

THE OREGON STATESMAN

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THE CAPITAL PUNISHMENT AMENDMENT

"The penalty for murder in the first degree shall be death, except when the trial jury shall in its verdict recommend life imprisonment, in which case the penalty shall be life imprisonment."

The writer favored the abolition of capital punishment in Oregon, in the campaign preceding the 1914 election, when it was abolished.

He has not changed his opinion.

And the voting of the above quoted words into the state constitution on May 21 would not serve to restore capital punishment, excepting in some most extreme case, like that of Johnson, who in cold blood slew his benefactress, Mrs. Freeman, who had procured his parole from prison. In all other cases, the fundamental law would be a dead letter; for juries will not usually take the responsibility on themselves of depriving a human being of his life.

In case the clause is voted into the fundamental law next month, Oregon will be in much the same case as was Kansas for so long; where the death warrant and the time of its execution were placed with the governor—and all first degree murderers remained in the penitentiary, for no Governor would sign any such warrant.

Henry Clews, the Wall Street authority, in his current weekly financial letter, is still optimistic. Following are some excerpts: "Crop prospects are of an unusually favorable description for this season of the year. . . . Some \$10,000,000 (gold) was received at the opening of the week, while probably double that amount is understood to be on its way, and an even larger sum likely in the near future to be shipped. . . . The new gold has gone directly into the vaults of the Federal Reserve Bank of New York. . . . Earnings of not a few of the standard railroads have shown decided improvement. . . . The pre-convention campaign of the various presidential candidates has been singularly free from attacks on capital. . . . Industrial earnings have held their own remarkably well in spite of the heavy burden of taxation to which they have been subjected, and in spite also of the high prices of labor and materials with which they have to contend."

FIRST, RAISE THE FLAX

Editor Statesman:

Considerable has been said about the raising and manufacturing of flax fibre in the Willamette valley, but so far I fail to see any serious suggestion in regard to increasing the business and proving to the capitalists that we are going to raise the stock, and that it is up to them to start a company to erect a small spinning mill at Salem. I suggest that the proper way to increase the production of flax is this:

Any farmer interested in growing flax get the seed from the Oregon Flax Fibre Company at Turner, or the state flax plant at Salem, and get from their superintendent instructions on how to grow the best flax, and when the crop shall be harvested. Until we have some pulling machine, we are going to harvest with a self binder, and, by getting the ground smooth and level, the only difference will be the losing of 2 or 3 inches of the straw. I know by experience that the quality of the flax is just as good by cutting as the pulled flax.

After the farmer has his flax thrashed, he may do the retting on his land or use our water retting system.

The next operation, and the main one, is to have our progressive governor and our warden, Mr. Compton, let all the idle inmates of the penitentiary scutch the straw. The parties owning the flax would be willing to pay fair wages for the work, the state flax plant superintendent to have charge of the scutching mill. The inmates would not have to go outside. This work would not interfere with outside labor. The state to quit raising flax, and then the farmers will certainly get an enviable return, especially if the fibre is pooled and sold for the benefit of the growers.

—E. J. HANSETT.

Turner, Or., April 5, 1920.

INSIDE OF BOND BUYING.

Silent, noiseless, thoroughly hidden "public notice," "public advertising," and "public sale" appears to be the secret of how municipal bonds have been bought in Oregon for many years in defiance of every consideration of public right and public interest. Full technical compliance with the provisions of state law or local municipal charters has been observed scrupulously, thanks to procedure carefully devised by able bond attorneys and the pussyfoot publicity methods practiced within the law by experts in manipulating guileless local councilmen, school district trustees and directors of ports.

That the public has lost what in the aggregate may run to many many thousands of dollars is a possibility—representing the difference in price between that paid to the public for the bonds and what they were worth on the market as soon as they were in the possession of the bond houses which bought them. An indication of the extent of these losses to the public is furnished by the recent exposure of the difference in prices paid to the municipalities and districts for bonds which later were acquired by the state treasury by purchase from bond houses.

