

The Oregon Statesman

"No Favor Sways Us; No Fear Shall Awe"
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Holding the Holding Companies

THE ingenious device for financing of utility companies, the holding company, has been sagging badly in the markets of the world. The plan of the holding company, legitimately worked out, is excellent because it distributes investment over a wide area thus avoiding local fluctuations, and through national distribution of securities is able to get its capital at very reasonable cost. But when the holding company is worked as a racket then in the first breath of chill air it freezes up and the investor is left out in the cold. That is what is happening at the present time. The Foshy promotions were the first to go. Others have followed and there are others that are hanging on by their finger nails.

Where the holding company gets pinched is through the operation of what is called the law of "leverage." Companies are pyramided on top of each other with the common stock of the holding company getting the benefit of all surplus earnings. The bond interest and preferred dividends are fixed, so as profits grow the per share earnings of the common stock increase greatly. But when the reverse sets in the law works the other way and the heavy jolt falls on the holding company. The operating company's earnings are reduced. It may be unable to sell any more of its own securities to provide needed capital and so has to stop its dividends to keep cash on hand. It may have note issues maturing which it can't refund, so it tries to pay them off with cash on hand which leaves nothing for dividends.

All this explains why it is that holding companies with properties in this territory have had to cut out their dividends. The Federal Water Service company eliminated its dividends some time ago; and now the Central Public Service company a lot of whose stocks were sold here, has stopped its dividends. No one can tell when the dividends will be resumed. The fate of the concern is wrapped up in the general fate of business; and of course each has its own individual problems like meeting notes due at the bank and bond interest, etc.

Holding the holding companies is not proving a very pleasant task for thousands of humble investors over the country.

Whenever a tax is proposed it becomes the target of those who have to pay it. Now the sales tax is under fire and faces defeat in the house of representatives. But how is the national budget to be balanced without increased taxation? And how may taxes be raised without taking the money from the people or from industry? The rich are getting soaked rather severely through jacking up income, estates and gift taxes and still the government will run short of enough money to pay its bills. Government economy is hopeless in these days of entrenched bureaucracy. So the only thing left is to tax, tax, tax. History shows that when taxes get too heavy the people put on a little revolution and expunge their indebtedness. The U. S. A. has gotten along as far with resort to such procedure. But one of the great problems of the time is to balance the national budget. It can't be done without increased taxation. The house committee bill seemed to us just about as good a tax measure as could be worked out in the present state of affairs. For the house to take out the manufacturers' sales tax without presenting a substitute would be to cripple the government and endanger the stability of our own country's credit.

Postal laws are strict as can be against newspapers publishing anything about lotteries, raffles or games of chance. If a paper prints anything about any such device or scheme it is in danger of being barred from the mails. Sometimes items about raffles creep through in news or advertisements; but usually it is a mistake or an error, because publishers know they have to keep in favor with Uncle Sam and his postmasters. It is even against the law to mention the name of a winner after the raffle is over with. There have been so many lottery schemes in late months that, having been advised by the postmaster as to what the postal laws are, The Statesman is complying with the laws and omitting all references to any such schemes no matter how laudable their purpose or how interested the public may be in them.

Judge Ekwall of Portland has suspended the sentence of Ben Boloff, convicted of violating the criminal syndicalism act. Boloff has lain long in jail, is sick with t. b., and the rest of his crowd were all released without trial. So the judge is to be commended for suspending the sentence on condition that Boloff keeps out of future affiliation with communist groups. Thus Oregon is spared some of the publicity such as has attended imprisonment of the Centralia Reds, Mooney & Billings, and the execution of Sacco and Vanzetti. For this alone Judge Ekwall deserves thanks.

Doc Spears, coach at the University of Oregon, has an offer to go back to Wisconsin to coach football there. Our hunch is that he will take the offer. It looks as though athletics will be deflated in Oregon schools along with everything else; and that would mean shrinking the generous salary Spears gets. With the general overturn at the university, and prospects of Dr. Hall's leaving, Spears will be wise if he goes back to the real football country. Oregon prefers second-rate coaches at half-price.

Is there one law for the rich and another for the poor? An Albany banker embezzled about fifteen thousand dollars worth of funds entrusted to his care; failed in a suicide attempt; and when he pleaded guilty and was sentenced to serve a prison term he was immediately released on parole. Probably he was not even behind the bars of the county jail. Wasn't it lucky for him he stole that much instead of a second-hand automobile?

