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"Harmony in  
Diversity"

# PORTLAND CITY CLUB BULLETIN

"Fore"

VOLUME I

PORTLAND, OREGON, OCTOBER 29, 1920

NUMBER 5

## MORE REPORTS AS READ BEFORE THE CITY CLUB, OCTOBER 22, 1920

### REPORT ON OLEO-MARGARINE BILL

**T**HIS bill is one passed at the last session of the Legislature. The referendum was invoked by petition originated by the Associated Industries of Oregon.

Our conclusions in regard to this Act are as follows:

1. We believe that oleo-margarine is a non-injurious and wholesome food product.

2. We find that it has a proper place in the market and in food diet of the community.

3. We are impressed with the idea that there is some danger in this product being used as a substitute for butter without the knowledge of the consumer, so that a fraud might be perpetrated upon the public.

The proposed Act is apparently intended for the purpose of regulating the manufacture and sale of oleo-margarine and the distribution thereof, by imposing an excise tax on the manufacturer, wholesaler and restaurant keeper. In addition to this the Act requires cards to be placed in conspicuous places in all establishments of persons dealing in the product, showing that they are licensed so to do. We find that the excise tax is not unreasonable, and that it is properly distributed. We also find that the feature requiring the posting of the notice is a good feature and not objectionable.

The bill, however, contains the following, which in our opinion raises a serious question as to its merit:

Section 3 of the Act makes it unlawful for anyone to manufacture or sell oleo-margarine without having first obtained a license, and there

[ CONTINUED ON PAGE 7 ]

### REPORT ON STATE MARKET COMMISSION ACT

**T**HE committee appointed to examine and make recommendation upon the State Market Commission Act reports as follows:

This measure proposes to create what shall be known as the State Market Commission to be composed of a State Market Director appointed by the Governor and a Secretary appointed by the Market Director. Paragraphs 1 to 15 inclusive of Section 1 of the proposed Act state the purposes and the powers and duties of the Market Commission. For the purposes of this report they may be summarized as follows:

1. The Commission is to provide expert leadership for producers and consumers in the establishment of cooperative associations.

2. The Commission is to supervise and guide existing and proposed cooperative associations, and for this purpose it is given authority to require all such associations to submit reports not less frequently than

semi-annually, which reports are to contain a complete statement of the business of the associations.

3. The Commission is to collect and disseminate market information, much of which may not now be available and perhaps cannot be secured under present conditions. To this end ample authority is given with respect to securing full information concerning supply and demand, prevailing prices and commercial movements, including common and cold storage of any products; and the Market Director is given specific authority to require all storage warehouses and common carriers to submit upon his demand

**FRIDAY,  
OCTOBER 29**

**SPEAKER  
CHARLES A. HART**

ON

**"Other Measures  
Before  
Electorate"**

**To be followed by  
seven-minute discussions  
on previous  
measure reports**



reports of their business, and to submit for his inspection the books and records of their business.

4. The Commission is to encourage and promote the grading and standardization of farm products. To this end it may issue labels bearing a seal on the request of producers, packers, canners or distributors for any products. It is to foster and encourage standardizing, grading, inspection, labeling, handling, storage and selling of any products, and it may on request certify for the protection of owners, buyers or creditors warehouse receipts for any products verifying quantities and qualities thereof. The word products is defined to include agricultural, dairy and farm products, and it seems to be assumed by proponents and opponents of the bill that horticultural products are necessarily included.

5. The Commission is to act as a mediator or arbitrator in cases of controversy in cases which may arise among producers, distributors and consumers.

The bill was proposed by petition initiated by the State Tax Payers League. We are advised that its preparation was undertaken only after exhaustive discussion in which leading farmers, laborers, bankers, lawyers, brokers, and manufacturers participated. The California Market Commission law was studied at length and followed in some particulars, but departed from in other important details.

