

the plan proposed, a copy of all contracts, bonds, or instruments to be made or sold, the name and location of the investment company, and an itemized account of its actual financial condition, the amount of its property and its liabilities, and any other information that the bank commissioner may require.

In dealing with "foreign" corporations—that is, those organized outside the state of Kansas—such companies are required to file consent that actions may be begun against them, in the proper court of any county, by the service of process on the secretary of state, and that such service shall be as binding as if begun against the company itself. It is the bank commissioner's duty to examine all statements filed by corporations or agents, and, if he finds the company or person solvent, and that the proposed plans and contracts provide for a fair and equitable business transaction, that "in his judgment promises a fair return on the stocks, bonds, and other securities by it offered for sale," he is required to issue a statement to the effect that the company in question has complied with the law and is entitled to do business in the state. Without his recognition, as provided in the law, an investing company can not do business in the state, and agents of such a company are guilty of a misdemeanor and upon conviction may be fined for each offense not less than \$100 nor more than \$5,000, or imprisoned for not less than ninety days, or both fined and imprisoned.

Once having been licensed, as it were, by the bank commissioner, investment companies must file with the commissioner semi-annual statements of their financial condition, and such other information as he may require, or their right to do business in the state is forfeited. The commissioner exercises over

these investment companies much the same kind of supervision that he exercises over state banks.

The facts connected with the enforcement of this law in Kansas are illuminating. During the first eighteen months of the law's operation more than 1,500 companies applied for permission to do business in the state. It soon developed that 75 per cent of these applicants were mining, oil, and gas companies, which had no stocks of value to issue, and in which there could be no possible return for money invested by the gullible public. In other words, they were fraudulent concerns. Half of the remaining 25 per cent were found to be companies organized on a highly speculative basis, and offering no investment opportunities worthy of serious consideration. Less than 100 of the 1,500 applicants received certificates of good character. Many withdrew their applications before they were passed upon. The commissioner has recently declared that the law has already saved the people of Kansas more money than it took to run the entire state government since the law was passed.

During the present year the Kansas law has been amended to include companies selling land. It is made incumbent upon such companies to show that the land offered for sale is capable of development, and that improvements advertised by the companies have actually been made.

Reputable investment brokers are now licensed by the state, being required merely to make a monthly report of their sales and to declare the sort of stocks and securities they have for sale. Most of the states that have adopted "blue-sky" laws during the current year have followed the Kansas statute with comparatively slight changes. It is a matter of interest that Oregon's "blue-sky" law failed of popular ratification at the last general election.

The Investment Bankers' association of America has expressed its disapproval of any measure compelling an examination and approval of each security before it may be offered for sale. The argument advanced is that such a requirement "will inevitably tend to narrow the number of dealers seeking to do business and the number of sound securities in which the citizens of the enacting state may invest." The investment bankers propose that some state officer have the right to issue an order to a dealer not to offer for sale in the state securities which seem not to be offered in good faith. Any dealer receiving such an order would then have an appeal to the state courts.

#### Electoral Reform

The usual complement of bills generally classed as "progressive" measures were made laws during the legislative sessions of the year. There were, it is true, fewer direct-primary bills than in former years, for the excellent reason that the direct primary had already become a part of the electoral machinery of a majority of the states whose legislatures have been in session since January 1. At this writing, New York and Pennsylvania are still wrestling with the problem and the outcome is uncertain. Ohio, on the other hand, adopted a state-wide primary law applying to the nomination of all candidates for office.

The initiative, referendum, and recall have been submitted by several legislatures to popular vote, and within a few months the voters of Michigan and Minnesota will have an opportunity to decide whether or not they wish to incorporate these features in the fundamental laws of their respective states.

The senate of Minnesota, having

had experience with what is known as the non-partisan ballot in primary elections, has gone a step farther and provided for the non-partisan nomination of members of the legislature. The conviction seems to be rapidly gaining ground in this country that the old-fashioned method of party nominations has not conducted altogether to efficiency in public office. The constitutional convention of the state of Ohio in 1912 was made up of the delegates chosen on a non-partisan basis and the example of the Buckeye state is likely to be followed by others in the near future. Meanwhile, the nation-wide movement for the commission government of cities has gone steadily forward, and the Kansas proposition for a commission to supersede the state legislature has not only been taken seriously in Kansas, but has met with unexpected approval in other states. In local government the so-called "city manager" system as introduced in Sumter, North Carolina, has attracted much attention, but has not yet had a sufficient test to justify any general conclusions.

