

THE HEPPNER HERALD

S. A. PATTISON, EDITOR AND PUBLISHER
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FINANCING STATE ENTERPRISES

A. L. Mills in Commonwealth Review

It is entirely proper to construct state highways at the expense of the state and to finance the construction by the sale of state bonds. By state highways is meant the main arteries of travel and not local roads built for the enjoyment of the few at the expense of the many. It should never be forgotten, however, that roads wear out and are in constant need of repair. For this reason the bonds should be serial bonds of reasonably short maturity and those who profit most by the roads should contribute most to the payment of the interest charges and to the fund necessary to retire the bonds as they mature. For instance, it is only fair and just that heavy auto trucks which do much to destroy a road should pay a considerable tax. I hold no brief for the railroads, nor am I either director, stockholder nor bondholder in any of them, but is it fair to a railroad that it buys its right-of-way and constructs and equips its roadway, to tax heavily the values thus created in order that highways may be built and maintained for the free use of huge motor trucks that as time goes on bid fair to become more and more dangerous competitors for business?

A proper method of levying a just tax on motor trucks would be by adjusting the license fee in proportion to the carrying capacity of the truck and by penalizing narrow tired trucks and fining heavily those exceeding a certain speed limit. A heavily loaded truck speeding fifteen or twenty miles an hour is most destructive to the highways. If fines do not hold down the speeders, then they should be compelled to be equipped with some sort of governors that automatically would check their speed.

Not only motor trucks should be roundly taxed for the use of the highways, but passenger autos also, whether run for pleasure or profit. The license fees now collected by the state could easily be doubled without doing in justice to anyone.

Another proper tax on autos and trucks is to lay a state tax on gasoline. This would be fair inasmuch as the more gasoline consumed the more use there is made of the highways and in consequence the fairer apportionment of the tax.

In former times toll roads were the best roads in the older states. They were built and maintained by the money received at the toll gates. It is within the possibilities that we may again revert to this method of our ancestors for collecting road taxes.

But in issuing highway bonds, above and before all else must ever be kept the principle that it is our duty to pay our debts during the lifetime of an improvement and not pass them on to posterity. Only by so doing have we pay right to pledge the credit of the state which is a valued heritage received from those who have gone before and which should be passed on to those who follow without encumbrance incurred for our own particular enjoyment and benefit. Any other policy is unfair and unjust and a crime against posterity.

Time forbids any further and lengthy discussion of financing state enterprises that are for the benefit of the whole state; such as developing water power on a large scale, but enough has been said, I hope, to establish clearly in your minds that such financing to be sound, honest and conservative must provide for the annual retirement of the debt created; must provide that the maturity of the debt does not exceed the life of the improvement; and that those who benefit most must pay the most towards retiring the indebtedness.

Before concluding these remarks permit me to speak a word concerning those enterprises that are local in character and yet are entitled to financial support from the state.

Foremost among such enterprises are irrigation and drainage districts. What may be said of them will apply in greater or less degree to other enterprises local in character and yet deserving of state aid.

A state is only a geological division of territory, and its financial strength is but the combined strength of its component parts. Anything that affects the welfare of any part of the state more or less affects the welfare of the whole. Conversely if the whole can give aid to any unit of the state without unjustly jeopardizing the general credit, it should be done. For instance, just as if the state were the father of a family who called upon to assist one of his child-

ren, should comply with the request if by so doing he does not unreasonably favor one child at the expense of the rest. Bearing this thought in mind, I believe it is proper for the state to lend its credit to irrigation or drainage districts, if by so doing no injustice is done to the other portions of the state.

If this is true, it follows that the greatest care must be exercised in estimating the amount of financial aid required by the district. Before the state loans its credit the plans of the proposed district should be investigated by the most competent authorities. The feasible and probable success of the enterprise should be weighed carefully by competent state authorities who should ever lean to conservatism and always beware of enterprises that are proposed largely for the benefit of the promoters and but little for the benefit of actual settlers.