A Swedish prince renounced his royal rights to marry a commoner. Since she is the daughter of a rich Stockholm merchant the prince may have made a good deal at that. Royalty has been harder hit than the stock exchange.

With spring plowing at hand the farmers who have been torpeding high taxes will have to get back on the land again. They promise to be out of the furrows by primary time however.

Lucky in love if not in politics Ruth Hanna McCormick may find life on a ranch in New Mexico happier if less exciting than life in the national capital.

If we can get the Lindbergh case off the front page headlines maybe we can get the baby back to his mother.

Lay Sermon

BY BRAD WAGGERS

"And they that passed by pulled on him, wagging their heads and saying:—Matthew 27:29-30.

Wagging heads and wagging jaws together. Loose thinking accompanies loose speaking. Always there are folk who jump to conclusions about matters they know nothing about and promptly proceed to inform the world. Think of the wisecracker who abroad in this world. Their pearls of wisdom may be paste but they scatter them freely among the multitude. Right now the head waggers are busy solving the mystery of the disappearance of the Lindbergh baby. For many weeks they have been busy spinning webs of schemes, which they are sure would put everyone back on prosperous road. "Many of them feel so cock-sure of their scheme they get our circulars and become candidates for office. This year will witness a multitude of those "wagging their heads and saying..."

Women are quite as active at this indulgence as the men. Some women have a penchant for getting fool notions in their heads and promptly starting about the neighborhood to propagate their ideas. Usually these are wild and perfectly harmless. Other times they may get the neighbors all excited about something of more consequence.

Men are busy head waggers too, and other men realize this too, of human-kind use it to their advantage. These men are called "politicians." They try to get men on every street corner "wagging their heads and saying..." The stuff seems to travel faster than a radio talk.

Matthew was writing about the mocking crowd that jeered Jesus on the cross. Perhaps among them were some who a few days before had waved palm branches and shouted hosannas. They shifted with the wind, however, and hooted and laughed at him who had been hailed with huzzas. They guessed wrong again for this Jesus became glorified as the founder of a great religion while the head-waggers sank into oblivion. The trouble with head-waggers is their thinking is too shallow. They have a certain mental fertility about them but it is wholly superficial. Their mental alertness is not fortified with real brain power. The quickest way to identify them is by their constant talk, talk, talk. The less they think, the more they talk.

Be kind to them; don't get into heated argument with them. They soon run down or go off on a fresh tangent. Until the human mind greatly improves, there will be many who put in their time "wagging their heads and saying..."

Yesterdays

... Of Old Salem

Town Talks from The Statesman of Earlier Days

March 12, 1907
Attorney General Crawford yesterday held that after the legislative repealing act goes into effect on May 25, the poll tax cannot be legally collected.

Hon. Walter Toose of Woodburn has recently sold his brick block in that city at a good advance. It is said that Mr. Toose is planning to remove to California to reside permanently.

The basketball championship of the state is in a great turmoil, because a state league was formed and the Oregon Agricultural college refused to enter it. The Dallas college has won the championship of the league, and claims the championship of the state.

March 13, 1932
O. P. Hoff, state treasurer, yesterday announced that he is a candidate to serve a second term. He was elected treasurer in 1918, and prior to that served about 15 years consecutively as state labor commissioner and elective office.

Archibald McCoy, 30, whose latest offense was the attempted burglary of a bank at Troutdale last summer, committed suicide by banging himself with a sheet in his cell at the state penitentiary.

Daily Health Talks

By ROYAL S. COPELAND, M. D.

IT is gratifying to learn that deaths from tuberculosis have decreased, but even now we meet too many cases. To permit one to remain untreated is to make it a constant source of danger to all. The best advice is to understand why it is that a patient with tuberculosis is for him to go for treatment to the nearest tuberculosis sanitarium. There he is educated in the knowledge essential for the cure and cure of this disease. After having gone to a sanitarium for a temporary stay, the sensible patient comes to regret he cannot remain longer. The surroundings, atmosphere and food with whom he comes in contact are found to be delightful. Rather than being a necessary evil, the experience has proved to many a pleasant one. Of course it is natural to object strenuously to going away from home, but it is better to go to a sanitarium, or to imagine what can be done at a sanitarium that cannot be done at home.