Your Committee has endeavored to secure the chief arguments in favor of the bill, through personal interviews, newspaper editorials, and correspondence with officers or others interested in cooperative market associations acting under the California law. These arguments are:

That the farmers are suspicious of distributors and purchasers of their products, and that the purchasers, in turn, are suspicious of farmers and distributors; that this condition has caused widespread discontent in business, and that there is a real need for some authority (Market Commission) to whom producers, distributors and consumers may appeal in case of dispute and from whom they may expect a settlement of the dispute, fair to all parties in interest. When such mediation is afforded, contentment among the farmers will succeed discontent.

That in order to stimulate production, standardize farm and dairy products, and to accomplish a better understanding and more cordial relations among producers, distributors and consumers, there must be a greater cooperation among these interests and particularly stronger cooperation among the producers.

That the producer, in the very nature of his occupation, is not able to give the time and intelligent effort necessary to familiarize himself with the best methods of marketing his products; that he is more or less at the mercy of the speculators and numerous middlemen; that the

best methods of stimulating and standardizing production will result from cooperative associations of producers.

That in order to encourage, foster, organize and manage cooperative associations, someone capable as director and clothed with the authority of the State must render assistance in these matters to the producer.

That many cooperative associations have been organized in the State of California under its Market Commission law, and that the success of these cooperative associations is largely attributable to the Market Commission; also, that the successful operation of these associations has given to the consumer a better product at a fairer price.

That in order to make cooperative marketing a success and to give to the producers prices which render a profit, there must be an official examination and information concerning markets for products, the amount of food products at various times held in storage and the effect thereof on market conditions, and such other information as will be of advantage to the producers and consumers. The Market Director, under this act, will have the power and will furnish such necessary information without abusing confidences or disturbing legitimate business.

That in order to stimulate cooperative marketing and to assure the success thereof, capable disinterested leadership and supervision are imperative.

That in order that cooperative marketing shall be successful and produce the desired results for all parties concerned, the act must be compulsory, bringing all cooperative marketing as well as all agencies of distribution under the act.

That what bank supervision does for the funds in the banks of Oregon, the market direction and supervision will do for the cooperative marketing associations.

It is admitted by some proponents of the measure that the one in whose interests this measure is most earnestly advocated is the producer.

#### AGAINST THE BILL

Your committee has undertaken to secure the general and special objections to the bill, and, as a result of our efforts, we have found the objections to be substantially as follows:

The opponents of the bill claim:

That insofar as the Oregon bill follows the Market Commission law of California, they have no material objection, although they claim that the California law is not a flattering success.

That the success of cooperative marketing in California was well established before the law providing for a Market Director was enacted.

That the provisions of the bill which bring under the jurisdiction of the Market Director all cooperative associations, are objectionable



for the reason that such cooperative associations as have succeeded in their efforts should not be subjected to the supervision of a stranger to their business.

That it should be optional with the now existing cooperative associations to call on the Market Director for support, advice or supervision in cases where the officers and members of such associations deem it advisable.

That confusion will naturally follow supervision of a well established cooperative business by one whose experience does not warrant his being given this power.

That no objection is offered to cooperative associations or cooperative marketing but objection is made to intrusion of State Market Director where he is not invited.

That the Hood River apple growers and the Tillamook cheese producers have had remarkable success without help or interference on the part of the State.

That what has been accomplished by these associations can be accomplished by those engaged in similar or other activities.

That while no objection is offered to the collection or dissemination of information concerning markets for products, and products in storage, it is possible for cooperative associations to find their own markets, and while the collection and dissemination of information concerning storage of food products are desirable, yet the law permits of grave abuses in the making of such investigations. Under this bill, all books, pertinent or otherwise, of distributors or warehousemen, may be investigated. A Director with political ambition could single out any individual private business and subject it to merciless persecution.

That the power to fix fees is susceptible of abuse and that the provision for establishing offices at various points in the State and the selection of an attorney to represent the Market Commissioner is conducive to the creation and maintenance of a political organization. That the legal advice and assistance for any state officer should come from the office of the State's attorney, the Attorney General.

