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The Usury Law Question.

HOME HILL, Sept. 1st, 1874.

Mr. Editor: It appears that a majority of the newspapers of the State favor the repeal of the Usury law by the Legislature, which will convene this month; and, as a clincher to their arguments, which are neither forcible nor true, they claim that the people demand it. Having had some facilities for ascertaining the wants of the people with respect to legislation, I was not a little surprised to read that the people had expressed a desire for the repeal of a law which was not once mentioned by any Convention of any party during the reform canvass of last winter and spring. Bankers, brokers, money-lenders may desire the repeal, but the farmers, mechanics and wagemen, who constitute three-fourths or seven-eighths of the population of this State, do not, and the Legislature will not without authority in repealing the law which has given general satisfaction for so many years. The *Bulletin* favors the repeal because "the law is a dead letter on the Statute book." This, also, is an assumption which has no solid foundation. A law which is neither obeyed nor enforced—i. e., generally disregarded—is undoubtedly a dead letter; but one that is obeyed by the great mass, the law-abiding people, and only fails in its penalties because some men are cunning enough to avoid them, is no more a dead letter than all other laws. People, generally, obey the law against gambling, although it is weak and entirely inefficient in its penalties to prevent gambling. Would the *Bulletin* of a similar act as a dead letter, and therefore favor the repeal of all law upon the subject? The truth is that our Usury law is the basis of nearly all the business transactions throughout the country and the smaller towns, and is more generally obeyed than many other laws which are admitted to be practically operative and efficient.

During the past year our State has received a large per cent. of population from the States east of the Rocky mountains; persons who have come among us to stay; most of them farmers, who have purchased land, paying part down and securing the balance by mortgage and notes at twelve per cent. per annum, in every instance not to exceed the legal rate of interest. Many of our young men, children of the old settlers, have bought land in the same way, and expect to pay for it with the profits of the farm. But the effect of the repeal of the Usury law will be to repeal the greater part of these hopeful, energetic farmers, and send them homeless out of the State.

It is idle to say that those mortgage notes will remain at twelve per cent. Those who want the repeal know better. Of course there is a term of years, instalments and all mentioned in every such transaction; but the almost universal history is that purchasers do not come to time and are obliged to run double the time before completing the purchase. Creditors are not slow to take advantage of such failures, to raise the rate per cent. in consideration of more time; and even were they liberally disposed, the prevalence of a high rate of interest will force them into it. The time of many mortgages has already expired, but the mortgagees are satisfied with the annual payment of twelve per cent., to leave the landholders in undisturbed possession, laboring for ultimate success.

Upon the repeal of the Usury law, the banks will raise the rate to two per cent. per month, as it is in California; the wholesale merchants of Portland will have their bills printed in the same figure; the country merchant will advance his profits to suit, and the tendency will be to force creditors of all descriptions into the same channel. Now, under such circumstances, who will say that persons owing for land will be effected ruinously, and that they will not be crushed out of existence. I challenge any persons to find an instance where the contracting parties in the sale of land have not been governed by the law, that is when they have contracted for a higher rate of interest than twelve per cent.; and for every one such, I will find two where the purchaser has been obliged to relinquish the land on account of inability to keep up the expenses of the farm and family and pay the legal twelve per cent. upon the unpaid balance. I know of one farm that has twice reverted, each time the purchaser losing the first instalment of the purchase money; and several other instances of reversion where the interest alone was lost to the purchaser. At present I can call to mind several small farms, about ten miles distant from Salem, purchased by late immigrants from Iowa, who could pay only \$1,000 down and who will almost certainly lose that payment and all the interest for the next five years, by the reversion to the preceding owner.

