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PORTLAND, TUESDAY, MARCH 10, 1908.

NEGATION OF REPRESENTATIVE GOV.

ERNMENT. It is just as well, indeed it is neces sary, that the people of Oregon should be candid with themselves about the state from the representative to the initiative and referendum system. Were it to be offered again it would not carry. Impatience with abuses caused it to carry when it did. But those abuses could have been correct ed by insistence on the character of representatives, under the old system, By the new system a new sort of abuses or evils has been introduced,

with no present means of correction.
It was not intended that representa tive government should be abolished the new system; but it has been abolished by it. Any group of persons, from the cave of Adullam, or other group of persons of ill-arranged intellects, can propose initiative measures or call the referendum; and there Blways that the the inattention of the voters, or that proper legislative measures may be turned down through the referendum situation is the crank's paradise

Theoretically the system is plausi ble, and seems quite right. But it doesn't prove so in fact. It opens foor to every description of irrational legislation and obstruction. It presupposes a forbearance, balance, judgment and wisdom not sufficiently es tablished yet, anywhere. Perhaps our ancestors, who committed themselve to representative government, and who supposed they were establishing it for the benefit of their posterity, were not so great fools, after all

Now, however, we are obliged to be vigilant and active, in every election, to keep crary initiative measures like scheme of taxation down and to defeat such calls of referendum us that for starvation of the leading ducational institutions of the state The system does not work out in action and practice, as those who voted have been supposed there would be so many groups of persons devoted to strange and multifarious crazes. Yet there remains a sane majority. That majority would not now, after it has gained this knowledge, vote for a system which proves to be the negation of representative and deliberative gov-

Against the primary law, which is part of the new system, there is less objection. Such objection as may be made to it rests on the fact that it, too, rejects the representative principle, and presents as party nominees men who do not represent their party, but merest fractions or factions or fragments of it. This, however, may be borne, and perhaps may correct itself. in time. But when it presumes to foist upon a law a statement or pledge, to be taken by a candidate for the Legislature, that he will support for the highest political office, in a contin-gency likely to arise, a man of the opposite political party, it goes to the extreme of irrationality and absurdity. The man of good sense spits at the

Representative government, after all, is a pretty good thing. Oregon will yet return to it. Advocates and supporters of representative government, these thousand years, have not been such fools as our new statesman ship may assert. A hoodee of spiritism, founded by an adventurer upon the wreck of the estate of a pioneer family, is not going to last in Oregon

In the death of Bernard Albers the well as other Northwestern cities where the big milling plants of his firm were located, has suffered a heavy

in 1888, but two years after leaving Germany, the land of his birth, and in the two decades since his arrival in Portland he advanced from the position of a humble wage-earner to that of the head of one of the largest industrial enterprises on the Pacific Coast. The life history of this enterprising man and good citizen offers the strongest possible refutation of oft-heard wall of the malcontents that merit can no longer win rewards. also proves beyond question that the Old World can never send to our shores too many immigrants of the Bernard Albers type. Our entire cial and economic system would be the gainer if more of the immigrants would emulate the example of this enerprising German-American. It is regrettable in the extreme that he should e called away at the early age of 44 cars, but in that brief period he had omplished results that remain as a asting monument to his memory.

#### "FACE IT WE MUST."

From several sources this sentiment, or the like of it, is peoping up its nead round about. This particular expression of the idea we find in a paper published in Curry County, Ore-

One of the greatest problems before the American people today, and the one that must be faced and sathfactorily settled is that of taking care of, or providing for the unem-

In Curry County, Oregon, of all places in the world; -in Curry County Oregon, where the whole bounty and producility of nature are spread before nan; where he is at liberty to possess simself of the bounty and prodigalty of nature, without let or hindrance And yet there, the community, the state, must take care of the unemloyed or provide for the unem-"Face it" we must not, except ployed! o turn it down. It is the business of every person to employ himself, or ind employment for himself; to use als powers; to employ foresight and udgment; to think of the morrow; to to his work so well in every employgent that offers that his services be ome indispensable. Such do not have seek employment, for employment always seeks them. The only reason a country like ours why people are memployed is because they are not useful to employers; -- consequently not useful to themselves.