In support of this claim, the opponents cite Sections 11, 13 and 18 of the bill.

That in support of the contention that political abuses may arise from the passage of the bill, the opponents point to the power of the Director to flood the State with propaganda which would be generally accepted as authoritative because of its having the backing of the State.

Section 18 of the bill provides for a penalty for the disclosure of names of firms under jurisdiction of Commissioner, except only when such person, firm or corporation is under investigation by the Director for having violated or has been charged with or suspected by the Director of having violated any of the pro-

visions of this law, but, when this is read in conjunction with Section 13 of the bill, the word "suspected" in Section 18, it is claimed by opponents of the measure, gives the Director power to punish enemies of his administration.

That the Market Commission is not a commission but consists of but one Market Commissioner or Director who is all powerful in carrying out the provisions of the bill.

That the Oregon law would extend the jurisdiction of the Market Director to cover public markets such as now exist in the City of Portland, and that such markets should be exclusively under the jurisdiction of the City Commissioner by whom they are now successfully managed.

That the standardizing and grading of farm products has been well accomplished by now existing cooperative associations and can be accomplished by any association organized with or without assistance of the State.

That the bill adds another expensive member to the already too large official family of the State and that the questionable good to be done is not commensurate with the expense.

That the Commissioner would be handicapped in the discharge of his duty to organize, foster, encourage and supervise cooperative associations by having the power and the implied duty occasionally to prosecute such associations of which he, by virtue of his office in reality would be a director. It is admitted by the opponents of the measure that the State is in need of such an officer clothed with certain authority but they regard the possibilities of the bill, if enacted in its present form, as being dangerous.

#### CONCLUSION

Your Committee approaches the task of recommending action on this measure with some hesitation. Many of the negative arguments which we have summarized are of great weight. On the other hand, a large majority of the producers of dairy and farm products in the State are without leadership in cooperative marketing, and it seems clear that they are much in need of intelligent and authoritative leadership. Again the argument of political expediency is frequently resorted to by the advocates of the measure; that is, it is said that under prevailing conditions and because of the danger of radical and unsound changes due to present dissatisfaction among the producers, some sane corrective measure is needed. Your Committee believes that the principle of cooperative marketing is sound, and that the State should assume some responsibility in this particular. The proposed law has defects and abuses may develop, but your Committee thinks these may readily be corrected by the people through the legislature or directly, and considering the need of some legislation of the kind, recommends support of the bill.

CHAS. A. HART

[ Approved by Board of Governors ]



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### ZONING ORDINANCE

**C**ITY CLUB members should recall the action taken by the Club last year, endorsing Zoning. The Club took an active part in securing the passage of the Ordinance by the City Commission. The Ordinance has been referended under the leadership of a group of real estate dealers and is now before the voters for a final decision. The following are some of the reasons why the Zoning Ordinance was approved by the City Club; and why a decisive vote in favor of the Ordinance should be forthcoming in the November election.

#### ZONING

1. Is democratic in its essence by giving needed protection to the rich and poor alike.
2. Preserves property values by protecting areas from encroachment by industries and types

of buildings foreign and detrimental to established improvements.

3. Ultimately reduces taxation by saving assessed values from sharp declines, to which every unzoned city is subjected.

4. Protects retail business by controlling location of garages, laundries, manufactories, etc.

5. Gives opportunity to put land to its most profitable economic use by insuring protection to its owners.

6. Encourages permanent, in place of temporary, improvements.

7. Aids industrial development by protecting areas strategically located against the breaking down of traffic lines, pavements, high power lines, etc., vital to industrial centers, but undesired by home owners and retailers.

8. Fixes what has, in the past, been shifting home centers, thereby removing one obstacle in the way of establishing a home owning population.