It is true that the home can be just as comfortable, if not more so, than any sanitarium in the land. Comfort, however, is not the really essential thing. In a sanitarium the routine of the day is planned to make the life of the patient easy, and at the same time of great physical benefit. The patient is in contact with others striving for the same object, while at home the patient is with people who are well, and who may not grasp all the small, yet important, problems of the invalid. The danger of infecting others does not exist in the sanitarium. If only for this reason, the patient with tuberculosis should seriously consider the wisdom of going to a place built expressly for the care of persons with this disease. The great benefits derived from treatment in these institutions cannot be over-estimated. Undoubtedly, if all infected persons would seek relief at sanitariums, the percentage of tuberculosis in the world would greatly decrease. There are many sanitariums throughout the country which are free. These are supported by donations. Others are under the supervision of the State. Tuberculosis is not a life sentence. It is the beginning of the cure of a disease that is often more feared than it should be. A few months there and health is recovered. The cure cannot be obtained if one is frightened by the disease and attempts to hide it.

Answers to Health Queries
WOMAN. Q.—The skin on my ankles is very dry and scaly. What is the cause and cure?
A.—This is probably due to some deficiency in the circulation of the blood. Use a good skin cream, and eat a diet rich in vitamins. Consult your physician.
MRS. A. I. K. Q.—What causes a bad breath?
A.—This may be due to diseased teeth, decayed teeth, nasal catarrh, indigestion and constipation. Consult your dentist.
A.—This is a number of them in the world.

HERE'S HOW

CROPS GROW WHERE LIGHTNING FLASHES OFTEN!



Tuesday: "Machine Eyes For the Blind"

Sweet is Adversity if It's Not Too Close; Gang Pictures Still Thrill

By D. H. Talmadge, Sage of Salem

MONEY is difficult to obtain. Such, at any rate, is the prevailing belief. It is a time for care in the expenditure of what little money we have. It is not a time to take chances of getting less than we pay for.

Sweet are the uses of adversity, as somebody or other probably said. Shakespeare, has said. Perhaps you know what he meant by it. I'm not at all sure that I do. I see something that resembles a glimmer of meaning in the saying now and then at times when adversity is at a considerable distance, but at other times the glimmer is not apparent.

Under the influence of prevailing conditions, I have fallen into a way of proving to my own satisfaction—only my own, drat it!—that the quickest way to identify them is by their constant talk, talk, talk. The less they think, the more they talk.

Elbert Hubbard once said that we get what we expect. Mr. Hubbard went down with the Gunard steamer Lusitania in 1916, along with Charles Frohman, Major Archie Butt and more than a hundred other Americans (1200 lives were lost in that incident of wartime). Whether or not Mr. Hubbard got what he expected on that occasion is not known. Anyhow, I think he meant by the statement that we create our own values in life. Life is worth to us what we make it worth. It may not be so easy to attach a value to the small and harmless matters of existence as it is to scorn them as being without value. But it's a heap more fun.

There are many values in life that are quite impossible to weigh on a scale or measure with a yardstick. What does the average child say when it receives a gift? Easy. It asks, "What did it cost?" 'Tis the way we bring 'em up.

Some men—yes, and some women—can say "heck" in such a manner that it plainly means condemnation, damnation, bitter sorrow and almost any number of other things of a similar nature. That is eloquence.

A prominent citizen walking down State street with an unsuspected smudge of coal soot on his nose we consider to be very amusing and worthy of comment. But a citizen of no prominence with a smudge of coal soot on his nose attracts no attention. Which explains crudely why the doings of certain individuals and their families are featured by the newspapers and the doings of certain other individuals and their families are not.

Speaking of the Lindbergh baby—and everybody is speaking of the Lindbergh baby, it is not infrequently said with a somewhat strange show of resentment that had your baby or mine been kidnapped the present commotion would have been almost entirely lacking. Certainly, you and I have little news value, brother and sister. The story of your baby or mine in the newspapers would not sell enough papers to pay for the ink. Personally, I think we are more fortunate in this respect than otherwise.

The majority wins—except in an automobile lottery.

News during the week that the Lindbergh child had been returned to its parents. Spirits up and down again—thud. Confound those folks who cannot restrain themselves from giving out news, even when it isn't true. There are a number of them in the world.