In this State of Oregon there are unlimited opportunities. Two-thirds of its area is still virgin soil. There ire opportunities everywhere. But of course there must be labor and self-denial,-not equal to the labor and self- denial of the pioneers, but still a willingness to work and wait. Yet if en and women are not willing to pay he price they will not obtain the freeom and reward.

Even in the crowded districts of our cities, in the Bowery and East Side district of New York, there is no "takng care of the unemployed," or "providing employment" for them. To business to "take care of the unemployed," or to "provide emluce a great and constantly increasng mass to dependence and paupersm. Society would perish, through ts mistaken or misguided philan-

It is the tendency towards the falla ies of socialism that utters such sentinents as that quoted above. And that they should be uttered in Oregon. where fifty thousand square miles awaiting the industry of man, are practically without an inhabitant!

"Face it we must," indeed. But we re must face it by telling men and women that they must do as men and women did aforetime; that they must not wait for opportunities, bur make them; that they follow and practice the old virtues of industry, pru ence and self-denial, study and pracice the precepts of men and women f the former time, who lived earnest ives and arrived at independence through self-dependence. Never was there any other way; never will there But what opportunity in a state wo-thirds of whose lands are yet un ecupied!

Face something we must, of course But not a policy that would pauperize those who depend on it.

OUR EXTRAVAGANT GOVERNMENT.

The running expenses of the United States Government for the month of February were \$8,562,100 more than he receipts. This is a striking change from February, 1907, when the re-celpts were more than \$8,000,000 in excess of the expenditures. For the first eight months of the current fiscal year the Treasury deficit amounts to \$27,247,779. This increasing deficit is, of course, easily traceable to the re-cent financial stringency throughout the United States. Unfortunately for all concerned, there is very little prospect for early improvement in the business which provides the Government with funds for running expenses Of the \$8,562,000 deficit last reonth, about \$2,000,000 was from a falling off in internal revenue receipts, and for it supposed it would. It could not about \$5,000,000 from a decline in customs receipts.

The internal revenue receipts show spirituous liquors and tobacco have been practicing retrenchment, and it is a similar economical move that has cut down imports and decreased the speedlly get back into good financial trim, the Government is unable to do likewise, and the deficit will continue to increase until returning prosperity will make the people so hilariously wealthy that they will again resume their former habits of buying reckless-ly of foreign goods and domestic iquors and cigars. The big railroads and industrial enterprises have met this wave of depression by reducing heir forces, and in some cases by laying off men. They have taken early and drastic action against the possibilof deficits in their business accumulating to proportions of consequence. The same system of re-frenchment is also found right on if China continued her present policy, down through our entire social struc-

Every one seems to realize that the asiest method for regaining our lost ground is rigid economy all along the But the Government cannot lay off the hands or shorten the hours when business gets slack. There must be the usual amount of money provided for the thousands of time-killing employes who sign payrolls at the domination in Manchuria, and incivarious departments. The pensioners dentally by Russian interference and various departments. The pensioners already on the rolls must have their \$12,000,000 per month, and there must business community of Portland, as [also be many thousands more provided for the never-diminishing army of pensioners or their wives. Then, for

hand with the usual bill to extract from the Treasury a few million dol-lars and present it to the millionaire There are also a number of other channels into which public funds are diverted, regardless of the condition of the Treasury, so that it is asy to understand why the individuals throughout the land can regain their financial equilibrium long before the Government ceases to run behind in

The growing deficit is especially unfortunate at this time, coming as it does just when there is some slight prospect for the long-overdue revision The ardent standpatters will fight against any reduction at his time, and in their fight will point to the alleged necessity for even higher duties in order to make receipts equal the enormous expenses to which we have become accustomed during the many fat years that preceded 1907. But, while our imports have fallien away very heavily, we are still export-ing American products in recordbreaking quantities, and our people so much money due them through this "balance of trade" that hey can come to the rescue and adance Uncle Sam the money needed to tide him over. Something of this kind may be necessary next August, when about \$60,000,000 worth of 3 per cent bonds falls due.

### WHAT THE FOWLER BILL IS.

The Oregonian is asked to state what amount of notes a bank might sue under the Fowler act, should it become a law, and how the issue ould be regulated.