9. Stabilizes mortgage loan securities by insuring reasonable use of property.

10. Safeguards the location of and design of streets, parks, schools, fire stations, etc., thus saving taxpayers untold sums by aiding the city planners in the task of spending the tax payers' money.

The Ordinance was prepared under the guidance of the City Plan Commission, aided in the matter of establishing restrictions by Neighborhood Committees and public hearings.

It is in no way drawn to become a hindrance to future changes and progress, as provision is clearly made in the Ordinance establishing means of amending it when, in the opinion of the majority of property owners in the effected areas, the changes are desirable.

### ELECTION DAY

**O**NE of the reasons for the existence of the City Club is "To inform its members and the community in public matters and to arouse them to the obligations of citizenship."

The City Club will have failed in this purpose unless City Club members go to the polls and vote.

If the information we have gained through the City Club will enable us to exercise the right of franchise more intelligently, we should make use of that privilege so that there will be no further talk of compulsory voting.



REPORT OF SINGLE  
TAX CONSTITUTIONAL  
AMENDMENT

**T**HIS measure is a proposed amendment to the constitution initiated by the Oregon Single Tax League. Its purpose as embraced in the title is as follows:

"To assess all taxes necessary for the maintenance of state, county, municipal and district government, upon the value of land itself irrespective of the improvements in or on it and to exempt all other property and rights and privileges from taxation, from July 1, 1921, to July 1, 1925; and thereafter to take the full rental value of the land, irrespective of improvements, as taxes, and no other taxes of any kind to be levied, by amending Section 1 of Article IX of the Oregon Constitution."

The changes which this amendment proposes in the method of taxation are of such a sweeping and fundamental character that they may

properly be described as revolutionary. Present day economists view the right to property as something granted to the individual by society or by the community because of social advantages thereby obtained. This right has been recognized no less in land than in other forms of property. Indeed landed property has been in the past regarded as almost in a class by itself as regards security of title, safety of investment and permanency of tenure. The proposed amendment would change this by denying any individual the right to property in land.

Since this method of taxation has never been tried out on any considerable scale, the arguments for its adoption are wholly drawn from economic theory. It is, therefore, necessary to examine the doctrine from this standpoint in order to determine whether or not the theory involved is so convincing that it is safe to act upon it without other evidence. To undertake, de novo, an exhaustive discussion of the subject from this standpoint would be impossible, both because of limitations of time and also because the members of your committee are not trained economic investigators. Fortunately such an original investigation is not needed. The doctrine of the single tax has been discussed by economic writers for more than forty years and all that we feel called upon to do is to gather up the results of this discussion and present them for your consideration.

The claims of the advocates of the single tax are so sweeping as to give rise to the belief that they regard it as a panacea for all economic and social evils. Thus the affirmative argument on the measures, quoting from Progress and Poverty, says:

"The simple yet sovereign remedy, which will raise wages, increase the earning of capital, extirpate pauperism, abolish poverty, give remunerative employment to whoever wishes it, afford free scope to human powers, lessen crime, elevate morals and taste, and intelligence, purify government and carry civilization to yet nobler heights, is—to appropriate (ground) rent by taxation."

Such an advertisement is in itself cause for hesitancy. People have learned to be suspicious of cure-alls for either physical or social ills.

It is obvious that an experiment of this kind upon a large scale, entailing possible serious results in the case of failure, ought not to be undertaken unless it has the fairly unanimous support of qualified men who have given serious thought as to its outcome.

An examination of standard treatises upon the theory of economics justifies the statement that the great majority of economic writers, aside from those who are known simply as propagandists of this theory, regard it as based upon unsound premises and do not agree that the results to be expected from it are of the character predicted by the advocates of the

APPLICATIONS FOR MEMBERSHIP

The following applications for membership will be submitted to the vote of the Club at the regular meeting on Friday, November 12.

