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"No Favor Sways Us; No Fear Shall Awe" From First Statesman, March 28, 1851

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Deflation Pains in South America COUTH AMERICA is rather a touchy subject with many stand why on must guard against Citizens of the U.S. A. at present, because many of them are holding bonds of the southern republics and their Many of our carbohydrate foods states or provinces which have declined precipitately following the revolutions in that continent. Bolivia and Peru substances, the vitamins, hence have defaulted on their bonds and Chile, with a ninety-year them for a great part of our record for punctual payments, has declared a moratorium. nourishment. Hundreds of millions of dollars of South American securities were sold to investors in this country under the sponsorship of the "best names" in the financial world. Moreover praise starts in early childhood and has for South American government investments was given by an insidious onset. Oftentimes a such rating services as Moody's which further encouraged small child is offered candy beinvestments of their clients in these securities.

The deluge has come, and as usual the "public" is the dren who have never tasted cangroup which is engulfed. So there is much hard feeling on dy never miss it if it is not ofthe part of trusting investors on the recommendations of banking houses and so-called "investment services."

The longer one withholds candy from a child the better it will be for the child.

There is reason of course for the financial difficulties of governments just as for individuals. The low prices of commodities such as wheat, copper, coffee, nitrates which So far as the baby's digestive ap-South America exports give them insufficient foreign exchange to apply against their foreign interest requirements. if good wholesome products are Some countries will doubtless work their way back in time, given. However, to give candy or and take care of their obligations.

Other countries however have squandered their borrowings and the future of their credit looks dark. A recent report of the Foreign Policy association on "Debts, Dictator- difficult for parents to refuse or ship and Revolution in Bolivia and Peru" discloses the madadministration which brought on internal revolutions. Here is the summary of the financial debacle in Bolivia under the given it should always be imme- when in 1843 his three brothers master 'was to be whipped every

presidency of Hernando Siles:

'Siles, instead of checking the growth of Bolivia's foreign debt, permitted it to continue. In December 1920 the debt had amounted to about \$3,342,000. By January 1925 it had risen to \$30,990,000, and by June 1930 to \$60,384,-000. On the other hand, the internal and floating debt had been reduced during this ten-year period from \$17,356,000 to \$6.736.000. Nevertheless, the growing foreign debt meant increasing burdens on the treasury for service charges, which in 1929 amounted to \$590,000 each month. Approximately 37 per cent of the 1929 budget was marked 000, was assigned to the Ministry of War; the two items together accounted for approximately 57 per cent of the total budgeted expenditures. Had these funds been invested in the productive enterprises for which they were primarily intended, such as railways and roads, the resulting benefits might have enabled the country to carry the growing debt burden. The case seems to have been otherwise. In November 1928, the Minister of the Treasury, questioned in the Senate concerning the 1928 loan, stated that of the amount borrowed \$4,000,000 had been marked to meet the deficit of 1927, \$667,670 had been used to pay the service charges of the Patino loan, a transaction between the government and the Bolivian tin king; an additional \$1,009,000 had been taken to reimburse Messrs. Patino and Aramayo, both Bolivians, for other advances; and \$1,300,000 to pay salaries and overdue pensions to the veterans of the War of the Pacific. When the Minister was asked to give an account of the money actually spent on the Potosi-Sucre railway, the Senate went

Peru under the encouragement of North American bankers became a heavy borrower. During the decade from 1919 to 1929 Peru's "external debt increased from about \$10,000,000 to \$111,387,000. At the end of November, 1927 external obligations were 416% larger than in 1920. The rate of growth tended to increase toward the end of this period, for from December, 1926 to the end of June, 1929, the foreign debt increased by 124.8%. An increase occurred

in the internal debt as well."