It is entirely simple. Each bank rould be permitted to take out an amount of notes equal to its paid-up capital, and no more. These would be called National bank guaranteed credit otes, to redemption of which not only the capital stock but the general assets each bank would be pledged. make redemption instantly available each bank would be required to place an amount of money equal to 5 per cent of its average deposits with the Treasurer of the United States; and twice each year this condition would be verified, under the Controller's di-When the aggregate should reach \$25,000,000, in the hands of the Government, 80 per cent of the whole would be invested in bonds of the United States bearing 2 per cen interest, so the fund might not lie idle. Upon their average amount of notes in circulation during the year, to be ascertained on the first days of January and July, the banks would be required to pay into the Treasury of the

United States 2 per cent per annum. The system provides for the closest possible supervision by the United States, throughout. It limits the note issue of each bank to the amount of its pald-up capital stock, provides a quick guarantee or redemption fund, and places it in the hands of the Treasurer of the United States, requires payment by the banks to the United States of 2 per cent interest on their average circulation, and makes all the assets of the banks liable for their obligations. Of course the bills of exchange based on products of industry and mercantile transactions, held by the bank, would be the bank's chief resources; and since these are onstantly moving the notes could no disappear from circulation, as those o bond-secured currency so frequently It would substitute a flexible sys-

tem for a rigid or cast-iron one Most of the great mercantile and exchange associations of Eastern cities have commended the Fowler bill. is not a radical departure, for it would not change or touch the present Treasury note or greenback system.

## ORIENTAL PEACE DISTURBANCE.

The plot thickens in the Far East, and, unless some "strong-arm" nation steps in and curbs the warlike ardor of the Japanese, trouble may ensue When the Japanese engaged in conflict with Russia the moral support of nearly all of the great world powers was irs, not on account of any partic ular love for Japan, but because it was generally believed that Russian success in Manchuira meant an end to the inegrity of China, and attendant loss of trade rights for many other nations interested in maintenance of the open door. The victory of Japan-put an end o Russian aggression in Manchuria and apparently safeguarded the integ-rity of China so that it would remain neutral for trade purposes with all the world. But time works wonders, and we now witness the spectacle of Japan ollowing exactly the same objectionable policy that brought down the wrath of the world on Russia.

The immediate cause of the present very much-strained situation was an attempt made by the Japanese and a few Chinese revolutionists to smuggle cargo of arms and ammunition into hinese territory. The vessel bearing this cargo was seized by Chinese offiials, and, in the excitement of the moment, the officials who made the eizure hauled down the Japanese flag and ran up the Chinese ensign, As there had been no trial, investigation nor official condemnation of the vessel this act was clearly wrong; but in view quite plainly that the consumers of of the circumstances attending the seizure, the hasty action of the Chinese officials might be at least partially excusable. While the Tatsu Maru selzure was the immediate cause customs duties. But, while the American people can retreach and thus the original and underlying contention was Chinese objection to assumption by Japan of rights which China declined to recognize as the legitimate

spoils of war with Russia. Nearly two months ago the "Kokunin Shimbum,," official organ of the Japanese government, printed an article complaining about the dilatory tactics of China in agreeing to certain oncessions which Japan had demand-Manchuria. Seemingly in excuses for this self-assumed guardianship over China, the government organ gravely asserted that the recent war with Russia was undertaken to protect the independence of China, and concluded with the threat that, Japan might be obliged to adopt the policy pursued by Russia before the war. It is a fact well known throughout the world that protection of the independence of China was not the reason for Japan's opposition to Russia. That, of course, was incidental, but Japan was forced into the fight to protect her own independence, which was threatened by Russian Russian influence in Corea.

China, as well as the rest of the world, was duly grateful for the re-sults accomplished, but the victory over the Russians gave Japan no firm were located, has suffered a heavy lear that some of the money might get rights to assert control over China, or loss. Mr. Albers arrived in Portland away, the ship-subsidy grafters are on to adopt the policy of aggression tion of China?

which made Russia so unpopular in the Far East. Should the present strained situation develop into a war sympathy and moral support which the United States accorded Japan in her war with Russia will now e with China. Our interests in the Far East have become too important to be destroyed or placed in jeopards integrity of China."

It is said that the Federal Departent of Commerce and Labor is preparing to wage systematic warfare against anarchists and members of pernicious secret societies. The first step in this direction was taken a few days ago, when men were detailed to take a census of the prisons, asylums for the insane, reformatories and charitable institutions of the country o determine the number of allens h This is the second those Institutions. inspection for a like purpose that has een ordered under the immigration law of 1903, which provides that ar alien may be deported if he becomes a public charge within three years from the time of his landing. The The disposition of anarchists to seek sheler for their crimes under the cloak of insanity has sent a number of this pestiferous breed to our insane asyums within the time prescribed by their deportation under such circumstances, and wholesale deporta tions are likely to follow this inspection.