Think of it. Here is a balance of \$1,000,

drawing interest at twelve per cent., amounting annually to \$300; about one dollar a day, including Sundays. Add to this the cost of living and the expenses of the farm, and then say what the prospect is for the hardworking farmer becoming the owner of a farm. Certainly it would require more ability, energy, industry and economy than belongs generally to mankind, in order to succeed in such a case. Because one man, by a concurrence of unusually fortunate circumstances, such as proximity to market, high price for grain, fine and cheap preparation of soil, cheap and abundant harvest, has been able by one crop to clear his land of incumbrance, it does not change the common fact that farming does not pay more than twelve per cent. per annum on the whole amount invested. After an elaborate and careful examination of the profit of farming in New York State, by Horace Greeley and others, just before the war, the conclusion arrived at was that while some fortunate located farms contiguous to the great cities were yielding a fine profit, as a general rule farms did not yield six per cent. on their cash value. Near to this, is a fine half section of land salable at \$12,000, that has not paid, by the stock and grain method, ten per cent. on the value. There is a farm in Linn county—640 acres—five miles from Albany, worth \$20,000, that has not, at any time, paid ten per cent. on the money. I know of scores of farms on the Albany prairie that do not pay twelve per cent. on their value. A tract of 300 acres, every rod tillable, five miles from Albany, was lately sold for \$7,000, which did not rent for \$500 per annum, thus showing that the owner made \$400 a year by selling and loaning the money at twelve per cent. I presume it could be likewise shown that the same is true of the trades and that no railroad, telegraph, printing press, or manufactory in the State is paying more than twelve per cent. per annum on the whole amount of money invested. I believe, too, that a vast amount of the business men of the State would decide that no legitimate business can survive and pay more than twelve per cent. for the money. If that be the case, why insist on removing the present legal restriction?

The *Bulletin* says "to make money plenty." But what difference whether money is plenty or scarce if people dare not borrow? The answer is, "that people will borrow." And the consequence will come that they will also break, and thus the condition of the country can be plainly read: Labor and industry will go to the wall, and everything will be at the mercy of the capitalist, as it is in California. There the farmer has his bank account at two per cent. a month, and as every thing depends upon a speedy liquidation, his crop is virtually at the disposal of the speculator. In case of a short crop or an entire failure, which frequently happens, the proceeds of years' hard labor is swept away by the mercenary two per cent., and the farmer is obliged to commence the world anew, or sometimes worse, faces a mortgage upon the future at twelve per cent. a month.

The plea that money is like any other article of property and should be allowed to find its own market, and also the interrogative argument of "how would the farmer like to see the Legislature fix the price upon his wheat, or the tradesman upon his wares?" seem to me to be very wide of the true statement of the case. In the first place, the Government has enacted how much gold or silver shall constitute a dollar, and stamped it as the standard of value, without regard to the quantity in circulation. It is not, however, the question, whether that amount of gold or silver is worth more or less than a dollar, any more than it is whether sixty pounds should be more or less than a bushel of wheat, but what per cent. shall be charged for the use of property, rated by its standard of value. And as the standard of value is the end of the law and is enforced and enforced for indebtedness, how can we arising, the Government has inflicted a positive injury upon the people in making a legal tender unless it also provides a remedy for the security of the legal tender, coming from fluctuations in production, trade and commerce, or arising from the operations of bankers, brokers and the shysters who can hoard, corner and otherwise interfere with its circulation. This remedy is accomplished, to a great extent, by fixing the rate per cent. for the time intervening before fulfillment. The legal rate per cent. is not only upon money loaned but upon all kinds of indebtedness, restricting not alone the capitalist who loans his money, but upon the farmer or mechanic who sells his produce, or the wage-man his labor, and is in the interest of society and good government, preventing extortion, frauds, perjury, and therefore, crime.

place with all other industry, for all taxes of that kind come off the producer. When the Government requires the affixing of stamps on lucifer matches, fish or fruit cans, or a license for the manufacture of ardent spirits, the cost in each case is carried over to the consumer. So it will be when the merchant is required to pay two per cent. per month on his bank account, the amount is charged to each debtor and finally paid by the consumer.

If the Legislature is so indiscreet as to repeal the law, there will be an additional inducement for the industrial classes to purchase directly from the manufacturers and establish Union Stores for self protection.

T. W. DAVENPORT.

[For the Willamette Farmer.]

Prairies of the Willamette.

BY A. F. DAVIDSON.

The prairies and bottom lands, and especially those lands which were naturally moist, or could be easily irrigated, were the first occupied by the hardy pioneers; because it was thought, during our dry summers, only such lands would be productive. Experience has, however, proven that this early idea of the first settlers was not wholly true; for any lands susceptible of thorough cultivation can be, and for years has been, made highly productive, not only of cereals, but also of vegetables.