In Peru the plan of President Leguia was to endow the country with railways, roads, reclamation works and modern ports, and extensive sanitary improvements and drainage projects. A great deal of work was accomplished, but many the Willamette valley was held with England, only remember and threaten to maintain it by of the projects were not completed or the money ran out to take precedence over the right the British as the enemies with force, which the treaty does not with less construction done than was estimated. Other to drain swamp land and reduce whom their forefathers struggled South American countries report the same experience in an opinion rendered by Justice war between the two countries more land than is absolutely more land than is absolutely that they will as heretofore set necessary for their business operation. etc. Graft, inefficiency, excessive charges have served to court yesterday. exhaust the funds prematurely.

What is the result? United States investors are soured against further foreign investments. This country is the Adam Forepaugh-Sells Brothers' world's great reservoir of credit; and other countries must combined shows will give two exborrow from this country in order to revive. The stalemate hibitions this afternoon and eve- Champoeg about 25 miles above

is what helps delay world economic recovery.

After all the Wiggin committee which recommends a revision of war debts is doing what those who have studied the conditions frankly have long said was inevitable. The Young plan is breaking down just as the Dawes plan broke down. Failure to recognize the fact is due to political considerations, not economic. Pres. Hoover needs to take the lead now in calling the powers together for a needs to take the lead now in taking the part along with the rest. order as likely to throw the "new deal." We may have to take our cut along with the rest. order as likely to throw the Charge our loss up to War account, and resolve never again to re-Charge our loss up to War account, and resolve never again to resort to war—and we'll be money shead in a few years.

If they grind up the farm board wheat and give the flour to the destitute a lot of the latter will want to trade their flour for baker's bread, gasoline, or movie tickets.

"Snappy Lunch. Corn & Corn, props." reads a Commercial street sign. That's better than "Spinach & Spinach."

An oversupply of duck feathers is now reported. Likewise there continues an abundance of goose grease and soft soap.

Sems men will lead double lives but not many put their mi tresses on the public payroll as the New Jersey senator did.

New Views

"Who will be president of United States after the next election?" Statesman reporters yesterday asked this question.

Dallas McCarroll, Kane's confectionery store: "I believe Mr. Hoover will be. I think most

Hoover; he's certainly not

Walter Socolofsky, real estate, surance: "There will not be any if I have anything to say about

Victor Rhodes, State Savings and Loan company: "Hoover, I believe. Of course I don't know. But I'll vote for Hoover unless a better man is offered."

Sweets for Children

By C. C. DAUER, M. D. Marion County Dept. of Health
The problem of sweets or caudy for children is often encountered. Children acquire a taste for



er it be candy or sweet foods so that it becomes difficult to get them to eat sufficient quantities of other foods to insure good growth. The final result is an under-

weight child with a poor finicky appe-tite, badly deteeth Dr. C. C. Daver and poor re-

sistance against infections. It is a fact that our diet is pre dominately made up of carbon-hydrate foods such as cereals, breadstuffs, potatoes, fruits, des-serts of various kinds, etc. This being true it is easy to undergiving additional amounts of sugary substances like candy.

Habit Starts Early The habit of eating too much candy or other aweets usually cause a fond relative thinks it is the polite thing to do, Small chil-

We are often asked if it is safe to give bables candy or ice cream. paratus is concerned there probably would be little harm done ice cream at an early age may start a vicious habit. Children get to coaxing for these sweet foods and it becomes exceedingly withhold them.

Sweets Follow Meal a had habit.

kind of candy to give a child gest of the letter follow: when it is given at all as it conthat had become contaminated.

What health problems have you! the above article raises any question

Yesterdays

. . . Of Old Salem Town Talks from The Statesman of Earlier Days

August 21, 1906 maximum. The promptness of the is to the western states. government in arresting the susmovement on the other hand.