- F. S. ALLYN,  
Architect, 1021 Ch. of Com. Bldg.
- HENRY W. BERG,  
Insurance, 1205 Wilcox Bldg.
- MAURICE A. BRAY,  
Credit Man, King's Food Products Co.
- CARL J. EASTMAN,  
Adv. Mgr., King's Food Products Co.
- EARNEST EDDY,  
Public Accountant, 622 Corbett Bldg.
- G. G. GERBER,  
Auto Sheet Metal Works, 431 Davis Street
- ROBERT S. GILL,  
Editor, L. L. L. Bulletin
- WALTER A. GOSS,  
Agent, Mutual Life Insurance Co.
- JIM PALMER,  
Asst. Gen. Secretary, Y. M. C. A.
- H. M. TOMLINSON,  
Asst. City Attorney



measure. Your committee finds that the weight of economic authority appears to be opposed to the belief that the single tax will produce the results predicted.

So far we have considered the amendment as an economic experiment, without regard to the particular form in which it is expressed. This form of the amendment is also open to objection, even if the principle involved were sound. Objections to the particular form of the amendment are:

First, the language of the amendment is vague and there is in it much room for controversy as to its true intent and purpose. It is fairly certain that the adoption of the proposed amendment and the enactment of appropriate legislation for its enforcement would give rise to bitter and prolonged litigation.

Secondly, there is no assurance that the amount of taxes produced under the proposed amendment would bear any relation to the sum required for the proper maintenance of government. Indeed it is altogether probable that no such relation would exist. This would mean either that there would be an insufficient sum collected for the maintenance of government by exacting the full rental value of land irrespective of improvements, or that the sum so collected would be in excess of that required. The result in the first case would of course be, ultimately, that the assessors would fix the full rental value arbitrarily at such a figure as to produce the necessary revenue, thus in effect placing taxes upon improvements as well as upon land itself.

It is apparently the expectation of the sponsors of the amendment that the amount of taxes obtained under the new method would be in excess of those now levied. The undesirable consequences of a tax levy producing a considerable amount of income, not needed for purposes planned and outlined before hand, is so obvious as to need no comment.

Finally, attention may be called to the fact that the people of Oregon have already several times rejected the principle of the single tax theory in various forms which have been submitted to them.

Your committee, therefore, finds that there is nothing in the experience of other communities to substantiate the extravagant claims of the proponents of this measure, that the principle of the single tax is not generally regarded as sound by economic writers of repute, and that the adoption of the amendment in the particular form presented would, with reasonable certainty, result in a period of litigation and pronounced economic disturbances. It is, therefore, the belief of your committee that members of the City Club should work and vote against this amendment.

Vote 307 No.

CHAS. A. HART, Chairman  
L. F. KNOWLTON  
W. C. McCULLOCH

[Approved by Board of Governors]

## REPORT ON PROPOSED AMENDMENT TO STATE CONSTITUTION

THE committee to whom was referred the matter of the proposed amendment to Section 6 of Article VI of the Constitution of the State of Oregon, so as to read as follows, to-wit:

"Sec. 6. County Officers: There shall be elected in each county by the qualified electors thereof at the time of holding general elections, a county clerk, treasurer, sheriff, coroner and surveyor, who shall severally hold their offices for the term of four years.

"The provision of this section, fixing the term of office for 4 years, is self-executing and shall become effective on the first Monday of January, 1921, when said county officers, elected at the regular November, 1920, election shall qualify,"

herewith submits the following report:

### ARGUMENTS IN FAVOR OF THE AMENDMENT

The chief arguments for the adoption of the amendment are these:

Our county government is archaic. While city government has recently undergone radical change, county government has in form remained practically unchanged.

In the city there is a mayor or city manager whose duty it is to supervise the activities of all departments and to whom all other officers report and over whom he has some control. Gradually an increasing number of officers and employes of the city are made subject to appointment and removal by him. In the county, on the contrary, all officials are still elected by the people. No provision is made for a governing head to whom all others report, and each official acts within his own sphere of activity independently of all others and reports to no one except the people.

