Oregon Daily Journal

AN INDEPENDENT NEWSPAPER

C. S. JACKSON.....Publisher
[Be calm, be confident, be cheerful and do unto others as you would have them do unto you.]

Published every week day and Sunday morning, at The Journal Building, Broadway and Yamhill street, Portland, Oregon.

Entered at the Postoffice at Portland, Oregon, for transmission through the mails as second class matter.

TELEPHONES—Main 7173, Automatic 560-51. All departments reached by these numbers.

FOREIGN ADVERTISING REPRESENTATIVE Benjamin & Kentnor Co., Brunswick Building, 225 Fifth avenue, New York; 900 Mailers Building, Chicago.

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The great men of the earth are but the marking stones on the road of humanity; they are the priests of its religion.—Mazzini.

ON THE FARMS

NON-PARTISAN leaguers have again captured the Republican primaries in North Dakota. They lacked but 8000 of doing the same thing in Minnesota.

For 40 years there was no legislation in America favorable to farmers. For that long period they asked for and were denied a farm loan system. For lack of such a system their farms went under the mortgage. In thousands of instances they became renters on the very farms that had long been the old family homestead.

But the mortgage loan companies opposed a farm loan system. Their lobbyists opposed it at Washington. Men contributed to campaign funds under promise that there should be no such legislation. And the 8 per cent, and the 10 per cent, and the 20 per cent and the bonuses, along with low prices, sapped the life out of farming. And the farm boys and farm girls left the old homestead and sought employment in the city. And in the process the great agricultural industry sank lower and lower until, as we are to learn from the present census, America has become an industrial nation.

So Minnesota nearly went Non-partisan league. And the leaguers have again captured North Dakota, and its gospel and propaganda are spreading to numerous other states. How much stronger would it have become if the farm loan system had not been established at a timely moment? On this page is the agricultural plank of the San Francisco platform. It is a great plank. It declares for collective bargaining by farmers. It pledges assistance to farmers in organizing better markets. It declares for the enactment of legislation for the supervision of livestock markets by the government in order that growers may be insured just and fair treatment in the sale of their output. It contains much more to interest and encourage the agricultural industry.

When the war prices for farm products have all vanished, as they will, agricultural industry will slump back into the old conditions. Farmers know it and that is one reason why the Non-partisan league is spreading. That organization feeds on agricultural unrest and does its recruiting among the dissatisfied agriculturists.

It is fortunate at such a time that a strong agricultural plank appears in the platform of one of the great political parties. The pledge to the farmers of the right of collective bargaining is one hope held out to them of a means of getting better prices for their products and obtaining a greater share of the fruits of their labor. It is a pledge that the big farmers' organizations have been asking for, and out of which they hope to place agriculture on a more profitable basis.

Until Wilson's time, the federal government never treated the farmers fairly. Congress after congress endowed the manufacturers with princely gifts through extreme tariffs. The fact that manufacturers grew rich while tenant farming in America has risen to an estimated 52 per cent is proof of how, for 40 years, the federal government favored the one at the expense of the other.

The agricultural plank adopted at San Francisco is pledge of a further change in which more and more of justice is to be accorded agriculture. Back of the pledge is a performance in which the farm loan system was established, the federal reserve system instituted and many other legislative acts passd in the interest of the languishing farm industry of America.

With another child in pursuit, a little girl of 6 darted out into Taylor street near Fourteenth as several automobiles were passing. Straight into the path of a closely approaching machine she sped. But the driver was quick and his speed reasonable. Because he had control of his machine he probably saved a child's life, kept his own hands bloodless and made a coroner's inquest unnecessary. But what if he had been a speeder? And what of parents who do not teach their children more about the rules of safety?

MAKE THEM STOP?

OUTSIDE of the congested district 75 per cent of the automobile accidents in Portland occur on main traffic arteries. They occur there because drivers entering the traffic laden highway from side streets fail to use ordinary caution and because the machines operating on the main thoroughfares are usually traveling near the speed limit.

On Mississippi avenue, on Williams, on Union and on Grand there is accident after accident. On Milwaukie, on Broadway, Belmont, Burnside and Hawthorne the cars crash. They crash because those drivers entering from side streets come in without sufficiently diminishing their speed, and they don't have time to look for and avoid the other vehicles coming rapidly in both directions. They may get hit from the left, but if they avoid the first stream of cars they are often caught by those from the right.

It has been suggested that machines entering main highways from side streets be compelled to come to a complete stop. That, say police, would insure safety to the side street cars and to those operating on heavy traffic arteries. By coming to a stop the entering drivers would have opportunity to survey the situation and to shoot in at a time when they would neither hit nor be hit by other automobiles. Unless there are fewer accidents and injuries on the main arteries, such a course may be the only alternative.