It has not been by any easy or inexpensive methods that these public

requirements as to publicity have been circumvented. One big bond firm maintains a force of field men who visit every city, town, school district, port district or other municipality on the Pacific coast that has power to issue bonds. This field force is a large one—a corps by itself of gentlemanly scouts who seek out the country. Other bond houses also maintain smaller forces of expert seekers.

These gentlemanly scouts visit the town clerks, district clerks, mayors, councilmen, recorders and other public officials in each city, district or municipality. Their coming is not heralded by circus posters. No advance publicity notices, with portraits, are sent to the local papers. They are quiet, modest scouts, who move without ostentation.

Their purpose is to get the scent of possible bond issues, contemplated in the various towns or districts for the various public purposes for which it is customary to issue bonds. Having noses that are keen and well trained, these bond houses smell out the information early in the inception of a bonding project. And then they report.

Another smaller but much abler and higher-paid corps of experts is employed by the big bond house, and the smaller bond houses also have relatively large corps of these same high rank experts. The mo-

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ment a bond house learns from one of its scouts that a bond issue is being discussed, it dispatches one of its high-priced experts to the spot. This expert bond buyer knows exactly how to become the guide, counselor and friend of all the local officials. The letter, being entirely inexperienced in the procedure of issuing and marketing bonds, are exceedingly grateful for the guidance afforded by the expert.

This expert bond negotiator is armed with full copies of procedure prepared by learned counsel, well compensated for their skill in preparing papers which after being signed and attested will stand the test of the courts. At each stage of the forward steps in the bond adventure he provides the proper documents which are signed. Also, he provides the bonds themselves, beautifully engraved as bonds are—all of which costs money to the bond house.

These bonds are obligingly signed by the proper local officials, and the great pink seal of the town or district affixed thereto. Then they are taken over by the bond house, which of course agrees to buy them as soon as they are validated by being voted, advertised and sold at public sale.

Note that all this is done before the bonds are voted.

Then comes the election, and as is the fashion nowadays, a few people turn out at the special bond election and those few vote the bonds. In Bend recently, something like a dozen electors went to the polls at the school bond election, and all but one voted for the bonds. It is not unusual for the bond election to be carried by the attendance of only three or four taxpayers and the officials themselves. So quietly have the preliminaries been conducted and so little attention has been created. The people generally know that a bond issue is contemplated, and that a new schoolhouse or a new dock is needed, and they pay little attention to the transaction beyond dimly anticipating that the schoolhouse will be erected, the dock constructed and that everybody will live happily thereafter.

With the voting of the bonds over, in a manner that attracts as little attention as possible, it is necessary to conform with the law or charter requirements for "public advertising" or "public sale." Some of these requirements are that "notices shall be posted in three public places." So the three notices are printed on three sheets of paper and stuck up—one on the schoolhouse door where the children may read it if they are tall enough, one on the plowed field side of a telephone pole where the woodpeckers could peck at it, and the third on the side of a bridge facing the river. Thus the charter has been conformed with.

Or if the charter requires advertising in a publication of general circulation, the advertisement is duly inserted in the local paper by the bond expert—who saves the local officials all trouble and expense connected with the transaction—and then the bond expert buys up all the extra copies of the local paper as

FUTURE DATES.