The opening of the circus season is announced for today. The

August 21, 1921 All operators of the United States shipping board in the Pacific northwest y sterday were orlumber cargoes to the orient, local shipping men interpreted the action of the people by a com-order as likely to throw the mittee of nine appointed at a preforeign ships.

may be more inspiring and name of an executive committee, desirable than some of and refused to pay taxes but the sex appeal pictures, Mrs. Cui- agreed to support their governla J. Vanhinger, Upland, Ind., a ment as they did the church by national director of the Women's subscription. Christian Temperance union.

serving at the head of the train- or when they were to meet, or ing department of the Las Vegas, what they were to do when met, succeed J. H. Ackerman.

Daily I hought

to unquestioned credit and a sound financial condition is the exact and punctual fulfillment of every pecuntary obligation, public and private, according to its letter and spirit."—Rutherod B. Hayes.

HERE'S HOW By EDSON



Tomorrow: Eat Salt to Prevent Dyspepsia.

BITS for BREAKFAST

know that a third war with tattered bits of paper which they Great Britain was probably averted by a meeting between Jesse ing the people went to work upon Applegate and Dr. John McLoughlin one day in August,
Loughlin one day in August,
ederk, treasurers, etc., levied a Great Britain was probably avert- had sworn to support or consult-4 5 5

sued book of Maude Applegate disfranchisement equal to an in-Rucker, giving the saga of the When candy or ice cream is gate, who remained in Missouri compelled to come here by his diately after the regular meal. It and their families left with their six months, still doubling the is not wise either to bribe the covered wagons for the Oregon punishment in geometrical pro-child to eat his regular food in country. The book has several gression until he ran away or order for him to get his quota of such letters. The one referred to died under his infliction.' . . . sweets, as this will often lead to here was dated "Polk county, Oregon Territory, February 15. Pure milk chocolate is the best 1846. Quotations from and a di-

2 2 2 Burch came safely to hand for disease germs. It is not unusual Both of the gentlemen are at my to hear of the spread of certain house, Mr. Burch teaching school

ish would oppose any part of the territory being surrendered to Great Britain, and if the Columbia is made the line a majority tions the company had set apart for themselves, and war commenced.

"As is usual with civilized nations the company had set apart for themselves, and war commenced. of the people will leave the country. The exclusive navigation of the Columbia is of as much im-The revolution in western portance to Oregon as the exclus-Cuba has practically reached its ive navigation of the Mississippi on the north, and finally declar-

British pected leaders and plotters in "The British population, Havana and elsewhere had exceltiough very quiet peaceable citipopulation. lent effects in strengthening the zens, and the officers of the Hud-public confidence and overawing son's Bay company most courtethe symphathizers with the ous and accommodating, yet they have not been able to overcome The right to appropriate water western people. They having nevfrom manufacturing purposes in er had any peacable intercourse this proclamation assume a right, defenceless families,

"On the 5th of July, 1843, the people assembled ENMASSE at the falls of the Willamette, formed themselves into a body politic, adopted the ordinance of congress for the northwest territory as their constitution and the statute laws of Iowa with a few dered to discontinue booking other laws for their government, as the same spot cannot be ocvious meeting—but the people rejected a portion of their labors. They refused to have a governor Prize fight motion pictures but accepted three under the

"The legislative power was vested in nine men to be elected J. S. Landers, who is now and to meet annually-but where an country claimed by Great Tuesday night with a fair catch aloof from any temporary ernment instituted here, particunot only to a forfeiture of their charter but compromise their al-

legiance as British subjects.

When Applegate averted war: | which they met did not suit gentlemen of such high political pre-Students of Oregon history tensions, Without examining the

tax the nonpayment of which "The Oregon Trail", newly is- worked corruption of blood and historic Applegate families in nate delinquent could not hold Oregon, contains a copy of a let- any office, be heard in any court. ter written by Jesse Applegate to or vote at any election. Any poor his brother, Judge Lisbon Apple- negro so unfortunate as to be