Even if some of the men are ready for more world wars the mothers in America are not. They saw their sons taken away. They went through travail saying goodbye. They lived in the depths of anxiety as they scanned the casualty lists. They want no more of those mournful days. But one way is proposed to prevent a return of those melancholy times. It is the League of Nations.

GOLD

HAS any one attempted yet to estimate the effect upon the buying power of gold should the next congress enact the McFadden bill?

Gold, the value of which is arbitrarily always the same in the terms of dollars, buys less than half what it did before the world war. For all practical purposes it is worth less than half its pre-war value.

Gold miners, receiving the same number of dollars for their product but paying out twice as many dollars to meet the expense of mining, have simply closed their mines until conditions shall become more normal. Economist H. N. Lawrie of the American Mining Congress, incident to a stay of a few days in Portland, has called attention to the fact that gold production, which amounted to $101,000,000 in 1915, dropped to $58,500,000 in 1919 and will probably not exceed $40,000,000 this year.

In sharp contrast with the falling off of production, $80,000,000 of gold was taken for industrial uses, such as jewelry manufacture, last year, and the amount will probably be $90,000,000 this year. In other words, more than twice the amount of gold produced this year will be used for purposes other than the coining of money.

The McFadden bill, offered by Congressman Louis F. McFadden of Pennsylvania, and known as H. R. 13201, proposes a consumer tax of 50 cents a pennyweight on all gold, and this amount is to be paid as a bonus to the producers of new gold. Recognizing such an excise to be merely a temporary expedient, the measure provides that it shall remain in effect only five years. By that time it is anticipated that pre-war price levels again may have been reached, or a more permanent solution found.

As yet no tax on luxury in this country has had the effect of restraining luxury, but if it did, the result, so the economists point out, would be the same—more money would be minted to spend for essentials.

The automobile vigilantes should not be less vigilant. This fight for a safer Portland is not yet won. Killings are greatly decreased in number. The drivers' license law is functioning. But all must go on with this drive for safety until Portland, in spite of her narrow streets, heads the list in safe street traffic.

BUSINESS EVANGELISM

ADMIRERS of the platform adopted at the recent international Rotary convention in Atlantic City impulsively declared that this organization might be made the substitute for the League of Nations.

In its ringing declarations they found the "League of International Brotherhood," for which the business world has sighed. No body of men, officially independent of the political interrelation of nations, could, of course, take the place of the league. But there is a spirit in the "Ten Commandments of Rotary" that ought to imbue all business with a new ideal and purpose. These are:

By my methods ye shall know me; by deeds not creeds.

The test of my Rotarianism is in the method I employ in my everyday contact with those I am privileged to serve.

My method makes my character; character begets confidence and goodwill, the only real assets of business and life.

Rotary method demands the least indirection, the fewest go-betweens, and the best distribution of welfare between clients.

As a Rotarian I repudiate the doctrine of "caveat emptor," let the buyer beware—and make my client aware that Rotary stands for reliability.

As a Rotarian I could find profit and loss by the year not by the hour. I think in terms of decades not days. I look for my pay in the harvest not in the seed, and my preferred profits are in service not measured by dollars.

As a Rotarian I think for, as well as of, others, and so work for the upbuilding of my classification, my community and my country.

As I consider method only in its service aspect and service chiefly in its moral sense, as I place service above self, so I place my citizenship above my classification and stand for consummation not complacency.

As neither service nor classification find their finest opportunity and development except in their broadest application, so I believe the highest type of service or methods is motived by active adherence and loyality to all the factors of Christian citizenship.

I was born a man, not mere materialist and as a Rotarian I hope to develop and demonstrate practical ideas and die a real citizen in a service to which all the world is to be won.

In this declaration there is a little more than the Golden Rule contains. It holds also an element that might be termed evangelistic business righteousness.

One great political party in America wants no more war. It has declared for the only plan ever proposed to end war. The managing men in the other great party are against the only plan ever proposed to end war.

THE MILK DEBATE

THE controversy over the price of milk in Portland is on again.

An advance to 14 cents went into effect July 1. It was made at the request of the dairymen. As basis for the advance they point out the increase in the price of feed. The average increase on July 1, 1920, over July 1, 1919, is 24.5 per cent. For the same period, the increase in the cost of labor is 15 per cent. During spring and smumer months up to July 1 this year, dairymen were paid $3.20 per 100 pounds of milk. Out of this they paid transportation charges. They also paid out of it the surplusage loss. Most days, dairymen deliver more milk than the city consumes. The surplus must be disposed of, and it is a loss that the dairymen must pocket. They claim that the transportation cost and surplusage loss total a little more than a cent a quart.