Judge Wolverton has decided that the Port of Portland dredge and tender were to blame for the collision that resulted in the sinking of the steamer Manzanita about two years ago, and, unless the decision is reversed, the Port of Portland will be obliged to pay about \$12,000 damages On account of the great necessity for use in improving the river of all of the funds available, it is a matter of regret that the Government should insist on the settlement of this claim. The dredge at the time of the accident was engaged in river improvement work, under the direction of the Government, and accordingly was in a degree as much of a Government craft as was the Manzanita, which got the worst of the encounter. If the Gov-ernment had performed its full duty in the matter of river improvement the dredge Columbia would not have been owned by the Port of Portland

The stringency in the money market. some other unfavorable factor, has held up the construction of Mr. Har-riman's line to Tillamook so long that t will be impossible to reach that city by rail during the coming season. Another Oregon beach resort, however, will be made partially available by the early construction of a wagon road from Seaside to Elk Creek. To complete the remaining 2% miles of road between the two resorts, the Clatson Court has supplemented \$1500 subscription of the Portland with enough to complete the oad by August 1. The heavy increase in population and wealth in the Pacific Northwest has resulted in steadily inreasing crowds at all of the Oregon each resorts, and, with better facillties for reaching them, there will be an even greater increase in the future

Hetty Green, the richest woman in America, who despises display, which she accounts as wastefulness, has the ourage of her convictions at least She has moved to the fourth floor of a tipsy-looking flat in Hoboken, for which she pays \$19 a month. She considers herself comfortable and drives inquisitive visitors from her lowly door under threat of calling the police. Parmony is detestable wherever it exists but there is no more reason why Hetts Green should not be left alone to way of living than that Mrs. Eddy be persecuted for playing the exclusion act. Both have wealth and a certain degree of notoriety. elect to live in seclusion. Let them

Because timber lands are owned by on-residents is no reason why they should be subjected to excessive taxation. Neither should the wealth of the owners permit them to escape their just proportion of the burdens of government. Timber lands, like farm lands or city property, should be assessed at actual market value, and when this has been done the owners have no just cause for complaint. It should be no more difficult to ascertain the value of timber lands than of farm The one class of property changes hands as often as the other

That gold spike which will be driver n the North Bank road to mark the completion of the line is too valuable a piece of metal to be used for only the single purpose. After it has served on this occasion it should be laid away in the corner-stone of some modern steel structure, there to remain a few hundred years, until the Harriman extension shall be constructed across Eastern Oregon. Then should be brought out and used again.

It was never intended, we are told hat the room in which that celebrated High School blackboard is placed, cutting off egress to the fire escape from that quarter, should be used as an exit in case of fire. This is the reason, no doubt, that the sign "Fire Escape" was placed conspicuously on the door of the room. Placed there, of course, so the pupils would know it was not the way to the fire escape

Wonder if Russia and Japan will now unite for spoliation of China? Russia wanted to do it, and leave Ja pan out. But Japan made war and came off with advantage. Now will the two make a plunderbund? And if they do, what will the rest of the world say?

Luther Burbank has promised a hardy banana which will thrive on the Pacific Coast. As an ornament it is worth while, but for a money-maker we commend the Oregon apple.

Tom Taggart has been deposed as Democratic boss in Indianapolis. Where now will Bryan turn for a manager of the coming campaign? Decreased revenue to Oregon coun-

ry editors from delinquent tax lists is compensated by larger receipts from candidates the next six weeks. Why wait till the last day to regis-

There isn't the same excuse that

attaches to taxpaying. Isn't this a good season for the for-

OREGON'S UNSOLD SCHOOL LAND. Professor Lake Calls for Meeting of Sinte Forestry Association.