Increased population, especially in urban centers with a consequent enhancement of property values is occasioning social, political and financial problems of government which tend to become constantly more complex and difficult of solution.

It is urged that, in view of the foregoing, a radical revision of the form of county government is becoming more insistently desirable and that the proposed amendment, while of a temporizing nature, is at least a step in advance for the following reasons:

A four year term will be helpful because:

1. The assurance of longer continuous employment will prove more attractive to men of character and ability, for it will enable a man if elected to have adequate opportunity to be-



come personally proficient in the administration of his office; will enable him, through positive assurance of continuous employment for a longer period, to attract better assistants and, through absence of the distraction incident to an approaching election, to obtain a more complete devotion to the public business on the part not only of himself, but also of all those under him.

2. The longer term will eliminate a considerable item of personal expense incident to the conduct of a biennial election campaign and will also make less frequent and thus less prominent the campaign for office so displeasing to many men of first rate ability otherwise inclined to disinterested service.

3. The lengthening of the term from two years to four years will tend to reduce the number of officers to be voted for at a general election where federal, state, county and often municipal officers are to be elected.

4. Some saving in election expenses would be made possible.

ARGUMENTS AGAINST THE AMENDMENT

The only argument against the adoption of the proposed amendment is that by keeping the term of office as now fixed the officers will be made more responsive to the public will.

RECOMMENDATION

Your committee recommends the adoption of

CITY CLUB TAKES ACTION ON STATE MEASURES

At its last regular meeting the City Club took the following action on State measures which had been reported on:

Anti-compulsory Vaccination Amendment. The report which recommended the defeat of this amendment was unanimously adopted.

Interest Fixing Amendment. The report which recommended the defeat of this amendment was unanimously adopted.

The Compulsory Voting Amendment. The report which recommended the defeat of this amendment was unanimously adopted.

Roosevelt Bird Refuge Measure. The report which recommended the support of this measure was adopted by a majority.

Port Consolidation Measure. The report which recommended the support of this measure was adopted with but one dissenting vote.

the amendment because it is believed that the longer term will result in the election of more capable men, the building up of a fairly permanent organization in the several offices, an increase in the proficiency not only of the official but of the staff under him and in the elimination of the loss of time and money due to pre-election activities upon the part of both the incumbent and his assistants. The argument against the adoption of the measure seems fallacious because the officials whose terms are to be lengthened do not perform any legislative functions but have duties either clerical or administrative in their nature only.

The adoption of the measure is recommended simply as an advantageous makeshift, but with the conviction that a thorough-going reform in county government is needed.

CHAS. A. HART, Chairman  
M. M. MATHIESON  
FRANKLIN F. KORALL

[Approved by Board of Governors]

REPORT ON OLEO-MARGARINE BILL

[CONTINUED FROM PAGE ONE]

is a provision that any license so issued "shall not permit the sale of any oleo-margarine if such oleo-margarine is made to look like, be any resemblance of, or in imitation of, butter as defined in Section 2 of this Act." Section 2 of the Act defines imitation as follows:

"For the purpose of this Act such substance shall be deemed to look like, be a resemblance of, in imitation of butter when it has a tint of shade containing more than 1.6 degrees of yellow or of yellow and red collectively, with an excess of yellow over red as measured in the terms of the Levison tintometer scale or its equivalent."

We are informed by a manufacturer of oleo-margarine that it will be impossible to manufacture the product under the provisions of the section quoted above, and furnish the public with the same grade of oleo-margarine that is now offered for sale. After considerable study we have reached the conclusion that it would be wrong to require the manufacturer to so color said oleo-margarine as to make it appear totally different from butter. We believe that it should be colored to resemble butter, but not colored with an artificial coloring matter, but by the natural blending of the vegetable oils and other ingredients as is the present method of manufacture.

Under the section of the Act quoted above, we believe it would be necessary to so manufacture and color the product as to make it appear totally dissimilar to butter. This part of



the Act appears to us to be a positive detriment, and no public good would be affected by the enactment of the statute.