At 14 cents for milk the distributors get 7 cents. The dairymen get, with surplusage loss and transportation counted out, a little less than 6 cents. That is to say, the distribution cost is greater than the return to the dairyman, by more than 1 cent. Yet the dairyman has his investment in land, improvements and dairy stock, must take all the risks of the business, has to contend with a shortage of labor, must milk his cows early and late every day in the year, and goes through a drudgery beyond that of any other producer in any known industry. It is not a sound system of distribution when distribution costs more than the producer gets for all the work of producing the milk and delivering it in the city.

Here is a table which shows the increase in the price of feed:

July 1, 1920	
Mill run	$54.00
Clover hay	$24.00
Alfalfa hay	$31.00
Feed oats	$70.00 and $70.50
Rolled oats	$72.00
July 1, 1919.	
Mill run	$37.00
Clover hay	$20.00
Alfalfa hay	$23.50
Feed oats	$59.00 and $61.00
Rolled barley	$60.00 and $62.00

DESCENDING FOOTPRINTS

THE leather market reports, probably without intending to do so, are marking footprints toward optimism.

The individual shoe purchaser who once paid $4 for shoes that cost his dealer $2.60 and is now paying $16 to $18—if he buys—may be put in position to buy shoes again at what may seem to be the modest price of $8 or $9 a pair, or what he is now paying for shoes wherewith to see that his children are shod.

"Dullness approaching stagnation" is one of the phrases employed by a market reporter to describe the condition of the shoe business. The tanners are not buying from packers. The shoe manufacturers are not buying from tanners. The jobbers are hesitant about their orders to manufacturers. The retailers are delaying their demands upon the jobbers. Most of the activity among the retailers of shoes is in special sales at price reductions to move overloads of stocks. Some of the local retailers may disagree with this phase of the reports but the conditions described are national.

Export sales of shoes have fallen off. The high exchange rate accounts for this fact as well as the lessened demand from abroad.

Down at the bottom, of course, the real cause is the unwillingness of the people to pay super-prices for shoes inferior in service to footwear that before the war cost a third or a fourth as much.

And why should they continue to pay unreasonable prices now that the conditions which created the prices have been ended?

WATER POWERS AWAIT CAPITAL

By Carl Smith, Washington Staff Correspondent of The Journal.

Washington, July 12.—Big water power developments in the West, which for years were said by their backers to be awaiting the passage of legislation which would give them a certain tenure and protection for invested capital, face further delay because of the high rate of interest and the present difficulties of marketing securities. This is the word brought to Washington as to the attitude of the big investment bankers and others interested in the use of capital for water power development. They are said to be well satisfied with the new legislation and willing to undertake selected projects in the Far West as soon as interest rates are reduced and construction costs are lowered. These interests, which must absorb the securities, are said to take the view that they would only breed trouble for themselves if they were to employ money for water power development now, as the people would criticise rates based on present costs and money could only be obtained with difficulty at a high rate of interest. They hold out hope that development may proceed within a few months.

One of the projects said to be in the first rank for consideration when conditions are nearer normal is Priest rapids, on the Columbia river, which it was estimated would require $25,000,000 on a pre-war basis. Another is the Big Horn reservoir in Montana. Power for irrigation pumping works and railroad electrification are the principal purposes in view, with possibilities of building air nitrate plants and other industrial developments.

* * *

Senator Chamberlain recently referred to the United States tariff commission a petition he received from a committee of the Loyal Legion of Loggers and Lumbermen of Portland, with reference to competition in lumber from British Columbia. Thomas Walker Page, chairman of the commission, writes Senator Chamberlain that one of the commission's experts is in the Northwest making a study of this situation and other conditions bearing upon tariff policy, and the commission will prepare a report of its findings for submission to congress.

* * *

There is an opening at Annapolis naval academy for two young men from Multnomah county who are able to pass the required physical and mental tests, ana Representative McArthur's office announces an examination at Portland on August 22 in an effort to fill the quota. Prospective applicants are referred to Mr. McArthur at his office in the Yeon building, Portland, for information concerning qualifications.

* * *

Senator Chamberlain's office has on hand a considerable quantity of farmers' bulletins available for free distribution to Oregon farmers and will welcome inquiries indicating the particular subject or subjects in which the writer is interested. The bulletins cover a wide range of farm subjects such as orchard methods, forage crops, pests of farm and field, farm conveniences and livestock care.

* * *

The war department is urging upon the congressional offices that information be given ex-service men regarding the issue of victory medals, to which all who served during the war are entitled, and battle clasps for those engaged in major operations. Instead of writing to Washington for blanks it is suggested that application be made as far as possible to the nearest army post, camp or recruiting station, where full information and attention will be given.

