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## The Emerald's Creed for Oregon

Oregon. The graduate manager has offered the cooperation of his office with any honorary that is interested in putting its funds under their control. The accounts could be handled by the present personnel of his office at only a small fee for the actual work of bookkeeping and accounting. Honoraries that accept this liberal offer would insure to themselves the advantages of not only keeping out of debt, but of receiving competent advice in the purchase of materials and the budgeting of their finances.

This financial control would apply not only to the mere handling of moneys, but under the ideal system would forbid purchases of any nature unless requisitions were first drawn, and proper provision made for their redemption. Some students can remember how class finances were straightened WHY DID our recent form of the out by putting them under the direction of the graduate manager's office.

We feel that the necessity for unified control vast scale. of these numerous organizations is becoming more apparent every day. Every year sees additional here described as though we still chapters installed on the campus. We feel that had the dollar of fixed weight and many organizations will be glad to take advantage of the opportunity offered by the graduate manager.

(Editor's note: This article from the Morning Oregonian is by Prof. Jesse H. Bond of the University of Oregon school of business administration. It has received widespread comment

BY JESSE H. BOND gold standard give trouble? Because it required us to sell that particular commodity short on a

For convenience, the process is fineness, since most people regard

perts.)

this as the sound arrangement to which we shall return as soon as the emergency is over. This dollar

fixed weight, not a fixed value of gold. The distinction must be emfrom bankers and monetary ex-

Selling Gold Short

short of an agreed weight of a

ever so steady.

protect debtors as forced short sellers of the dollar, but not as phasized. Our current theory of mistaken buyers of other property the debtor's relationship is that he on margin. It would be merciful is obligated to deliver an agreed to the lambs, because they could quantity of value. But since we eventually suffer only the relative have no established method of decline in their particular assets, measuring that value except by and the lambs who were actually weight, and that weight in 3 helping efficiently to balance prosingle commodity subject to enorm- duction would be secure. It is vital ous short sales and occasional to social welfare that this be acsharp rallies, the debtor is actually complished. Under the present system, with the lambs' margin commodity that can change rapidly cut not only by the falling value in value. This is why he is likely to of their own particular assets, but be wiped out. He is compelled by also slashed by the rising value of fixed weights of gold, we have a such a jaunt-but the third mem-

dollar is a necessity for sustained

By JOHN SELBY

That system provides in the case of the prohibition repealer the direct appeal to voters for which the wets have long clamored.

It also provides, it should be remembered, 48 possible last ditches for waging popular campaigns against ratification only thirteen of which need to be held to block action.

T IS possible that when William The precedent for convention Seabrook set out from Paris to ratification is now set. Whatever fly to Timbuctoo he rather hoped would be lost (only temporarily, happens to the repealer, it seems certain it will be followed hereof course) in the Sahara desert. That would have made a corking after in any matter upon which public interest is greatly aroused. story, and Mr. Seabrook can do And if that is the case, the quesfull justice to corking stories.

But nothing happened to him, tion of the power of congress to directly, on the whole trip. Flying establish a standard form for such conventions in order to insure exthe Sahara is in itself a feat, but actly the same type of popular refthe flying was done by Rene Wauthier, French airman. And erendum in all states is certain to there might have been an element come up again very actively before of loneliness and so forth about long.

ber of the party was Marjorie successor, balanced enough in most If the promised weight of gold our debtors must pay their pound Worthington, the novelist, who is ways, was so hungry he not only by no means an inarticulate per- ate a full meal, but devoured the entire carcass of a chicken, ex-

wiped out, even if the dollar is

It is not wise to relieve people entirely from the economic consequences of their own lack of judgment or foresight. There must be some force in operation to penline. It fails to do so principally alize mistakes and to encourage

because our money unit is by law private initiative to balance production. The proposed plan would

economic welfare. Current LITERATURE crossed in that repealer, however. and the alternative method of state conventions been resorted to for the first time in constitutional history, it would appear to follow that hereafter no constitutional amendment is likely to be submitted in any other way, unless it might be a routine matter facing

Take any other change made in the constitution in modern times and the situation would have been different. From popular election of senators and women suffrage to child labor or income tax matters. have escaped the state convention

Report of the University of Oregon for 1931-32,

The American people cannot be too careful in guarding the freedom of speech and of the press against curtailment as to the discussion of public affairs and the character and conduct of public men. —Carl Schurz.