We find that under the present state statutes and under the federal statutes there is ample provision already made for the payment of excise tax, and for the displaying of cards and the registration of places selling oleo-margarine. The federal statutes require the dealer selling to a restaurant keeper to make a record of all such sales and these records are checked by agents of the federal government for the purpose of seeing that such restaurant keeper is complying with the law as to the posting of notice warning the public. This applies to the restaurant keeper, but in addition thereto the present federal statutes require both the manufacturer and the distributor to enclose oleo-margarine in cartons or containers with the name OLEO-MARGARINE printed thereon in bold type, so that the purchaser for home use cannot be deceived. This provision goes beyond the scope of the Act under consideration.

In summary we find that all of the beneficial features of the proposed Act are now in force and effect, either as state statutes or as federal statutes. In addition to this we find that the provision requiring the manufacturer to so mix and color his product that the same will not resemble butter is a dangerous provision and is likely to be a detriment to a well established industry and a curtailment in the use of a non-injurious and wholesome food product. While there is some doubt in our minds as to the effect of the portion of the Act requiring oleo-margarine to be so manufactured, we believe that it would be far better for the people of the state to have the present Act rejected, rather than to have the same enacted with the detrimental feature therein contained.

For this reason we have concluded that the measure should not be enacted and we consequently recommend that the same be rejected at the November election.

CHAS. A. HART, Chairman  
HARRY L. RAFFETY  
W. H. McVAY

[ Approved by Board of Governors ]

## GREAT LAKES— ST. LAWRENCE PROJECT

The International Joint Commission, which was created to assist in dealing with all questions of mutual concern related to the water-ways which form the boundary between the United States and Canada, pursuant to instructions from both governments in conducting a series of hearings in important cities of both countries, to take

opinions and gain information upon a project for improving the St. Lawrence river to permit its use by vessels drawing 25 feet or more of water. Sessions will be held in New York City and Boston during this month, and the commercial bodies of these cities will no doubt show an active interest in them.

This project is being energetically pushed by an organization known as the "Great Lakes-St. Lawrence Tidewater Association," of which H. C. Gardner, of Chicago, is president, and Charles P. Craig, of Duluth, is vice-president and executive director. Meetings have been held in several western cities and attended by delegates from the states bordering upon and tributary to the great lakes, and a notable degree of interest has been developed. To delay in moving last year's crops, owing to the congested state of the railroads has greatly stimulated this interest, and it is apparent that in a dozen or more states sentiment is strong for co-operative action by the two governments to create an effective waterway from the chain of lakes to the sea. These states are strong in the national Congress and evidently intend to push the project aggressively. It is a subject therefore which should have careful consideration upon its merits.

### DISADVANTAGES OF THE WATERWAY

The St. Lawrence as a route to the ocean is under some serious handicaps as compared with the routes through the Atlantic ports of this country. It is closed by ice part of the year and when open is subject to fogs which make navigation hazardous and increase insurance charges. Nevertheless, it is probable that if ocean-going ships of 5,000 to 10,000 tons were able to enter the great lakes they would become an important factor in moving the grain exports of the northwest and would develop considerable other traffic.

The Canadian government has spent money freely in the past upon the St. Lawrence route, and is committed to large expenditures in the future. It is now engaged in reconstructing the Welland Canal, to give it a depth of 25 feet, which will cost \$75,000,000 to \$100,000,000. That work is about one-third done, and it will be of small service unless the St. Lawrence is made navigable at a similar depth. From the foot of Lake Ontario to tidewater at or near Montreal is 181 miles by the river, of which 113 is international boundary. It is said that expenditures required to make the river navigable would be confined to 46 miles of the 181, or a distance of about the length of the Panama Canal. Argument for the feasibility of the project centers largely upon the claim that the improvement of a comparatively short stretch of river will connect large bodies of navigable water.

CONTINUED