The Agricultural Plank

From the Democratic Platform

"To the great agricultural interests of the country the Democratic party does not find it necessary to make promises. It already is rich in its record of things actually accomplished. For nearly half a century of Republican rule not a sentence was written into the federal statutes affording one dollar of bank credits to the farming interests of America. In the first term of the Democratic administration the national bank act was so altered as to authorize loans of five years' maturity on improved farm lands. Later was established a system of farm loan banks, from which the borrowings already exceed $300,000,000 and under which the interest rate to farmers has been so materially reduced as to drive out of business the farm loan sharks who formerly subsisted by extortion upon the great agricultural interests of the country.

"Thus it was a Democratic congress in the administration of a Democratic president which enabled the farmers of America for the first time to obtain credit upon reasonable terms and insured their opportunity for the future development of the nation's agricultural resources. Tied up in supreme court proceedings, in a suit by hostile interests, the federal farm loan system, originally opposed by the Republican candidate for the presidency, appealed in vain to a Republican congress for adequate financial assistance to tide over the interim between the beginning and the ending of the current year, awaiting a final decision of the highest court on the validity of the contested act. We pledge prompt and consistent support of sound and effective measures to sustain, amplify and perfect the rural credits statutes and thus to check and reduce the growth and course of farm tenancy.

Not only did the Democratic party put into effect a great farm loan system of land mortgage banks, but it passed the Smith-Lever agricultural extension act, carrying to every farmer in every section of the country, through the medium of trained experts and by demonstration farms, the practical knowledge acquired by the federal agricultural department in all things relating to agriculture, horticulture and animal life; it established the bureau of markets, the bureau of farm management and passed the cotton futures act, the grain grades bill, the cooperative farm administration act and the federal warehouse act.

"The Democratic party has vastly improved the rural mail system and has built up the parcel post system to such an extent as to render its activities and its practical service indispensable to the farming community. It was this wise encouragement and this effective concern of the Democratic party for the farmers of the United States that enabled this great interest to render such essential service in feeding the armies of America and the allied nations of the war and succoring starving populations since armistice day.

"Meanwhile the Republican leaders at Washington have failed utterly to propose one single measure to make rural life more tolerable. They have signalized their 15 months of congressional power by urging schemes which would strip the farms of labor; by assailing the principles of the farm loan system and seeking to impair its efficiency; by covertly attempting to destroy the great nitrogen plant at Mussel Shoals upon which the government has expended $70,000,000 to supply American farmers with fertilizers at reasonable cost; by ruthlessly crippling nearly every branch of agricultural endeavor, literally crippling the productive mediums through which the people must be fed.

"We favor such legislation as will confirm to the primary producers of the nation the right of collective bargaining and the right of cooperative handling and marketing of the products of the workshop and the farm and such legislation as will facilitate the exportation of our farm products.

"We favor comprehensive studies of farm production costs and the uncensored publication of facts found in such studies."

Letters From the People

[Communications sent to The Journal for publication in this department should be written on only one side of the paper, should not exceed 300 words in length and must be signed by the writer, whose mail address in full must accompany the contribution.]

WHEN LEAGUERS COME

Portland, July 6.—To the Editor of The Journal—We are reading much in these days on the topic "When Leaguers Come." There seems to be one phase of the topic that is always overlooked, either purposely or otherwise, by the parties to either side of the controversy. That thing is the question of what is bound to come, whether through the league or through the straight cooperation advocated by The Journal as a solution of the difficulties.

We seem to forget that all our progress has been brought about by cooperation. The farmers and The Journal wish to keep these farm projects on the individual basis, and still obtain the benefits derived from cooperation. The Non-partisan league wishes to make the industries that have risen through cooperation subservient to the needs of the farmer without using the same means to get the benefits.

The farmers wish the advantages of cooperation, while remaining individualists themselves. The Journal seems to imagine the farmers of North Dakota could form themselves into a giant cooperative society and thereby obtain the benefits derived by the railroads or the telephone companies for example, and still retain their individuality in their farm holdings.

Our individual usefulness to society has been increased from 100 to 1000 per cent in different industries in the generation just ending. In other things we have created usefulness that has no bearing or relation to anything that entered into the life of the world prior to that time. For instance, we had no internal combustion engine until this generation. When we consider the vehicles that have been made subservient to our needs through this small invention we are astounded. The automobile first, the truck, the flying machine, the submarine and, one of the most important, the Deisel engine, which drives many of our large factories and ships. Adding to these the machinery that has been produced for the farmer, to increase his producing power without increasing his numbers, we stand aghast at the power of cooperation.

Where would we get with our great manufacturing industries with the methods in vogue in the early part of the last century, with the hand forges and processes in vogue at that time? What could be accomplished without the roller-mills and the triphammers of today that can be operated only through cooperation? The worker of today sees the futility of trying to gain anything in any other way than through this same process, and the papers and the politicians may preach anything they please, but the mass of workers is not to be fooled by any camouflage.