CORVALLIS, Or., March 9 .- (To the Editor.)-At the next meeting of the State Forestry Association, the subect of exchanging the scattered seclons of school lands, within the National forests of the state, for a com pact body of similar land so situated that the state could handle it as a state forest, was incidentally suggest-ed by H. D. Langille in his paper on "The Taxation of Forest Lands." The ext day the news dispatches from Washington. D. C., announced that Senator Fulton had introduced a bill having in view the same idea as to exchange but with the purpose of faexchange out with the purpose of fa-cilitating the sale of the property. There is, of school lands within the National forests of our state, about 100,000 acres, according to Mr. Gallo-way, our State Land Agent. At pres-ent, this land is selling for \$8.75 per acre, and is considered to be the most valuable land in the state's possession caluable land in the state's possession There are other views as the best way of disposing of this land from the point of view of the permaendowment of the school fund nent

and the best ultimate interests of the state This will be the leading topic for onsideration at the next regular meeting of the Association, to be held in the City Hall building, Portland, Fri-day, March 13, at 8 P. M. The public is cordially invited to be present and participate in the discussions. Teachers and others interested in educational subjects, as well as every citizen with a wideawake conception of what Oregon's future means, should be present that they may learn what the proper management of this unsold school and or the money derived therefrom means to our commonwealth.

E. R. LAKE.

WHO WILL THEN PAY THE TAXES! Real Property Must Bear All the Burder Under "Single Tax" Scheme.

Santiam News. Farmers! suppose your stock, ma-hinery, tools and other personal property and improvements should be exempt and the tax on your real extate should be doubled or trebled? Would you gain or lose by the change? Somebody, or his property, must bear the burden. So much money is required to support the town, county, state, schools, etc., and recently lots of it has been required. If you excuse, say one-half of the property from paying taxes, manifestly the other hall will have to pay just double. No other solution of the question is possible. While it is true that we would make the holding timber and other lands held for specu lative purposes so unprofitable that they would be sold, we would burden the little home farm so heavily that it, too, would have to be sold. Indeed nobody would want to own land because of excessive . One would prefer investing in property and manufacturing The inevitable result would be dants. that land would become valueless and evert to the state.

No, no! Our present system may be faulty; but the News thinks it is infinitely superior to the "single tax" theory proposed. We know that under the present system, people can and do own their homes, and find it profitable to do so. It does not seem possible that they would own them a very great while. they would own them a very great while proposed measure becomes a law tain Mr. Shakespeare, we believe said, "Better bear the ills we now mes a law. have than to fly to those we know no This advice may not have been very ressive; yet it possesses the virtue of

### Echo Answers "Why?"

Eugene Register.

If Oregon should go for Bryan and the
popular vote on President be for Taft or
Hughes, would the Bryan electors from Hughes, would the Bryan electors from this state vote in the electoral college for Taft or Hughes? Certainly not. Oregon democracy only believes in the rule of the masses when it best suits their con-venience and where there is a bare pos-sibility of twisting it into election of a Democratic United States Senator there-by from this state. No Statement No. 1 for them on Presidential electors. Not on your life. Then why on United States on your life. Then why on United States Echo answers "Why"

## Year Ahead of Time, May Be.

Albany Democrat.

In the list of United States jurymen drawn at Portland is H. J. Hamilton, Albany. This is undoubtedly Mrs. Hettle Albany. This is undoubtedly Mrs. Hettie J. Hamilton, wife of L. E. Hamilton, perhaps the only lady juryman ever drawn in

#### In the U'Ren Column. Hillsboro Argus.

A Gaston cow recently gave birth to an eyeless calf, and now Forest Grove comes to the front with a turkey with five legs. This must be a fresk year.

## Stole the Editor's Wardrobe

Jefferson Review.

The party who swiped the grain sacks from our barn will escape some undesirable advertising by returning them right

## A FEW SQUIBS.

Police Justice—You saw that rockfight?
Why didn't you stop & and arrest the men?
Police Officer—I did, y'r anner—afther th
fight was over—Chicage Tribune.
The Heiress—But they tell me you are
embarrassed by your debts. The Suitor—
Don't you believe it. But doubtless my
creditors are—Chicage Daily News.

"You admit that you symptimes make

"You admit that you sometimes make mistakes," said the intimate friend. "You are wrong," answered the eminent statesman. "I sometimes make mistakes, but I don't admit it."—Washington Star.
"Dear," said the melancholy wife, "if you die first you will wall for me there on that far shore, won't you?" "I guess so," replied her husband, with a yawn. "I've always had to wait for you wherever I go."—Catholic Standard and Times.