- April 7, Wednesday—Library lecture recital, "American Music," by Willamette university school of music, Public Library.
- April 9 and 10, Friday and Saturday—Marion County Sunday School convention, Salem.
- April 9, Friday—Annual play by Salpoph Dramatic society of high school.
- April 18, Sunday—(Tentative) Blossom day in Salem.
- April 11, Sunday—Baseball, Salem Senators vs. Moosejaw.
- April 17, Saturday—Debate between Willamette university and College of Puget Sound.
- April 20, Tuesday—Registration for voters closes.
- April 21, Wednesday—Willamette Glee club concert at Grand Opera house.
- April 23, Friday—Howard Everts Weed, landscape architect of Portland, to address Salem Art league at public library.
- April 23, Friday—Debate between Willamette university and Pacific university.
- April 26, Monday—Boy Scout entertainment at armory under auspices of Salem Elks.
- April 30, Friday—Debate between Willamette university and McMinnville college.
- May 14, Friday—Debate between Willamette university and Oregon Agricultural college.
- April 29 and May 1—"Awakening of Spring" pageant Opera House, hospital benefit.
- May 11, Tuesday—Intercollegiate debate, Willamette vs. O. A. C.
- May 14 and 15—Nineteenth annual convention of Oregon State Association of Master Plumbers, in Salem.
- May 23, Saturday—William Howard Taft speaks at armory.
- June 14 to 17—Officers' schools for Oregon National Guard at Vancouver and Fort Stevens.
- June 19 and 20—National gypsy-tour motorcycle events in Salem.
- July 4 to 26—Annual encampment of Oregon National Guard, infantry and engineers at Camp Lewis, artillery at Fort Stevens.
- June 22, 23 and 24—Imperial convalescence of Mystic Shrine in Portland.
- June 23, Wednesday—Imperial convalescence of Mystic Shrine to visit Salem.
- June 24, 25 and 26—Portland Rose festival.
- July 22, 23 and 24—State Elks convention in Salem.
- September 27 to October 3—Oregon state fair.

soon as it is off the press, including such copies as ordinarily are mailed to the clipping bureaus, which maintain a clipping service for the benefit of all bond houses.

Thus by this well-planned secrecy, ably fortified by the skill of experienced men who have been through the mill many times, every formality has been conformed with. So when the sale comes, the successful bond house puts in its sealed bid, there is no competition for the bonds, the bid is opened and accepted with the gentlemanly bond buyer on the job and at once he pays whatever balance is due. The last detail of the transaction has been closed, and meanwhile the bonds have been in the possession of the bond house all the time, or at least are all ready signed and sealed, ready for immediate delivery to him. Often they have been sold by the bond house on option and at a handsome profit pending completion of the final formalities of validation.

Thus each bond house endeavors to outwit the other bond houses from openly competing, and thus when successful, each bond house through its resourcefulness in buying often secures bond issues at enough less than the market value of the bonds to cover not only its immense overhead expense for scouts, buyers, legal advisers, advance bond printing, etc., but also to yield a profit above that immense overhead expense.

Close readers of The Voter will recall that prior to the 1919 legislature we recommended enactment of state law requiring genuine publicity for bond sales. A year prior to starting a campaign for this measure in the public interest, we interviewed all the bond houses in Portland to get their views. With the exception of Morris Bros. and two very small houses, all the bond dealers were strongly opposed to the legislation. Morris Bros. and the other two houses (both of whom bought for eastern buyers instead of buying for their own ownership as did Morris Bros.), strongly supported the proposed legislation as being in the public interest.

When the legislature met, two Portland attorneys lobbied against the bill, but in spite of their lobbying it passed the house. It would have passed the senate, only (as reported in The Voter at the time), one senator rose in his place and announced that "Morris Bros. were opposed to the bill and if they were opposed to it, it must be a bad bill and he was against it." So the bill was defeated.

What was the reason for this change of front by Morris Bros? Simply that they had learned by contact with the local field that in order to compete with the other aggressive bond houses it was necessary for them to abandon their policy of relying on open bidding or they would be able to get no bonds except from their competitors, who had bought them secretly and made the big profit. So they decided to get the bonds at private sale themselves and reap the long profit. Then they put in the field a big force of scouts and a big force of bond buyers. They went in on a big scale, and built up an organization of bond buyers that beat the other bond houses at their own game, thus virtually acquiring a monopoly of Oregon municipal bonds and acquiring the bonds at prices which yielded enough to pay the heavy expense of the high-priced organization and a handsome profit besides. Naturally, when they saw they could beat their competitors at their own game, they were willing to join with their competitors in seeing that such a profitable game was not interfered with.