There is but one method of solving our ills, and that method is cooperation. How long this thing may be retarded is problematical. We should not be surprised to see the whole fabric of our existence changed in the following generation. The strange thing about this is that we are driven forward toward this end without leaders, or as a ship without a rudder that is being forced into a safe port with no volition of its own.

J. W. Burt.

STATED SARCASTICALLY

Multnomah, July 9.—To the Editor of The Journal—Since the adjournment of the great convention at San Francisco I have been thinking very deeply, and the result of my thoughts is that the people of these United States have much to be thankful for; not because of the particular nomination made by either of the great parties, but on account of the more important fact that under our laws only one of them can be elected. Truly the Lord is good to the poor. Let us prey.

J. H. Aldrich.

FLAX

From the Salem Statesman

There is a field of growing and blooming flax opposite the home of Mrs. W. P. Lord on South High and Mission streets, in Salem, that is a thing of increasing beauty these days. The field of flax belongs to Mrs. Lord. In the morning the blue flowers of the flax are out in all their glory, but they close up for a night's sleep in the afternoon. This flax field is worth going a long way to see, and it is representative of a lot of other luxuriant fields in the Salem district that, in their florescent glory and verdant beauty, give promise of the greatest industry in Oregon when the ingenuity and enterprise of man yoke up with the provisions of nature for linen mills here, furnishing the royal purple and fine linens unexcelled for the world's markets.

Curious Bits of Information For the Curious

Gleaned From Curious Places

Inhabitants of the South Sea islands are exceptionally good boat builders. Some of the canoes are made of hollowed logs with outriggers. Others are pieced together with driftwood, because no boat timber grows on some of the islands. The marvelous thing about the canoes made by these people is that the wood which composes them is chiefly Douglas fir, obtained from logs which have been carried by kindly ocean currents nearly 6000 miles, from the coast of North America. Before effecting trade relations with white men these people obtained their tools from the shell of the giant clam which sometimes reaches a weight of a ton. The drift logs were cut into strips and fitted to form the canoe body, then sewed together with string made from cocoanut husks. Not a single piece of metal is used, and the complete canoe is a marvelous example of what men can do with crude material and tools.

Olden Oregon

Woolen Manufacturing Was an Early and a Lusty Industry.

In 1856 a corporation was organized at Salem to erect a woolen mill. The prime mover in the organization was Joseph Watt. The company dug a canal to bring the water of the Santiam river to Salem, for power. In the fall of 1857 two sets of machinery were put in operation and the flannels and blankets manufactured were exhibited at the first state fair of California. It was the first cloth made on the Pacific Coast by machinery. In 1860 the capacity of the mill was doubled. The building of the mill stimulated the growing of wool in the state, which increased from 220,000 pounds in 1860 to 1,500,000 in 1870. In May, 1876, the Salem mill burned to the ground.

COMMENT AND NEWS IN BRIEF

SMALL CHANGE

Are you getting your own breakfasts these mornings?

* * *

A youth in jail at Eugene escaped through the chimney flue. Flew the coop, as it were.

* * *

A genuine toper considers life far too short to waste any of it imbibing his favorite beverage through a straw.

* * *

The German government has finally agreed to disarmament, in agreement with terms of the allies. How considerate.

* * *

About the only time a man may be pardoned for boasting is when he's prepared to take off his coat and make good if he's called upon to do so.

* * *

A man named Runquist is one of the Oregon men who will try out in the Olympic games finals, but he isn't a runner at all. He throws the discus.

* * *

Senator New heads the Republican party's speakers' bureau; but, even so, it is doubtful if there'll be anything new about the usual offering of "old stuff."

* * *

Reports are that the Oregon apricot and the raspberry crops are very short this year. It's a wonder, too, that the annual "ice famine" has not been announced ere this.

SIDELIGHTS

"Slocum Brothers," says Tuesday's Baker Herald, "yesterday decorated their float with flowers which they had sent to them from Portland. The float was one of the nicest appearing entered in the parade."

* * *

The back-to-the-farm movement, as the La Grande Observer reviews the procession, "consists mostly of automobile loads of city relations invading the old homestead for a free feed and a chance to tell the farmer how to run his farm."

* * *

The Dalles' swimming resort, known as "The Dip," is open for the season, with J. J. Dyball, expert swimmer and surf board rider, in charge to look out for those who are inexperienced in the swimming and diving arts. Plans are under way to get a supply of surf boards.

* * *

"The change in the mode of travel which has taken place within the past few years is indicated," says the Cottage Grove Sentinel, "by the fact that during last Sunday I. H. Veatch counted 327 motor vehicles passing his place on the Row river road. A number passed before and after he started the count. During the same time there passed two one-horse rigs, two two-horse rigs, one four-horse rig and one boy on horseback."