Mrs. Standard and Times. Mrs. Spenders—I wonder how you'd like it I ever got 'new-womanish' and inisted upon wearing men's clothes? Mr. spenders—Oh. I haven't any fear of you yor' doing that. Men's clothes are never eye expensive.—The Catholic Standard and Times

Times.

'Pa," asked little Willie, looking up from his text-book, "what is a linear foot?" "Why-er-a linear foot—" stammered his father. "why-er-ifs one that's fereditary, of course, Diduit you never hear tell of a linear descendant?"—Philadelphia Press.

'I see," said Sauntering Sim, "dat it says in dis paper it ain't a good ting to take a bath for at least an hour after easin." Whot's de use spendin your time readin stuff dat can't never be any good to you when you find it out?" asked Tired Treadwell—Chicago Record Herald.

'I don't understand it," complained the

well.—Chicago Record-Hernid.

"I don't understand it," complained the tramp, "What don't you understand?" asked the philanthropist. "Well, yer see it's dis way, hoss, I ast a guy fer a dime fer git a bed, an' he says, 'G'wan, yer grafter—didn't I give youse a dime has night?" "Well."

"Well, what I want ter know is dis; Don't dat guy tink a feller has ter sleep more'n once?"—tleveland Leader.

New Orleans Times-Democrat.

Alone beneath a starless sky.

With wind and wave for company.

The curfew calls across the waves:
And down below, unnumbered graves
keep grewsome secrets guiltily.

The big cloud bends and broadens out.

As do the wings of dread and doubt

That darken dim eternity,

Ding-dong! Ding-dong!

Derellet, I drift along.

Derellet, I duit amount to an anomal on the waves that rise; Down towards the trough that lies in between their curling screen. Unshriven hope lies stiff and stark. Here beside me in the dark. Ding-dong! Death and wrong! Wind and wave are rude and strong. Ding-dong! Skies are black; Leaps the lightnings livid track. Clear across the reas wild wrack. Ding-dong! Drift and die.

With wind and wave for commany.

—Julia Neely Finch.

# HOW GERMANY REGULATES STOCK GAMBLING

All Transactions on Margin or Futures on Grain Prohibited-Stock Speculators Required to Register-Exchanges Regulated by Law-Tickers Prohibited-Prospectuses Required, and Listing Restricted by a Government Commission.

GERMANY has had it years' experience by law of atock exchange and board of trade gambling. Prior to 1897 the German bourses regulated themselves, with only minor state supervision and without federal supervision. Since January 1, 1897, all transactions in stocks and bonds throughout the German Empire have been under the provisions of the German

Bourse law. Government of Germany is some The Government of Germany is some-what like that of the United States in being a federation of separate states, each state having its own legislative body and the federation having a legislative body somewhat like Congress; the Relichstag corresponds roughly to the House of Representatives and the Bundearat to the Representatives and the Sunnerat to the Senate. Germany also resembles the United States more than Great Britain in that the Ministers are not removable by the legislative bodies and are the agents of the executive. Emperor William is the executive head of the German William is the executive head of the German Government, and also, as King of Prus-Government, and also, as king of trus-sia, of the Prussian Government. The Ministers are his appointees, as the mem-bers of the Cabinet are the President's appointees. As in Great Britain, the Min-isters can introduce bills and make speeches; but, as in the United States, they have no votes.

#### Fifteen Bourses.

There are 15 bourses in Germany; seven are in Pruseia, Berlin, Breslau, Dussel-dorf, Essen, Frankfort-on-Main, Cologne and Konigsberg; two in Bavaris, Munich dorf. Essen. Frankfort-on-Main. Cologue and Konigsberg; two in Bavarls, Munich and Augsburg: two in Saxony. Dresden and Leipzig: two in Wurtemberg. Stuttgart and Mannhelm, and two in the Hanse cities of Bremen and Hamburg. Prior to the passage of the erman Bourse law these bourses competed for business. Demoralization resulted from competitive gambling facilities. The first complaints against unrestricted bourse gambling came from the agricultural interests, which in Germany have a large representation in the Reichs-

have a large representation in the Reichstag and form the Agrarian party. In the agricultural districts members of the German Parliament are elected in hostility to the banking interests and pledged to legislate for the farming interests.