Once the irrigation or drainage project has been so approved, the state should issue the bonds necessary to provide money for the enterprise. In this way much more favorable rates can be obtained for money than if the district itself attempt to borrow directly from the public, since ill conceived irrigation projects have made such bonds most unpopular and difficult of sale.

To secure the state for this loan of credit, the district should issue its own bonds in an amount slightly in excess of the bonds issued by the state. This is because the state bonds must pay interest semi-annually from the date of issue, while, on the other hand, no irrigation or drainage district safely can promise to pay interest for at least three years after being inaugurated.

Of course the bonds of the irrigation or drainage district should be serial bonds beginning to mature say four years after issue, and should be a first lien upon all the property within the district. Just as the counties pay the state their proportion of taxes, so the districts should be compelled to pay to the state the amount due for interest and the annual amount due for the retirement of bonds. This tax should be collected as other taxes are.

If due caution is used in making such advances of state credit there may be no more loss incurred than if the state buys the school bonds of any school district. Reckless administration, however, might cause the state heavy losses which in such an event would have to be borne by all within the state. Therefore conservatism and caution should be the watchword of those who are in charge with this duty.

In conclusion let me again reiterate the principles that should govern financing of all state enterprises, to-wit:

First, all bonds should provide for a sinking fund that will be sufficient to retire the bonds at maturity, or they should be serial bonds maturing annually.

Second, bonds should be of reasonable maturity and none should be issued of a longer maturity than the estimated life of the improvement; any other method is unfair, unjust and a financial crime committed against future generations.

COFFEE PRICES DUE TO FROST AND HEAVY DEMAND

A statement recently issued by the Pacific Coast Coffee Roasters Association disclaims responsibility for the big advance in the price of coffee on the part of American roasters and attributes the high prices to heavy frosts in the coffee districts of Brazil in July, 1918, and to the heavy European demand since the signing of the armistice.

The statement closes as follows: "It is misleading and unfair to blame the coffee importers of this country for conditions over which they have no control and which are even more unwelcome to them than they are to the consumer. Any importer, jobber, coffee roaster or retail grocer will tell you that the high price is seriously interfering with his business. It is a well known principle that it is harder to make a profit on a high market than on a low one."

SOME HAT

The most popular cowboy at the tenth annual Pendleton Round-Up, September 18, 19 and 20, will be presented with a \$125 silk beaver hat, the gift of the American Hat company. Henry Pollak, president of the company, will bring a party of six from Norwalk, Conn., especially to see the epic of the west.

COUNTY RECEIVES GOV'T TRUCK FOR ROAD WORK

Judge Campbell went to Pendleton Thursday to receive the Nash-Quad 2-ton army truck which is Morrow county's apportionment of the government trucks recently given to the several states to be in turn loaned to the counties indefinitely for road-building work.

The truck is of 2-ton capacity with steel box body, perhaps designed as an ammunition truck. The outside of the body is decorated with numerous brackets, etc., designed for carrying tools and equipment of all kinds from a camp axe to a tent pole.

Norton Winnard went to Pendleton with Judge Campbell and drove the truck to Heppner.

NEW HOTEL AT BOARDMAN

O. H. Warner, the enterprising pioneer business man of Boardman is completing a hotel that this city will be proud of. It will fill a long needed want and will doubtless be the stopping place for many an auto party traveling the highway as Mr. Warner has prepared accommodations for cars as well as men. Warners Highway Inn bids fair to be one of the leading enterprises of this growing city. Here's success brother Warner.—Boardman Bee.

TIRE TAPE VERY USEFUL

Tire tape is to the automobilist what a bandage is to a Red Cross nurse, and a man who drives a car would as soon think of leaving it out of his tool box as a Red Cross nurse would think of leaving a bandage out of her first-aid kit.

The United States Tire company advises all its patrons to include a roll of its tape in their equipment. Its uses are innumerable. It is most frequently used to reinforce bad spots spots caused by blow-outs and punctures. It is also valuable for winding "leaky" electric wires or making temporary repairs to broken rods or rattling parts.