But the legislature meets in 1921 again. We feel certain that after the disclosures of this year as to the methods of purchase, the next legislature will enact the laws necessary to make such manipulation impossible. Doubtless large corps of gentlemanly scouts and expert bond buyers will find themselves in other employment, as the long profits will have been squeezed out of the bond business as now conducted in Oregon. But we cannot see but what the public interest will have been protected immeasurably. There will be no excuse whatever for the next legislature not enacting this protective legislation which was before it in 1919 and which if enacted at that time would have saved thousands and thousands of dollars to the taxpayers of Oregon during the year that has passed.—Oregon Voter, April 2.

The Oregon Voter has performed a good service in bringing this matter to the public attention.

And it will not be allowed to be dropped or overlooked at the proper time. The Statesman will undertake to see to that.

Every Oregon municipality having bonds for sale ought to be required to advertise the fact in a Salem daily newspaper, and in a Port-

Vogan's

Mellow as Moonlight

DAINTY and original is the Monogram package in gold and white.

It will give delight as will also the super-quality candies which it contains.

Other Vogan packages you will like are the Brown and White, Tiger Lily, and Blue Bells.

At your dealer's.



VOGAN CANDY COMPANY Portland, Seattle, Spokane, Tacoma.

land daily newspaper, as well as in the home paper.

The advertisement should be in a Salem newspaper, in order that the state treasurer may have notice, and may have a chance to bid.

The state of Oregon is the largest purchaser of bonds for investment in this state. The state treasurer bought a million and a half of bonds last year, and will have to buy at least as largely in the future, to keep the funds working, and to take up the maturing bonds.

The state owns now over \$2,700,000 worth of bonds, on the accounts of the state industrial accident commission and the segregated accident fund.

Oregon bonds ought to be preferred by the state, and the state ought to buy them so as to eliminate the excessive profits of bond houses.

"Pitiless publicity" will accomplish this, and the legislature must see to it that such publicity is provided.

BITS FOR BREAKFAST

Wanted, sunshine.
The farmers are crying for it.
Johnson did not get even a look-in in New York.
The sheathing is going onto the roof of the rain machinery building of the big paper mill in a hurry. If the weather would favor them, the

big force down there would soon have that structure under roof.

The price of loganberries is bound to be, in the course of time, what the juice and jam and jelly factories can afford to pay and pass on to the consumers, at prices they will pay.

The consumer will finally dictate. If he thinks it is too high, he will use something else. He is a free moral agent. Nothing can stop him.

So, for the good of all concerned, a "runaway market" on loganberries would be a bad thing for the industry.

The consumer would get away from the loganberry habit, and it might be too expensive or impossible

to get him back. That would ruin the industry.

Team-work, and loyalty to home packers, is what is needed now. Can it be had? Will the producers look a little beyond a present advantage.

Missouri will be 100 years old as a state this year. It dates back almost to the time when Champ Clark began to run for congress in the Ninth district.

SHAKE INTO YOUR SHOES

Allen's Foot-Ease, the antiseptic powder to be shaken into the shoes and sprinkled in the foot-bath. The Plattburg Camp Manual, advises men in training to use Foot-Ease in their shoes each morning. It prevents blisters and sore spots and relieves painful, swollen, smarting feet and takes the sting out of corns and bunions. Always use Allen's Foot-Ease to break in new shoes.

\$100 REWARD

Republic Trucks are attracting the attention of a great number of people. Friends as well as enemies. Last night some one destroyed a bill board reading Republic Trucks on the river road, with malicious intent. We will pay in gold coin \$100 for the arrest and conviction of the person or persons doing this.

W. H. HILDEBRANDT & CO.

279 North Commercial Street SALEM, OREGON

MEET ME AT MILLER'S

NOTICE

Owing to the change in ownership the

Main room of "MILLERS" Will

Be Closed Today

For the purpose of invoicing

OPEN FOR BUSINESS TOMORROW

The MILLINERY and READY-TO-WEAR Section WILL REMAIN OPEN and all customers will please use the Court Street Entrance

MILLER'S

GOOD GOODS

Open For Business Tuesday Morning