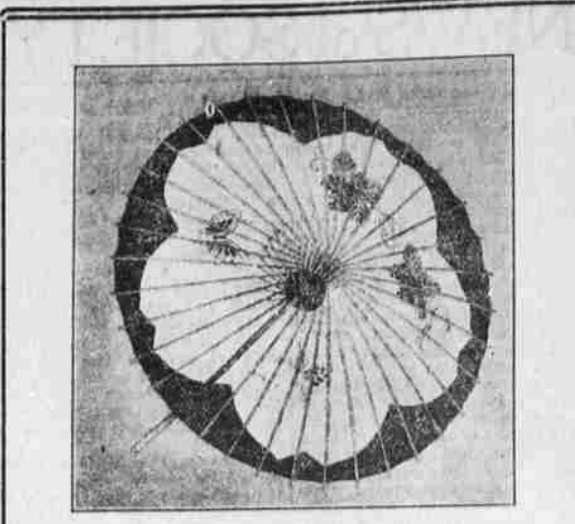
Character;" Superintendent J. W. Gwinn of the San Francisco schools with the subject, "Significant Developments in Types of Schools and Curricula;" and President E. C. Elliott of Purdue university, who will speak on "Progress in Colleges and Universities."

The modern problems to follow include a wide variety of subjects. The discussions will be carried on in both sectional and general meetings.

Halsey Directors Re-elected.

HALSEY, Ore.—Douglas Taylor

was re-elected school director for three years and B. M. Bond, clerk, Lyman Y. Patton, the new principal, and family have arrived from Irwin, where he was assistant principal two years. Other teachers are Mrs. Inez Freedland of Halsey, assistant principal; Mrs. Krump Showell of Salem, third high school teacher; Mrs. Lorena D. Kizer of Rowland, seventh and eighth grade teacher; Mrs. Nona Coleman of Peoria, fourth, fifth and sixth grades; and Mrs. Eldon P. Cross, first, second and third grades.



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