#### No Gambling in Grain.

The Agrarian party came to the con-clusion that speculation in farm products caused injury to the producers. At the time the crops were harvested and the farmer desired to sell, the brokers and narmer desired to sen, the block and speculators depressed the price by short-selling. Thus at the time the producers sold the price was low. After the farmers had sold, the brokers and grain speculators put up prices. Every year there was a period of low prices at harvest time and then of high prices during the other months until the next harvest, lowering the prices which the farmer received and increasing the cost of food to the consumers.

The Agrarian party therefore pledged

themselves to support a bill prohibiting dealing in grain futures or the selling short of products of the soil.

Certain industrial interests allied themselves with the Agrarian party on the same grounds; that speculation in iron, coal, ore, clothwand other factory products made fortunes for speculators at icts made fortunes for speculators al the expense of the producers and con-sumers. They reasoned that if specula-tion were eliminated and the costly sys-tem of the middleman and exchanges destroyed both factory-owners and consumers would be better off.

Accordingly, by a union in the Reich-stag of the Agrarian party and of rep-resentatives from the coal districts and factory towns the bourse law was passed on June 22, 1896, and took effect

n January 1, 1897. Any private investor may buy stock of a registered broker, pay for it and take it away. But if the broker lets lim deal on margin it is at the bro-

All prices are fixed by the governing ommittee through official "quotation brokers," who must not have any other business. It is the duty of these brokers to prevent price fluctuations by means of wash sales or balance sales or other devices to prevent a faithful statement of market values. The prices as fixed by the committee through the quotation brokers are official prices. Every quotation broker must keep a daily journal of all his ransactions, which is by the governing committee.

## No Tickers; Tips a Crime.

For any broker to give false advices a crime. The stock ticker is prois a crime. The stock ticker is pro-hibited. No prices are given out ex-cept such as the governing committee announce, and the publication of prices quotations and sales is controlled by them. This is a blow at what in the United States are known as the market letters of brokers and their solicitations to customers. While this law has continued to meet with the support of the Agrarians, the Center and a part of the Conservative

party in the Reichstag representing in party in the Reichstag representing in-dustrial neighborhoods, a large ele-ment, and particularly the bankers and brokers of the cities where the bourses are located, have been seeking its amendment. They claim that it drives speculation to Paris, London and Am-sterdam and deprives them of business and profits. The Prussian Minister of Commerce, Delbruck, proposed last Spring several amendments. The main objection to the old law was the Bourse. objection to the old law was the Bourse Register, under which speculators in stocks often repudiated their losses on the ground that they had not registhe ground that they are not not reget-tered as stock gamblers. Also many business men who liked to take an oc-casional fiver in stocks had difficulty in doing so without registering. The Register had the effect of branding a man as a stock speculator and thereby affecting his other business.

## Proposed Amendments.

The main concession that the brokers asked was the abolition of the official Register so that anybody could gamble n stocks without having to advertise the fact, and so that losses could be collected from others than registered prokers. An exception to the prohibition of grain futures is also proposed to be made to landowners and farmers and grain merchants to the extent of their annual business. Although these amendments do not

creatly change the law as first passed, they are regarded as letting down the bars, and the mass of the Agrarian and Conservative parties are opposed to them. So far they have been discussed extensively in the Reichstag, but the prospect of their becoming a law is not good.

Court of Honor, which decides all ob-putes, subject to an appeal to the Chamber of Appeals, whose president is chosen by the Bundesrath. All stocks and bonds before being admitted to the bourse must be ex-amined by a government committee. A prospectus must be presented. For any faisity of statement the promoters or sponsors are criminally liable. Applications for admission are published. Stocks of new corporations are admitted only after a balance sheet has been published at the expiration of one year. Imperial and state loans are exempt from these provisions and admitted at once on their issue. For any false statement liability exists for five years. A faise statement includes not only any error in fact but the omission of a material fact. The liability is not cancelled even if the prospectus shows that it was made by a third party. Any

one issuing it is liable for damages to every purchaser thereafter.

No transaction may take place on the bourse except in bonds or stocks that have been regularly admitted. that have been regularly admitted. And since all transactions are restrict-ed to the bourse, the whole scope of German stock speculation is brought under governmental control

#### The Registry.

Brovision is made for a bourse regis-try in which the brokers shall carell and pay a small annual fee for the privilege. There is no purchase and sale of seats as on the New York Stock

Exchange, and the privilege of trad-ing on the bourse, which must be re-newed annually, has no salable value. Those who register are legalized stock dealers. Subject to the prohibition of gambling in the products of the soil and industrial and mining shares, they may do what they please, provided they do not infringe on the rules laid down by the state commission. Only registered brokers may

apeculate in stocks.