MORE OR LESS PERSONAL

Random Observations About Town

Fred Dashiell of American Falls, Idaho, was a week-end guest at the Benson hotel. American Falls, according to sometimes reliable report, is about to come into fame as the first American town of any size to be moved bodily from its present site to another. The town stands where it is desired to erect a great irrigation dam, report has it, and engineering science is now marshaling its forces to pick up the entire city of several thousands of persons, big buildings, homes and all, and transfer it to a townsite selected several miles distant. Property owners in the present town will be given free ground in the new city in remuneration for their present holdings.

* * *

Fred C. Baker, publisher of the Tillamook Headlight, is registered at the Hotel Oregon. Another publisher in town over Saturday was E. M. Reagan, editor of the Albany Daily Herald.

* * *

C. L. Brown, C. L. Bouton and Mr. and Mrs. F. C. Valentine of Rochester, N. Y., where they are allied with the Eastman Kodak company, are in the city making arrangements for the photographic school which will be temporarily instituted here this week for the benefit of professional and other photographers. The school will bring lecturers, laboratories and important exhibits, the advance party promises.

* * *

H. Y. Darnell of Philadelphia, where for more than 40 years he has been identified in one way or another with the Pennsylvania railroad, was in the city Saturday, in charge of a party of New Jersey folk returning, via the northern route, to their homes following the Democratic national convention at San Francisco. Darnell added to his pleasure in the present visit by renewing the acquaintance of E. E. Penn, general passenger agent here for the Canadian Pacific, who has been railroading for nearly a quarter century.

* * *

President W. J. Kerr of the Oregon Agricultural college registered at the Multnomah hotel Saturday to be near Secretary E. T. Meredith of the federal agricultural department, while the latter was here to meet federal officials and agents. President Kerr held informal conference with the secretary, F. R. Harrison, assistant to the secretary, also came in on the conversation.

* * *

Mr. and Mrs. J. H. Mimnaugh of Wallowa, Or., where the former is a banker, were registered at the Multnomah over the week-end.

* * *

The Benson hotel Saturday entertained M. S. Myrick of Philadelphia, president of the United States Chamber of Commerce, who was here on official business for the organization. W. R. Wyrick, Pendleton citizen, whose name was easily confused with Myrick's, clerks said, was also a Benson guest.

* * *

E. E. Cleaver of the Cleaver Manufacturing company, Pendleton, was a business visitor in Portland over the week-end.

IMPRESSIONS AND OBSERVATIONS OF THE JOURNAL MAN

By Fred Lockley

[History of the banking business on the Pacific coast from the earliest establishment and on through the era of pioneering is recapitulated by Mr. Lockley today, with due recital of notable achievements in the realm of banking in Portland.]

Just 40 years ago Oregon had 15 private or state banks or banking trust companies, with $1,245,000 capital and $1,033,000 deposits. Washington Territory had four. There were but 13 national banks on the entire Pacific coast. The first bank—not counting faro banks—on the Pacific coast was opened in January, 1849, by Henry M. Naglee at San Francisco. In 1849 four more were operating there. The owners were Burgoyne & Co., Benjamin Davidson, Wells & Co. and James King of William. The next year four more banks were started in San Francisco—Adams & Co., D. J. Tallant, Page, Bacon & Co., and Felix Argenti. The principal part of the banks' business in those days was the purchase of gold dust at 20 to 33 per cent less than the mint value and the loaning of money at 10 to 12 per cent a month.

* * *

The first bank established in Oregon was the Ladd & Tilton bank, founded by W. S. Ladd and Charles E. Tilton in 1859. It was capitalized for $25,000, and by the time the second bank in Oregon, the First National, was established, the Ladd & Tilton had cleaned up over half a million on its $25,000 capital. The First National was started in 1866. In those days the interest rate was 2 per cent a month, but even greater profits were made by the sale of foreclosed property. For example, W. S. Ladd took 400 acres in East Portland as security on a loan of $4000. This tract, now called Laurelhurst, is today worth millions.

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In those days, on account of the uncertainty of the value of state bank currency, no one on the coast would accept it, so metallic currency and gold dust constituted the medium of exchange. In San Francisco the currency consisted of Mexican and Peruvian silver dollars, Mexican gold pieces, Hindu rupees, British sovereigns and shillings, French francs, German marks and other foreign coins. Marks and francs went as quarters though their actual value was but 20 cents. These proving inadequate, the private banks issued gold "slugs" worth $10, $20 and $50, putting about 10 per cent alloy of silver in them. Oregon in 1849 issued 5-dollar and 10-dollar Beaver coins. The mint was at Oregon City. Congress established a mint at San Francisco in 1850. Augustus Humbart, who was in charge, contracted with Moffat & Co. to issue octagonal 50-dollar gold slugs. These caused the 14 private mints in California to go out of business, as the gold slug, having government authority, was preferred to the coins issued by private banks or private mints. In 1854 the merchants decided to refuse foreign coins. The following year they refused the $50 slugs and the next year they decided to refuse private gold coinage, as some of it was worth 5 to 10 per cent less than its face.