"THE LOVE TRAP" By ROBERT SHANNON

SYNOPSIS
Mary Kennedy, pretty secretary, engaged to Buck Landers, wealthy, middle-aged sports promoter, realizes love is greater than riches when she meets young and handsome Steve Moore, Landers' ward. Buck surprises Steve and Mary as they confess their love for one another. When Steve refuses to give up Mary, Landers threatens to frame him. Landers warns Mary Steve's fate depends upon her. He insists that she go with him to his apartment to talk things over. Fearing for Steve's safety, Mary leaves with Steve. Steve secretly goes to keep her appointment with Landers. He insists that Mary marry him and Steve leave town. Mary tells him she would rather work as a scrub woman than be his wife.

CHAPTER XXI
HIS face contorted with rage and humiliation. It was a face of evil, the expression of a mind grooved with self-will and twisted thinking. Suddenly he burst out:
"I don't give a darn whether you love me or not—I'm going to win this game! Don't kid yourself that I won't go the limit, and in the end you'll be in my arms—and you'll like it!"

The thin edge of fear began to cut into her heart. "If anything happens to Steve, I'll go straight to the police and tell them all about you," she said, but her words seemed weak and futile. "I—"

"A fat chance you'd have with the coppers!" he jeered. "But I'm not going to waste any more time talking to you now. Get on back to your friends. And wait. That's all you got to do, just wait."

She walked out of the room. In the elevator her face was set and white. Further delays would be dangerous—she had to get Steve away from New York immediately. Buck Landers had worked himself into a state of mental hydrophobia—he was as dangerous as a mad dog.

It did not seem possible, in the taraxac going uptown, that the night was still young. She had been through so much—a lifetime of joy and fear and suspense—and it was not yet midnight. The city, swarming with electric lights, was a bedlam of confusion in her sight. It was a distorted vision viewed in a trance.

Across the street from her rooming house, a closed car was parked. Its sinister bulk sheltered two dim figures; she could see their cigarettes glowing inside, like imprisoned fire flies. Things in the pay of Landers... watching...

She hurried into the house and crept upstairs, as quietly as possible, to Steve's door. Her hand fell on the knob and she turned it and pushed; carelessly he had not turned the key. In pajamas and bathrobe he sat by an open window smoking cigarettes, concentrating mentally on his situation, for sleep seemed an impossibility. In the dusky-dark of the room his face was oddly pale.

"You've been out—you didn't go to bed when you left me!" he whispered in surprise. "I was waiting for you to come back. With her heart pounding she told him of her trip to see Landers, voiced her aching distress at the other man's deadly vindictiveness.

"Oh, you poor kid!" he murmured, his heart in his voice. "I can't let him abuse you like this any longer. And I can't let him drive me out of town—I simply can't let him do that. Mary, there is a way to fight back at him, but I haven't thought it out yet. I'm not used to this sort of thing, but I'll find the answer."

She clung to him, trembling a little, but warmed in her heart by his staunchness. "But what can we do, Steve?" "There's only one answer—the right answer, Mary. I'm squeezing my brain to find it—just the same way I used to squeeze my brain to get a passing grade in my math examinations. You face a problem that looks impossible of a solution and you stick to it—presently, bingo, you got it. We'll find a way to check Mr. Landers."

He patted her on the back, and she could see the faint print of an encouraging smile on his lips—her heart filled with admiration for him. Yes, he was smarter; he had more brain power, and courage and wisdom, than Mary herself could ever possess. He was solid and enduring. His kisses could thrill her to the core, but now in this clamorous hour of fear, his words stilled her nerves and brought peace. She even felt as though she could sleep now, resting in faith that tomorrow, with its clear sunshine, would dispel this present nightmare.

"I think," he said suddenly, "that it's a mistake for me to hang around on the defensive. Why, yes—it's beginning to get clear to me now, Mary. I let Landers take the play away from me. I sort of slunk off like a dog with its tail between its legs. I think I'll—"

He stopped short; lifted her face between his hands and kissed her. "Steve, dear, you won't do anything foolish. The afraid you'll have to leave it to me, Mary, and not ask a lot of questions. I've got an idea in the old bean," he told her. "Now you run along to bed. I'll see you tomorrow. Will you be a good girl—sleep tight? Promise—"

When he talked like that to her, love expanded almost into worship. "I'll do anything you say—now and forever," she whispered, as their lips pressed together in a final kiss.