If any one who has not registered speculates, the party with whom he speculates takes the risk of repudiation, because no stock speculations except between registered brokers are enforceable at law. The German policy was to prevent merchants, business enforceable at law. The German policy was to prevent merchants, business men and others from speculating by requiring them to register as stock dealers or to make their transactions unenforceable. Thus a stock broker have ing a claim on account of a bourse transaction against anybody who had transaction against anybody who had not registered could collect nothing by suit in court. No legal obligations arise and all secret-agreement debts are vold except in the ease of registered parties. This is somewhat simitered parties. This is somewhat s lar to the New York law age gambling debts due bookmakers gambling debts due bookmakers and gambling-house keepers. Neither may registered brokers buy and sell for themselves except they announce the fact.

#### TO TAX STOCK GAMBLING. The Hepburn Bill and the German

Bourse Law. New York World. Representative Hepburn, of Iowa, who fathered the rallroad rate law of 1906, does not claim too much for the bill he introduced on Monday to tax stock sales. If enacted and enforced

it would nearly wipe out stock gam-bling as conducted in this country. A tax of 50 cents on every sale of a \$100-share is not prohibitive of investment. It is the same as the State of New York now exacts from mort-gages in its recording tax. But upon a 10 per cent margin purchase the tax is 5 per cent, Upon "wash sales," meant to establish fictitious values and deceive the public, and upon the "in and out" gambling of the room trader and the blackboard flend, it is

almost prohibitive.

Under such a law stock gambling could not escape from New York to Philadelphia or Boston. It would to some extent escape to London. The volume of transactions would be greately lessened and a large revenue derived from them. If this were applied to the reduction of our present burdensome tariff tax the relief would be appreciated. were spent upon huge navy pro-grammes or other extravagances we

hould not profit much by it.
For comparison with Mr. Hepburn's proposal we print in another column a summary of the German Bourse law. The German agricultural interests, be-lieving that speculation in their prod-ucts caused them damage, brought about its passage. Their position was the same as that of the cotton planters of the South who would be glad to have the Cotton Exchange closed, and of the farmers of the West who de-nounce the Chicago Board of Trade

These large elements of the American community believe that the exchanges depress prices during 'the harvest season and unduly raise prices narvest season and undury raise prices during other months. Current price records bear out their assertion. The price of a bale of cotton or a bushel of wheat or corn would naturally be at any given month the harvest price plus storage charges and interest. this basis the variation would be small nstead of large, as the ticket records

make it. .
This German inovement was further brought about by the coal, iron and factory men, who had the same com-plaint about their products and securi-ties as the agricultural interests. The resulting law is highly technical and scientific, for the business of law-making in Germany is conducted with the same detailed precision as German chemistry or German philosophy. The summary throws educational light upon the pressing American problem of how the evils of stock, grain and cotton gambling can be beat dealt with. The Hepburn bill does not profess to cover the entire field of speculation. Its enactment would not alter the public need of passing the Culberson bill requiring National banks to keep their reserve money in their vauits and resulting law is highly technical and

reserve money in their vaults and Superintendent Williams' similar bill for the State banks of New York. It does not touch speculating in bonds, which has become common, or in pro-

But as a first strong step toward checking the ruinous effect of stock-gambling upon the country its intro-duction is welcome, its discussion will be useful, and of the passage, even in a short and do-nothing session, of some action along the lines indicated we need by no means despair.

#### That Yambill County Convention. McMinnville News Reporter.

Inw is not good.

The essential feature of this law is the prohibition of dealing on margin, or in futures of mining and factory stocks, grain or mill products. The penalty of fine and imprisonment was provided for any broker, speculator or other middleman who bought or sold such products of the soil or the factory or the mine, except in the process of distributing them.

Not content with this, the German Ministry, at whose head was then Prince Hohenlohe, put in force a plant or regulate all stock gambling in Germany.

Government Regulation.

This law of \$2 sections takes all the government and appoints state commissioners to act with the bourse governing boards Each governing boards Each governing boards Each governing board has a committee known as a