"After the refusal of the Hudson's Bay company to become a party to this new government the legislature by an act limited the tains a fairly large amount of "Your letter and a bundle of protein and fat. Ice cream should newspapers by M. Locke and be made of pasteurized milk and Burch came safely to hand for deer. I suppose, to avoid a war colt. "Did you see anything else cream, otherwise it might carry which accept my sincere thanks. with the great monopoly which they feared was too strong for them. But the wisdom of the diseases by means of ice cream and Mr. Locke keeping out of the measure was soon tested. The Americans claim the right to settle north as well as south of the Columbia. Those north of the "News from the U. S. is eager- Columbia were by this act dethe above article raises any question in your mind, write that question out and send it either to The Statesman or the Marion county department of health. The are in a feverish state of excitement in regard to the adjustment of the south; their claims to land were not secured to them of the boundary between the United States and Great Britain, tender mercies of the enemy. and the final passage of the Ore- Very soon they were in collision. gon bill. If the people here were some of the Americans got with-to decide the question every in the bounds which the Hudson's American and many of the Brit- Bay company had set apart for

> "As is usual with civilized nations, the company issued a proclamation setting forth the jus-tice of their claims and imploring the Americans of the south to on the north, and finally declaring the determination, if all other means failed, to appeal to

"As this document was sent to the United States, you have no doubt seen it. Though the comthe prejudice so natural to the plaints of the company in this were probably just, yet they in permit them to exercise. They say the tomahawk and scalping knife ations, pasturage, etc., which is of the savages to work upon their probably true; but this is EX-CLUSIVE, whereas the treaty only allows to them, as to us, MUTUAL occupancy.

"But they argue that the mutual occupancy allowed in Oregon to the people of both nations implies equal rights, and that where the right is equal the occupation of particular spots must be governed by priority of location, and This matter was prepared for the cupied by two claimants, and where no other right is or can be, plead that the common law and common usage of both countries will decide the case in favor of the first occupant."

(Continued tomorrow) Group Lands Fair

Trout Catch From Deschutes River

BRUSH CREEK, Aug. 20-L H. Myer and A. Jensen of Brush N Mex., state normal school, has or what they were to have for Creek, E. Overlund of Bethany been elected president of Oregon meeting, was left to be guessed and L. M.Larson, Silverton, made Normal school at Monmouth to at. The Hudson's Bay company, up a party which left Sunday

marred for one of the party, howlarly as the Americans, having ever, by the loss, on the way over, a large majority, might, if they became a party, enact and enforce such laws as would lead other articles.

NEW LUNCH ROOM SILVERTON, Aug. 20-Plans thinking people are for Mr. Hoover is terrible. I voted for him in 1928 but I'll not vote for him again. I'm not the only one. A traveling man here the other day fold me a lot about of think sunday.

Description hospital, undergoing and Milo Grace went to Newport in the only of the weekend reported the man is eftered."

OUTING AT COAST

SILVERTON, Aug. 20— Mrs. BRUSH CREEK, Aug. 20—Mr. and Mrs. Fred Krug and son Lyle, and Mrs. Fred Krug and son Lyle, and Milo Grace went to Newport in the only of us who 'would seek the bubble reputation even in the canon's breach' the legislature contained many aspiring spirits. Of course the crazy fabric under business in California.

SILVERTON, Aug. 20— Mrs. BRUSH CREEK, Aug. 20—Mr. and Mrs. Fred Krug and son Lyle, and Mrs. Fred Krug and son Lyle, and Milo Grace went to Newport in the only business with state of things of a quick-linch and confection—ever in the quarters recently left vacant by the P. C. Berry Electrical company in the postoffice business with state of things of a quick-linch and confection—ever in the quarters recently left vacant by the P. C. Berry Electrical company in the postoffice of the west of the west of the state of things of a quick-linch and confection—ever in the quarters recently left vacant by the P. C. Berry Electrical company in the population—and as there were many of us who 'would seek the bubble reputation even in the canonic company in the population and as there were many of us who 'would seek the bubble reputation even in the canonic company in the population of a quick-linch and confection—in the company in the quarters recently left vacant by the P. C. Berry Electrical company in the population of a quick-linch and confection—in the company in the population of a quick-linch and confection—in the company in the population of a quick-linch and confection—in the company in th

'The Mystery of Geraldine' By Anthony ABBOT

"Now, Warren," he said, "before I went inside the house that other day, you told me a wild tory about a ghost without any dothes in the murder house."