When she had gone, Steve dressed himself slowly and carefully. There was still a great deal of uncertainty in his mind, but he had a hard, clear realization that Mary was the person to fight his battle with Landers. It was, primarily, a struggle between two men.

The threats of violence that Landers had made filled him with anger, rather than fear. It was strange, too, that Buck should have disclosed such a vicious nature. Heretofore his treatment of Steve had been generous, almost fatherly. The truth must be, he reflected, that Landers had a dual personality—a sleeping devil within the man had been aroused by jealousy and thwarted desires.

There was only one thing to do—face him out. Things like this—matters of right and wrong—couldn't be settled with guns and thugs. In the end, the stronger man would win, the one with the fewest weaknesses and the steadiest morale.

When he was dressed, before he started down stairs, Steve paused at the head of the flight and drew a deep breath, charging himself for conflict. His shoulders squared and his head was thrown back; out of the boundless vigor of his youth and his love and courage he had summoned up his strongest vitality. All uncertainty—like a loathsome mist—disappeared; he was ready now to let happen what would.

His first gesture was one of arrogant disdain. Mary had told him of the parked car outside with its lurk-

ing watchers. He walked straight across the street to the machine. One of the men was at the wheel and the other sat in the back seat. "I'm going to make the job for you fellows a little easier," he said to the driver. "You know who I am and I know who you are. You're watching that house for Buck Landers. That's right, isn't it?"

The driver looked at him with a queer expression of amazement. "That's right, buddy." "Sure that's right," echoed his companion, from the back seat. "What about it?" "Only this—if your job is to keep track of me, you can do it a lot better if I'm with you. I'm on my way downtown to call on Buck Landers, and it strikes me it's a good idea for you fellows to drive me down to him. That ought to put me both in right with him—bringing me up to the front door so to speak. How about it?"

Both men laughed. "That's great!" chuckled one. "Ain't he the time saver, Maxie?" the other sneered. "As a matter of fact," said the first one with a leer, "you're making it fine and dandy for us. It just couldn't be sweeter. He comes right out and gets in the car with us! Just a nice sociable boy. Am I right?"

BITS for BREAKFAST

By R. J. HENDRICKS

William A. Slacum: (Continuing from yesterday.) Slacum spoke of the temperance society the missionaries had organized. Gave names of its members. He found that Ewing Young and Lawrence Carmichael were starting a distillery. He hunted up Young; got the story of his grievances; induced him to give up his enterprise of distilling.

Slacum offered Young a loan of \$150, and an outfit of clothing, and showed him that the temperance society had circulated a subscription paper pledging and offering to pay whatever expense he had already incurred in getting ready to make whiskey.

Slacum also told him of the cattle company he and Jason Lee were proposing to organize. Ewing Young was won over. Slacum must have had a convincing way. It was all very quick work. The cattle company agreement was written January 13, 1837, dated at "Willamette Settlement." No doubt it was written at the mission, at the dictation of Slacum and Lee, by Philip L. Edwards, of the mission. It stipulated that Edwards should be the treasurer. Ewing Young the leader of the party, and that they two "shall be joint purchasers of the cattle."

The signers were Ewing Young, P. L. Edwards, James H. O'Neil, Wesley H. Henshaw, Calvin Tibbets, Lawrence Carmichael, George Gay, Dr. William J. Bailey, John

wishes. I do not believe nearly all who received the Digest really returned it. I know I didn't and I know others who didn't. I was not interested in this vote. I don't think sentiment against the amendment is dangerous."

George H. Stoddard, 1429 North 4th: "I do not think so. I don't think the repeal is wanted by a majority of the voters of Oregon. No, I would not say the Digest's poll is representative."

Rev. G. W. Rutch, First German church: "I don't think Oregon is really fit for repeal of the amendment, nor that the poll is representative of the people's wishes. I do not believe nearly all who received the Digest really returned it. I know I didn't and I know others who didn't. I was not interested in this vote. I don't think sentiment against the amendment is dangerous."

Daily Thought

"Drudgery is as necessary to call out the treasures of the mind as harrowing and plowing those of the earth."—Margaret Fuller.

It must have been a very small grist mill, for the one the man was called. (Continued on page 9)