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In the early 50's the leading bank of California was Adams & Co. It did a large express business. It bought gold dust of the miners, giving them in exchange certificates of deposit, which were negotiable. Records of the semi-monthly steamers sailing from San Francisco for New York in the early 50's show that on almost every steamer Adams & Company was sending $500,000 to $1,500,000 of gold dust. Page, Bacon & Co. also sent amounts nearly as large, while B. Davidson, the Rothschild agent, sent large shipments. When Page, Bacon & Co., on February 25, 1855, suspended, it caused a panic, which caused most of the other banks in California to close for a while. Many of them never reopened.

* * *

W. C. Ralston soon became the leading banker of California, and in 1864 he, with others, organized the Bank of California with a capital of $2,000,000, not long after increased to $5,000,000. He became the money king of the coast. If anyone wanted to write a movie thriller they could take Ralston as the hero and get lots of action. He hailed from Ohio, learned the trade of ship carpenter, worked on steamers plying on the Mississippi, sailed for California, but landed a job with Garrison & Fretz on the Isthmus as ticket agent for their steamers. In 1853 he was given charge of the San Francisco office of this firm. From this he went into their bank as trusted agent, soon became cashier under President D. O. Mills, and eight years later was president of the bank. He knew every business firm in San Francisco, had a thorough knowledge of their business, and was a shrewd student of men. He was not only San Francisco's leading banker but, being a lavish entertainer and plunger, he was the most popular and successful man in California at that period. He had the absolute confidence of the public and of the directors of the bank. His say-so was the last word. He paid large dividends to the stockholders and, as he resented supervision, he never had any. On August 26, 1875, the bank closed its doors. The following day, while bathing at North Beach, Ralston quietly sank out of sight, when rescued and brought ashore, he died of "heart disease" within five minutes. It was found that millions of the deposits were gone. There were a number of millionaires on the board of directors, and these stockholders, not caring to have depositors bring suit, agreed to put up $7,500,000 to put the bank on its feet. The bank was reorganized, D. O. Mills was recalled as president, $4,000,000 was paid in by the stockholders to secure the depositors from loss, and soon the bank was on its feet and the depositors regained confidence in its integrity.

The first savings bank on the Pacific coast was the Savings and Loan society of San Francisco, incorporated in 1857. No other bank paid interest on deposits, so it was successful from the start. It was a cooperative affair. The first year it paid its depositors 18 per cent. For the next five years the interest paid on deposits ranged from 12 to 15 per cent. Twenty years after its establishment its deposits were $13,000,000.

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The first clearing house on the Pacific coast was started in San Francisco in 1876. Its clearings for 1877 amounted to $715,000,000.

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Some banks are little better than pawnshops. They have no idea of community building, nor have they any constructive program. Their only thought is to get as much as possible and hang on to all they get. One of Portland's early day bankers who had vision and civic conscience was a Scotchman named William Reid. He came from Dundee as consul to the United States. He came on a tour of investigation to Oregon, liked it, and decided to stay. He interested some Scotch capitalists, who made him their financial agent. He spent several months investigating resources and opportunities and wrote a booklet on Oregon as a field for investment. This company of Scotch financiers organized the Oregon and Washington Mortgage Savings bank and made Mr. Reid director. Soon it had $3,700,000 out at interest on approved farm loans. These capitalists bought the Willamette Valley railway and renamed it the Oregonian Railway company. They extended these roads and leased them to Henry Villard for 99 years, at an annual rental of $140,000 a year, the O. R. & N. company guaranteeing an annual dividend of 7 per cent to the owners of the road. We all know its history when the Villard boom broke. In 1874 William Reid induced the legislature to create the state board of immigration. Governor Grover appointed Reid president of the board, with H. W. Corbett, W. S. Ladd, B. Goldsmith and C. H. Leineweber as commissioners. Thirty-six branch immigration offices were established in Europe and pamphlets were issued in English, French and German for distribution. In 1874 the Portland Board of Trade was organized and William Reid was appointed secretary and served six years.

Bankers can be city builders and prove a constructive force, or they can be mere money grubbers. A banker who is a banker in fact as well as in name is a wonderful asset to a community.

The Oregon Country

Northwest Happenings in Brief Form for the Busy Reader.

OREGON NOTES

The Hood River county court has abandoned plans for a concrete highway in the Odell section this year.