The prairies of the Willamette are wonderfully fertile; deep, mellow and lasting. When, in geological ages long gone by, this valley was under water, the now prairies were then the deep holes of the bay, for it was such, and, as a consequence, the debris from the various rivers, creeks, etc., rushed down from the Cascades, Coast Chain and Calapoosia mountains into this bay and necessarily settled in the lowest places. Hence, logs, leaves, sand, gravel and vast quantities of organic substances formed these immense deposits. Deposits which, in after ages, were to become the homes of men, animals and forests—a busy scene of life! For ages, impossible to number, the winds sported with the wild waves of this ancient bay; clouds and storms waged war; glaciers poured down from the Cascades; avalanches swept down and abraded the mountain sides, depositing what was then but crude materials for future chemical action to convert into extended tracts of rich, level lands. Here, on this then lonely and far-off field of water, thousands on thousands of swans, ducks, brants, pelicans, cranes, etc., frolicked upon its bosom or reveled upon its shores. These primitive ages have left their impress on the now Tualatin Plains, Yamhill valleys, Polk, Benton, Lane, Linn and Marion county prairies. We marvel at the foresight, adaptation and power of those persistent forces, used as means to ends. Their convulsions, their war, the heat—the "central power" which lifted the mountains, shook the earth, and made the ocean boil! How vast! The immeasurable ages which have elapsed since old Hood, Jefferson, St. Helens, the Three Sisters, et al. were "holes in the ground." How long did their deep-mouthed bellowings roar? How long did molten land, smoke and flame pour from these "pent holes," through which rich materials and surplus power flowed out? No answer can be made to these deep questions.

The theory of our greatest geologists, as Hutton, Lyell, Hitchcock, Smith, Murchison, Macculloch, De la Beche, Webster, Buckland, Mantell, Rogers, Phillips, Dana, and a host of writers of the new school, who have not altered, but simply modified those fundamental principles advocated by Hutton, Lyell, Phillips, etc., seems to be this: Along the ocean-line of continents chains of mountains are formed. The agencies are these: First, the weight or pressure of the ocean. Secondly, the internal heat combined with external or oceanic pressure. Thirdly, chemical or mechanical action, or pressure. Now, the immense weight or pressure of the ocean—as the Pacific—along the water line of this coast, produces heat in the molten land below. This being extra heat, causes, through both chemical and mechanical action, expansion—through this expansion the earth, along the water-line, is gradually—sometimes suddenly—upheaved. This upheaval forms a chain of mountains parallel with the ocean. This pressure continues so great, that not only is a chain of mountains formed, but the internal forces burst up through the earth's crust, forming "vent holes"—these become volcanoes. The volcanoes lessen the pressure, and hence the chain of mountains cease to become elevated. The internal and external forces are in equilibrium. During this volcanic era, the oceanic pressure lessens immediately under the chain, and its pressure becomes concentrated, according to its depth, on at one, sometimes seventy-five, and some times one hundred and fifty or more miles opposite, and parallel with, the former chain of mountains. Hence, chains

of mountains are formed in succession; but not always so.

Now let it be clearly, distinctly understood, that as the forces cease in one portion, they become active in another. Ages ago, the Cascades lessened in their activity; as a consequence, then, the pressure being from the west, in the ocean, wherever these concentrated a second time, a new chain must arise. Hence, the origin of the now Coast Chain. Of course, between the Cascades and Coast Chain there must be a basin or valley. This was covered by the water and was a bay, surrounded by the Cascades east, the Calapoosia south, and west by the Coast Chain. On the north it was open to the ocean; far where the Columbia now flows once rolled the Pacific. It was the lateral pressure of the water which produced the Calapoosia mountains and those across or north of the Columbia, and the now falls of the Willamette. When, from gradual pressure, the Coast Chain was elevated to its present height, the pressure ceased westward and concentrated under the waters of the now Willamette and upheaved the Red Hills of our valley. This upheaval caused the waters to flow over and break through below, at the Willamette Falls.