CHURCH NOTICES

Federated Church

Sunday school at 9:45 a. m. We use the lessons of the International Sunday School Association. Morning church service 11:00. Christian Endeavor 7:00 p. m. Evening services 8:00.

H. A. NOYES, Pastor.

Christian Science

Christian Science services are held every Sunday morning at 11:00 o'clock in the lodge room in the I. O. O. F. building.

Testimony meetings are held every Wednesday evening at 8:00 o'clock at the home of Mrs. Eugene Slocum. All interested are invited to attend these services.

Subject for Sunday, August 24, "Mind."

NOTICE FOR PUBLICATION

Department of the Interior, United States Land Office at La Grande, Oregon, August 15, 1919.

Notices hereby given that Arthur E. McBride, of Heppner, Oregon, who on June 13th, 1917, made Homestead Entry, No. 018350, for E1-2, SW1-4 Sec. 30; NE1-4, NW1-4, Sec. 31, Township 4 S., Range 28 E. Willamette Meridian, has filed notice of intention to make commutation proof to establish claim to the land above described, before J. A. Waters, clerk of the county court, at Heppner, Oregon, on the 6th day of October, 1919.

Claimant names as witnesses: John R. Volle, Harrison Robinett, Ralph H. Weeks and Reuben W. Volle, all of Heppner, Oregon.

C. S. DUNN, Register.

NOTICE TO FINAL SETTLEMENT

Notice is hereby given that the undersigned, administratrix of the estate of J. M. White, deceased, has filed her final account as such administratrix, with the County Court of Morrow county, Oregon, and that said Court has fixed Thursday the 18th day of September, 1919, as the time and the County Court Room in the Court House in the City of Heppner as the place for hearing such account and any objections thereto and for the settlement of said estate.

SARAH A. WHITE,

16-20 Administratrix.

Save Your Eyes

You cannot buy another pair of eyes, but you can buy glasses that will preserve the pair you have.

If your eyes are giving you trouble, if you are bothered with headaches or find that you cannot read as readily as you used to, it's time you paid us a visit.

Most eye troubles can be relieved with proper glasses if attended to in time. It costs nothing to consult us and it is decidedly to your advantage to do so.

Oscar Borg
Registered Optometrist

Special Sale of WAR RELICS

This week at about half price. President Wilson can hardly accuse us of profiteering on these, at least.

Barley Flour, 50 lb sack, was \$3.75.	Now \$1.90
Barley Flour, 10 lb sack, was \$.90.	Now .45
Rice Flour, 10 lb sack, was \$1.25.	Now .65
Rice Self-Raising Pancake was \$1.25.	Now .75
Eastern Buckwheat was \$1.25.	Now .75
Eastern Buckwheat, was \$.50.	Now .35
Albers' Self-Raising Buckwheat, 40c.	Now .25
Cream Wheat Barley Mush, was .30.	Now .20
Whole Grain Wheat Mush, was .15c	Now .10
Corn Meal Flour (Lexington), 90c.	Now .45

No very large quantity of any of these so you had better hurry.

PHELPS' GROCERY CO.

SAFETY &



SERVICE

Security for Deposits

Money loaned by the First National Bank to business men and farmers is secured by the responsibility and wealth of the borrowers, and is a protection to you as a depositor. Thus, the business and farming interest of the entire community are interwoven with the security for deposits offered you by the First National Bank.

Our purpose is not only to include with our service a safe place for funds but to use every effort to advance the business and the farming interests of the community, that our security for deposits may continue to grow likewise.

First National Bank

HEPPNER, OREGON
Over One Million Dollars Deposits



Don't wait for Winter's blast, for snow and icy and impassable streets to find your coal bin empty. But order your winter supply now, while prices are low and the supply plentiful—its a saving worth while. We are ready to fill orders now, and a better Coal is not sold at these prices. Its clean, free burning and leaves a white ash—no slate nor clinkers. Phone your orders to Main 392.

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Best Auto and Tractor Work that Skill can give

SERVICE RENDERED WHEN YOU NEED IT MOST

Repair Department McRoberts-Cohn Auto Co.