"Yes, sir." "What made you say that?" "I saw it." "You saw the naked ghost?"

"Where?"

"Inside the house." "Where were you?" "I was inside the house, too." "When was that?" "Christmas Eve."

What were you doing up The boy turned first red and hen white and hung his head. "You don't remember," said Mrs. Planzen, who was distrist-

ful of police honor."
"It's all right, the commissioner told him, "I am not going to harm you." "I broke in the house," confessed the boy. "But I didn't mean to steal anything. I was just playing robber's cave."

"Anybody with you?"
"No. sir." "Did you break the window?"
"No. sir. That was broke a

long time ago." "Did anybody find you in there?" "No sir-not right off. It was awful quiet. I was pretty cold. I stayed in the kitchen for awhile trying to get up the nerve to light the gas stove. Then I heard a noise and I got awful scared, and I was ashamed of that, and finally just to prove to myself that I wasn't scared at all, I sneaked up the back stairs. It was getting dark and I could hardly see my way, and I walked on my toes. When I got upstairs was still more scared-I don't know why, but I was sure there was somebody up there-I was atraid to go upstairs or down, either—so I fumped to the window in the hall and climbed out on he window sill. I let myself down by my hands when I saw it coming down the hall."

Chapter XXXIX "Saw what?"

"The ghost." "What was it like!" "It didn't have any clothees on and it was all covered with

"Warren, was it a man or "It was a lady," answered the boy, beginning to whimper. "A fine lady," said his mother, 'even if she was murdered." "What did you do then?"

"I ran home." "Did you tell your mother?" "Not a word," said Mrs. Planzen bitterly. And the ill-favored look she gave Warren boded ill for the presidential namesake's peace after our departure.

up there?" "No. sir. I went back the next

day, but I didn't see anything. I was afraid to go in any more. But I liked to hang around—that is why you found me the day you came up there." When he emerged from house. Thatcher Colt was very Tony, we have to-reckon with the thoughtful. At the corner, / he stopped and chatted with the pa-

youthful policeman, almost inarticulate on finding himself face to face with the commissioner. "Is there a locksmith near here?" Thatcher Colt asked him. "Yes-right there," the natrolman replied, pointing to a base and I wonder what happened ment shop across the street. A there?"

trolman stationed

light was still burning in its tiny The locksmith was a thin. weazened old man with dark

"Ever see that before?" asked Thatcher Colt, throwing down the old-fashioned key with the blue ribbon. "I made it." "For whom?" "A lady. I don't know her

The description given by the locksmith differed slightly from the one furnished by the barber, in coloring, size and general imtaining the key, as the man narrated it, seemed greatly to interest the commissioner. The woman had come to his shop and taken the locksmith up the hill and to the house on Peddler's Road. The door was standing open. It was fitted with an oldfashioned lock and the woman said the key was lost. Could he make her another? As Colt pointed out, she must have first burglarized the house through the broken kitchen window. The mechanic removed the lock, took it back to the shop, found an old key which he fitted, came back and refitted the lock into the front door, all in the space of a few hours.

"Thanks", said Thatcher Colt, making a memorandum of the name and address. "You will

hear from me later." Again we drove downtown and this time we stopped in front of the Esplanade apartments on Morningside Heights. A strange thrill tirred in my veins as I mounted the stone steps. This was once the dwelling place of a girl whose death we still sought to solve, but also it was, until recently, the home of another girl who had come to dominate my thoughts. But Betty had moved from here now and was living on Tenth street.