The gradual elevation of this valley was a means of draining off its water; and thus the "dry land appeared." For ages this process was going on: First, the elevation of the Cascades and their volcanic era; second, the elevation of the Coast Chain—its gradual elevation and less volcanic era; third, the lateral pressure resulting in the elevation of the Calapoosia and northern chain at Oregon City; fourth, the later and last volcanic action of the Cascades and upheaval of our Red Hills, in the valley; and, finally, the filling up and drying off of our now beautiful Willamette.

We have thus seen that means have been used to produce ends. The end and ultimatum of the means used is a home for man in the Willamette.

The prairies of the Willamette are various, rolling, flat, with low swales, and without; many are of a dark, rich mold, others are whitish, or aluminous; some silicious, as Baker's prairie, north of the Molalla. The prairies of Plains of Clatsop, also, are silicious. All others, so far as my knowledge extends, are mostly diluvium as follows:

French Prairie, Howell, Salem, Mill Creek, Santiam, Chehalis (Chehalis means pleasant), Albany (the largest in the Willamette), La Creole (the Creole), now called Rickard, La Canine (an excellent root), now written Luckiamute, Soap Creek (so called because the clay—aluminous—is soft and miry along its margins). The prairies above Corvallis (heart of the valley), on Oak Creek above Mary's river, on Long Tom (so called from a mountain man of that name who, in crossing with his companions, rode a low animal, and his long legs reached down into the water, so that he "waded and rode" across the river, making the crowd quite merry—this was over thirty-six years ago).

The prairies of Long Tom, in winter, are "low and miry," with swales, or clay lands, almost destitute of silica, lime, potassa and soda. Nearly all the white, low strips through the prairies of the Willamette, are like the Long Tom—flats or swales. Ditching, culture and manure will reclaim them.

There are some of the prairies slightly gravelly, as the Santiam, and the prairie south of, and along the Willamette river below, and around, Eugene City, etc., etc. Except the small portion of gravel and the clay swales, the prairies of the Willamette are the finest agricultural lands known. The prairies are diluvium; and were made, in a large measure, during the glacial, or glacio-squamous period, sometimes called the drift period. This is demonstrated by the deep gravelly beds below the surface, by logs and other debris, often found in digging wells, ditches, etc.; by erratic blocks of granite, and basaltic boulders, gneiss, clay slate, mica slate, greenstone and felspar. The last era of drift origin, and decomposing, has returned our prairie soils.

In William J. Herren's field are erratic or granite blocks; T. L. Davidson's farm, near Salem, and on Fabritius Smith's, there are many deposits of the glacio-squamous era. Wherever granite moulders away, there is a strong yellow soil. The yellowish-white soils on the northern sides of our hills are all diluvium; and were, in a large measure, brought down from the great granite mountains, north, during the drift era, on masses of ice, which, scouring the mountain sides, rocks, and other debris, fell on the ice, floated south, till the warmth melted it; and when melted, or broken up by storms, eddies, strong currents, etc., were deposited on our now prairies, but then submerged valleys. How wonderful the means used to accomplish ends! Matter, motion, causes, effect? means, and ends. How vast—intricate!

Howell Prairie was once like Lallah is now—a bog. Hence its richness. The surface is now—not as it was when the "waters dried off," smooth, tarry, and muddy—but undulating, picturesque, and dry. It was through corrugation and slight pressure from below, that has given this prairie its beautiful wave-like appearance.

I am proud of the prairies of the Willamette; proud of its hills; its copes of oak; its grove of fir, pine, hemlock, and spruce; its unequalled climate; its eternal snow-clad mountain chains; its vast resources; and its limitless grandeur.

SUPREME COURT.

Eveline Smith appellants, vs. David H. Smith, respondent; argument concluded and cause submitted.

The Gold Hill Quartz Mining Co., appellant, vs. Jacob Ish, respondent; ordered by the Court that a decree be entered in this cause *non pro tunc*.

L. Fleischer, Treasurer, vs. S. F. Chadwick, Secretary of State.

L. Fleischer, Treasurer of the State of Oregon, vs. Stephen F. Chadwick, as Secretary of the State of Oregon argued and submitted.

T. H. Glaze vs. Susan Whitley, executrix of the last will and testament of A. H. Whitley, deceased; argued and submitted.