From the state hatchery at Tidewater 50,000 trout fry have been taken for distribution in Lincoln county streams.

The Sutherlin cannery and fruit packing plant has been purchased by the Oregon Growers Cooperative association.

The derailment of a freight car near Hood River tied up traffic three hours the other night on the O-W. R. & N. railroad.

While cleaning a gun which he thought empty Douglas J. Morris of Douglas county lost two fingers when the gun discharged.

Fifteen miles of wire and the necessary poles are on the ground for the proposed extension of the Ochoco farmer's line.

C. J. Hurd, agriculturist of Douglas county, has resigned to accept a place as state leader of county agents in Western Oregon.

The Hood River city council has invited bids on a bond issue of $45,000 for the construction of a new city hall and fire headquarters.

The Kiwanis club of Astoria has started a movement looking toward a strict enforcement of the city ordinance relative to the inspection of milk.

The body of John Thomas, 13 years old, has been found in a slough not far from the family home near Warrenton, Clatsop county. He had gone fishing and fallen into the water.

An affirmative argument in behalf of the so called single tax amendment to the constitution to be submitted to voters of the state next November has been filed with the secretary of state.

The people of Sandy are chagrined over the decision of the state supreme court invalidating the Clackamas county road bond issue. They think that the men who framed the bond issue should have known it was invalid.

WASHINGTON

Walla Walla farmers report that the recent hot winds have done practically no damage.

Tests of water at Yakima show that the city water is the only one showing no sign of contamination according to the health office.

A whale between 60 and 70 feet long has been brought into Aberdeen. Its head alone was 20 feet long and yielded 50 barrels of oil.

Immediate pavement by force account of the road entering Aberdeen from the East has been decided upon by the city council. The cost is estimated at approximately $30,000.

An air mail delivery will be established from Seattle to Yakima. It is expected to make the distance in two hours and 15 minutes under favorable weather conditions.

Whether search can be legally made under warrants signed in blank by a judge and filled in by the officers making the search is to be tested in the Yakima superior court.

Superior Judge Hardin of Whatcom county has held that the I. W. W. is a political organization and that its activities can not be restrained by court order.

A new custom was inaugurated in Grays Harbor county when a large party of farmers, accompanied by business men of Montesano and Elma, visited many of the best farms in Wynooche valley making comparisons.

With general wheat crop conditions exceptionally good the Palouse and Walla Walla districts and southern sections of the Big Bend district, with promise of record crops this year, according to Spokane grain men.

The largest claim for damage to fruit while in transit ever made in the Wenatchee district has been paid by the Great Northern railroad. The amount was $175,000, based upon the freezing of apples last December. Shippers of the district have claims aggregating $1,000,000 filed with the United States Railway administration.

IDAHO

Moonshine whisky is attributed as the cause of a cutting affray at Enaville which resulted in the serious injury of Andrew Macki.

Lake Pen d'Oreille has been closed to white fishing for commercial use and Alturas lake in Blaine county has been closed to red fishing.

Articles of incorporation of the Hoyt Pulp & Paper company have been filed with the secretary of state. The capital stock is $25,000,000.

The public utilities commission has granted the Clearwater telephone line an increase of rates in Clearwater, Lewis and Nez Perce counties.

The alfalfa harvest in Latah county is one of the best in recent years. Yields as high as four tons to the acre are reported, while the average is about two tons. The price is running about $25 per ton in the field.

The fruit crop in Latah county is spotted. Cherries will be light, while the pear crop promises to be a record breaker. It is estimated that the county will produce from 60 to 75 per cent of a average crop of fruit, but one of excellent quality.

Uncle Jeff Snow Says:

It do beat all what a feller is to do nowdays with a kid about 16 that's got on mischief and don't know no law. If you wear out a bedslat on one of 'em they say you orter be in the penitentiary fer cruelty to animals, or some other indictment, and if you try to arguify with the imp he's most likely to tell you what you don't know and to go hang yerself. When I was a boy in Arkansaw we'd of got tanned if we couldn't of turned over in bed fer week, fer sassin' parents the way some of our up-to-date kids does. I reckon some old-fashioned strap oil 'd be a powerful benefit to more'n a thousand kids that they is in Oregon 'tween the year and 16 year old.

Portland Noted as City in Which Nearly Half of People Own Homes

One of the pleasant bits of information which is to be contained in the detail of the 1920 census, so it is said, is that some 46 per cent of the people of Portland occupy their own homes.

Only last year 2000 new homes were built or old homes were remodeled and modernized. This is a great increase over other years, and it was accomplished in spite of the fact that prices for building materials have reached the highest level known in the history of the country.

No other city in the United States can more truly claim the distinction of being known as the "Home City."

Home ownership implies freedom from discontent. It points to established people. It reveals a population that will be here next year as well as this. It suggests people who