Promptly Thatcher Colt sought out our old acquaintance, the janitor. Still sagging, as if he were sitting on an invisible stool, and still in his ragged clothing, the janitor received us sullenly. "Who shows apartment 4-D to prospective tenants?" was the

commissioner's question. We were referred to the elevator operator. He explained that a sign had been hung out stating



come to his shop and taken the locksmith up the hill to the house on Peddler's Road,

blue eyes and blond hair " Blue eyes and blond hair! To

whom was this leading us? "Can you remember the woman more accurately!" "Well, she was about as tall as your friend there." I am about five feet nine inches tall.

"Was she pretty?" "I didn't get a good look at her face," said the operator. She the perfumers. kept her coat muffled up about her face both times she was here.

"Oh, she was here twice?" about two or three weeks before aide-de-camp to the commis-Christmas. The girls were not at sioner. Yet now it was hard for home, but I showed her around." | me to concentrate. All my interpartment?

"Well-" you did. Is that right?"

Thatcher Colt turned to me shoulder. with an amused smile. "You see," he said, "that was "I am beginning to see day-the time the lady had the oppor- light at last., Tony," he divulged. tunity to steal the pen and some of the paper." "Nothing was ever reported

"When did she come again?" ternoon of Christmas eve. She er Colt was thus moody and si-said she thought she would take lent, it seemed to me that he

another chance to look at it." brought back the torn piece of the logic explains all that Thatchthe note she had forged. You see, plain it all, he declares, fact that this woman was clever there - a genealogical information, And she planted those torn papers on and had very nearly succeeded. the second visit. Then she went down to Doctor Maskell's suite-

> I left Thatcher Colt at his home and went to my own bachelor quarters for some needed sleep. The next day Thatcher Colt accupied himself with affairs that

were an enigma to me. Early in the morning, he sent solved the Geraldine Foster murfor Chesicek, his favorite among der case."

partment, and had a long consultation with him. But I knew nothing of the business of that interview until midnight. I did notice, however, that when Clesleek left the commissioner's office he carried with him a sealed envelope, that in his hand was a small red object, trimmed with gold, and that he promised to see

But I had no time to speculate. There were stacks of neglected department work on my desk; the Foster case had taken much "Yes. The first time she came of my time, while I served as "Did you leave her alone in the est lay in the new developments in the murder mystery. Nor did "You are not supposed to, but Thatcher Colt paused by my deck later in the afternoon, and rested a hand confidentially on my

"There is only one thing left to

bother me." He patted his hands together missing," protested the boy, but and walked out of the room, his Thatcher Colt waved that aside. sombre brown eyes fixed in a stare like that of a medium in a "About two o'clock in the af- trance. Sometimes, when Thatchthe apartment, but she wanted drew upon some intangible power of inspiration or illumination to "The apartment being vacant light up the dark corners of vexwas a stroke of luck for the lady ing crimes. But he stoutly scouts we are after," muttered the com-missioner. "This time she ena, Logic and observing ex-

logic explains all that Thatchenough to be a forger. Probably er Colt discovered as he grappled she obtained a sample of Gerald- with that invisible antagonist ine's writing as Geraldine's my- who had, apparently, sought in sterious correspondent, wanting the murder of Geraldine Foster to perpetrate the perfect crime-I was deep in may work when suddenly Thatcher Colt returned

Nevertheless, I do not believe

and again touched me on the shoulder. "Tony," he said, "stop your work.'

I looked up and he smiled whimsically. "I have the honor to report," he said, "that I have finnally

the chemists attached to the de- (To Be Continued Tomorrow)



A thought to keep in mind

If you have possessions the safety about which you are concerned put this down to remember.

You can insure absolute safety for important papers, documents, jewels and other valuables here at the United States National for a cost of about a penny a day.

Come in and let us show you the Safe Deposit Box protection facilities afforded here.

> United States National Bank Salem Oregon