David R. Lewis and Mary Lewis, plaintiffs and appellants, vs. Della B. Lewis and F. G. Lewis, defendants and respondents; cause argued and submitted.

State of Oregon respondent vs. Thomas Garrard appellant; judgment below reversed and a new trial ordered. Opinion by L. L. McArthur.

T. H. Glaze respondent vs. Susan Whitley appellant; judgment below reversed and cause remanded for a new trial. Opinion by F. P. Prim.

L. Fleischer, Treasurer of the State, appellant vs. Stephen F. Chadwick, Secretary of State, respondent; judgment in the Court below affirmed. Opinion by John Burnett.

Eveline Smith appellant vs. David H. Smith respondent; judgment below reversed and divorce granted.

L. Fleischer, Treasurer, vs. S. F. Chadwick, Secretary of State, appellants vs. D. Farg Ayl et al. respondents. Cause argued and submitted.

James B. Bailey respondent vs. James Chambers appellant. Motion heretofore filed for a rehearing. Allowed and cause continued until the next term of this Court.

M. Hagey et al. respondent vs. Titus Smith appellant. Motion heretofore filed by appellants, counsel for a rehearing in this case. Allowed and cause continued until the next term of this Court.

The City of Portland appellant vs. O. N. Denny respondent. Argued and submitted.

W. H. Mumgrove plaintiff and appellant vs. R. M. Honser et al. defendant and respondent. Cause pending on adjournment.

COUNTY COURT.

Lewis Allen vs. J. L. Adams; demurrer to complaint argued, overruled and defendant given until the next term.

State of Oregon vs. B. A. White; assent with a dangerous weapon, defendant waived examination and was admitted to bail in the sum of \$500, to await the action of the grand jury.

In the matter of guardianship of the heirs of Wm. L. Mascher; on application for sale real estate, cause continued.

In the matter of the guardianship of the minor heirs of Harvey Gordon, deceased; P. L. Willis, guardian, rendered final account of his proceedings. Account approved and guardian released from further trust.

In the matter of guardianship of William Lewitt, deceased; order granted for sale of real estate.

In the matter of the estate of John Q. Lynch a minor; application for sale of real estate continued.

In the action of M. D. Swiggott, deceased; on application to sell real estate, hearing set for Monday, October 5th, on appeal P. M., and that notice be given by publication.

In the matter of the guardianship of Alice and J. E. Malone. W. B. Magera, guardian, final settlement of the accounts allowed.

Lewis Allen vs. J. L. Adams, action at law. Cause heard and judgment for plaintiff.

This suit was brought by surly on promissory note against the maker. The Court held that as the judgment was less than \$50 dollars, the plaintiff was not entitled to recover costs and disbursements.

The will of Leander S. Davis, deceased, was admitted to probate.

Letter from Polk County.

Mr. Editor: Thinking you may like to know how things are over in Polk, I venture to tell you that farmers are getting along nicely, taking care of their crops, with perhaps ten days work for their headers to do yet and then the harvest of seventy-four will be finished in our vicinity and ready for market. It is a strange fact to record that snow fell on the night of August 20th, in the hills at Mr. Rubles place, five miles from Salem, of sufficient depth for a rabbit to be easily tracked, but the morning sunshine came out in full strength, dispelled the clouds and a new and beautiful day shone over the hills and the heads of the harvesters so that by ten o'clock all hands were heading at a busy rate. Harvest is not alone work for the men, but brings equal amount of labor for the women as though they too were in the fields, for they have the harvest bands to provide for. So we will ask the due credit for them which they richly deserve, but do not always get from the fact alone they are and ever must remain WOMAN.

LOCAL OPTION.—We are informed that a bill has been prepared and will be presented to the Legislature, asking that body to give the citizens of each locality the privilege of voting whether license shall be granted or not, as the majority of the residents of such locality may desire. We are also told that the liquor sellers of Portland and other places are clubbing together their money, to defeat the passage of any such law, by a system of thorough lobbying. Which will win remains to be seen.

FOR COON COUNTY.—Judge John Burnett left last evening for his home in Corvallis, where he goes to get ready to leave for Coon county to attend Circuit Court, which convenes next Monday the 12th inst.