A TRIBUTE AT THE END OF THE TRAIL BOVE these columns this year we have pub-A lished daily our creed for Oregon. Two reasons prompted our selection of the particular passage used, and as we near the termination of our edisplendid logic and high ideals contained therein. heartfelt tribute to the man whose ingenuity and intellect conceived it a year ago.

ennial report which he submitted to the state board has been a difficult one. of higher education. We were not fortunate enough agate-type creed which graced the masthead each morning.

presses, to the vision and foresight it portrays. And we are not ashamed to admit it.

Dr. Hall has been virtually forgotten here, but the more thoughtful scholars. faculty members fortunate enough to share Dr. reply. Hall's friendship.

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BEHIND CLASSROOM DOORS

A versity skeletons. After condemning Colum- at the whims of autocrats or of bia university for dismissal of Donald Henderson for participation in liberal movements, we glanced in retrospect at our own record and listed a few the economic mechanism out of adof the brave professorial souls who were crucified justment the moment goods in genon the cross of convention and offered up as sacri- eral become plentiful enough to fices on the altar of mammon. These men had the force down our price level as courage of their convictions: we salute them.

of academic freedom at the University of Oregon. torial labors, we set them forth. One was the How straight is the dope they feed you? he inquired. How much freedom has the average pro-The other was that it might stand as a sincere and fessor? he challenged. We take up the gauntlet, he specifically agrees to deliver and reply, the Oregon faculty has displayed forti- at a future date a fixed weight of cussion for 50 years; it has been ume immediately is required by the tude and integrity in endeavoring to present their gold, regardless of changes in its honest personal beliefs. In the face of social an- value meantime. This is selling gold

Arnold Bennett Hall wrote our creed for the tipathy they have tried to paint a fair and accu- short. Every other borrower neces-

Time and again we have gasped as our econ the value of the commodity inevitprofs spilled "the real dope." In the sanctum of able whenever anything so frightto include Dr. Hall among our contribuors this the classroom we were amazed to learn that all ens the "shorts" that they "rush" year, for he left the campus for the east before was not holy on the eastern front. And those of to cover." the Emerald started publication. But we have felt us who gathered round the rostrum, as the class his inspiring presence and personality in the little beat a hasty exit after the gong sounded, were This is not a newly discovered eager to get the "straight low-down"-the stuff fact; it is merely an attempt to put too raw to spill before the multitude. Always we a fact as old as the credit system

Turn for a moment to the creed above these personal consumption. Publication in the Emerald ticular attention to the lofty principles it ex- doors we've been getting an inkling of the real its background of debts in this price index to its accustomed level iodically interrupted. truth.

clear and articulate in our views and opinions as shipped at the hush-hush shrine, stepping softly must be the same. Dr. Arnold Bennett Hall. Daily surveillance of his and bowing down to the god of things as they are,

Few students knew the little man whose light in that the old order is not perfect. He has chosen straight line. When both curves level were merely held in reserve time. When that occurred the Johnson hall often burned into the small hours of university professors to help change it. The least appear on the same chart they do by the secretary of the treasury frightened shorts in gold naturally the morning as he outlined plans for the Univer- we can do is endeavor to accord the same privilege not tell a true story unless we for occasions when ordinary corsity. But those who knew him never will cease to our own faculty. We must pay them for their to cherish their brief association with so high- speech, not their silence. What must be done to curve for the value of gold, it be- quate, it would be a powerful sup- essors made the bidding by the principled an individual. The same is true of the guarantee real academic freedom? Here is our comes clear that the vast public port of confidence in the price shorts even more disastrous. The