By action of the Illinois legislature, last month, that state becomes the first east of the Mississippi river to extend widely the franchise to women. This action could be taken by the legislature only with reference to such officers as are not created by the state constitution. The suffrage cannot be extended with respect to the governor, members of the state legislature, members of congress, or United States senators, without a constitutional amendment. It happens, however, that presidential electors and various local officials are outside of the purview of the state constitution and hence the legislature was able to grant women the suffrage as to such officers.

#### BRYAN'S LECTURES

Since Bryan has determined to give a few chautauqua lectures for money, he has once more become a chief subject of discussion.

The matter may be looked at from many different angles. First, if he makes good at it and keeps things running as secretary of state, no harm is done, and it appears that he does.

It seems, in other words, that Mr. Bryan still has a capacity for work which amazes the average man. Just being a little old secretary of state with trouble enough in Japan and Mexico to keep four average men awake nights, hardly gives Mr. Bryan exercise. To keep from getting too fat at his job, he has given two or three lectures a week and made a trip to California, besides keeping up his paper, *The Commoner*, and acting as leader in the democratic party. But he still finds time hanging heavy on his hands. Also he finds that he needs the money. So he goes to work.

We recommend Mr. Bryan's plan to the young and rising generation. In a nut shell it is this: When in need of money, go to work. No matter if you already have a "position" and a small salary—still if you need the money, go to work. Even if the weather is hot and you are in no immediate danger of starving, still if you really need the money, try the plan of the great secretary of state—go to work.—*Fairbury (Neb.) Journal*.

#### REPUBLICAN COMMON SENSE

To speak for the historic republican party in the United States the right of the New York Tribune will hardly be questioned. Among American newspapers its expressions are the essence of republican orthodoxy. The time, when extreme partisanship fettered newspapers, has happily passed and the Tribune, not less than many a democratic journal, speaks

its own mind and the following paragraph will credit its common sense:

"The collapse of debate in the senate on the tariff bill is not hard to understand. Even the proudest statesmen seldom care to go on discussing a situation which has been closed and its effects discounted by everybody else.

"The country has made up its mind that the Underwood-Wilson tariff bill will go on the statute book. The voters for some years past have wanted to make an experiment with downward tariff revision. A republican congress had a chance in 1909 to do the work, but its leaders—especially those in the senate—were not wide-awake enough to make use of their opportunities. The country then turned to the democratic party and authorized it to go ahead. The pending bill may be injurious in some respects (every tariff bill must injure some interests), but the voters are reconciled to it and are willing to take its risks. The elections to fill recent vacancies in the house of representatives have failed to indicate any popular hostility to the work of the democrats.

"Under the circumstances, dilatory opposition in the senate would be a great mistake. The opponents of the measure should make their record by offering amendments and letting them come promptly to a vote."

What the Tribune says is simply the utterance of a broad patriotism more solicitous for the contentment and prosperity of the country than for the transient interest of a party. Twenty, or even ten, years ago no such advice could have been hoped for from a newspaper professing party allegiance and it is not less significant of a nobler and more perceiving journalism than it is proof of the Tribune's independence.—*The Columbia (S. C.) State*.

#### CRITICISM NATURAL

It is only natural that Mr. Bryan's acts should be criticised, because he has a noble army of enemies who camp continually on his trail looking for blunders. It was to be expected that there would be a wild outcry over his statement relative to his living expenses. A more diplomatic man than Mr. Bryan would have avoided this unpleasantness. But Mr. Bryan spoke out with his usual frankness. Again and again he has spoken out when from the standpoint of the ordinary politician silence would have been better. But this very frankness has been his greatest safeguard. People have realized the sincerity of a man willing to speak his thought right out, even when it was not a diplomatic thing to do. Mr. Bryan is a poor concealer. And, in the long run, this is a trait that injures no man unless he is utterly a fool.

The attempt to discredit Mr. Bryan will hardly succeed. It did not succeed in the past when there was wide bitterness against him; it will not succeed now that he has won a high place in the sentiments of his countrymen.

It is quite the fad to make fun of his peace plans. Yet it is the testimony of the wisest men the world over that his efforts in this direction have achieved results, and his critics may as well realize that in his whole career he has done nothing of greater worth than to inaugurate his scheme for universal peace. It promises to become one of the achievements of this administration.

Mr. Bryan may or may not be a great secretary of state. But his position is secure so long as his enemies have no better ammunition than sneers for his idealism and abuse for his frank, candid, undiplomatic openness of speech relative to his own affairs.—*St. Paul (Minn.) Dispatch*. (rep.)

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