Arnold Bennett Hall was not widely-liked by a liberal, an educator, a fighter. Real leadership 1929 were short sales of gold, level is fundamental to prosperity. frantic. politicians, nor was he of the shrewdest in his dip- is the first essential.' Security of tenure must be while that commodity was relalomatic associations. But neither has been most provided. Long-term contracts for professors-no tively cheap. Consequently the The proposed virtual elimination Those who do not comprehend of the nation's great men, and Dr. Hall can take precipitate dismissals. These are imperative. The has punished the borrowers, or from our economic system is not upon commodity price declines as far more satisfaction in looking back over the trail university faculty must be the judge of the heresies short sellers of gold, just as the designed to protect debtors or in- putting a comfortable standard of he blazed with the weapons of courage and fore- of its members. They and they alone should de- short sellers of wheat or of a com- vestors who put their money into living within reach of the humble sight than he could if he had walked a broad high- termine whether a professorial act warrants dis- mon stock might be ruined by a a relatively overdone line of busi- worker. A rising wage, which a

The pen is almost to slip from our hands, but offer decent compensation to our instructors, we scale. ity education is a tracedy

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is a vast improvement upon money

law to speculate.

legislatures, but it does not fit the credit system or the machine technology. It is bound to throw measured by fixed-weight dollars.

Writing, now, from the "normal" pear. standpoint, when Uncle Sam hands

us paper money or sells us bonds.

were cautioned that this "inside stuff" was for into the imagery of the man in "the market." Apparently the reason why we are not accustomed

way with politics and evasive tactics as his aides. charge. And last, but hardly least, if we cannot sudden market rally on a similar ness. When any person incurs a steady price level will allow busidebt for any other purpose than ness to pay safely, is the direction we could not relinquish it without paying tribute should seek out young, courageous scholars who Their own fault? Partly. But to hoard cash he is not merely in which the worker's economic to a fine and honorable gentleman who dedicated are willing to fight for their ideals and to tell the mostly it is the fault of a credit in the position of a short seller of welfare must be sought. If we had system based upon the laws and dollars, he is also a buyer of other a steady price level the whole the best years of his life to the University of Ore- truths as they see them. Without academic free- customs of the United States. Our things on margin. If his own par- question of profits, wages and baldom the university is a mockery; without intellec- price level ought to run across the ticular product or invested assets anced production could be solved chart in approximately a straight decline in value, his equity may be with far greater case than under

decreased, just as fast as its value of flesh. DAY before yesterday we trotted out the uni- units that varied and depreciated per gain increased, the amount of Fixed weights are absolute; valvalue to be delivered would re- ues are relative and ever-changing the feeling of flying over a vast And near the end there is a main the same. The fact of debt- things. Our standard of value orship would then be consistent must take account of this fact. with our theory of it. If we had a No money unit can function ademoney unit which was defined in quately in the credit system unless such a way that this would hap- is is based upon the relativity of pen, borrowers would still be short values. Its value must be defined sellers of dollars, but since these in terms of the fairest available dollars would actually represent al- index of the general price level. ways approximately the same There is no other convenient way cally observed that we had painted a rosy picture price declines paralyzes the credit quantity of purchasing power, the of protecting those who have to

rowing transaction would disap- pair of commodities, is suitable for use by fixed weight for this

This is not a new suggestion; it purpose, because short selling of has been under more or less dis- such commodities in enormous vola proposal before congress for system, and the standard itself

more than a decade, and within becomes dangerously speculative. University. It is an excerpt from the 1932-33 bi- rate picture of existing conditions. But their path sarily does likewise. These short members of the committee for the interest," making quick rises in nation, headed by Frank A. Van- and balance production through a derlip. Professor Irving Fisher of system of regulated trade asso-Yale and D. J. Tinnes of North ciations; we can adjust the gold Dakota have been vigorous expon- dollar according to a price index; ents of it for a generation. By or we can, temporarily, sell gold this principle any chosen general short faster than we cover the

price level can be attained and ap- short sales. The third of these proximately maintained. Any con- possibilities is what seems to hapsiderable' variation would auto- pen during the prosperity phase matically set at work corrective of of the business cycle, but, since the short selling must sooner or measures.

The resulting expectation of an later be balanced by short covercolumns. Read it slowly and carefully; give par- was taboo; the less said the better. Behind closed son why we are not accustomed to describe the financial panic and early restoration of the general ing, this prosperity must be per-

language is that we have been would encourage buyers to take The late lamented new era was We honestly think that there is a greater meas- dominated by the illusion that, advantage of every reaction and one of these necessarily intermit-We have prided ourselves on being somewhat en-ure of liberty accorded the professors at Oregon since gold is our standard of value, sellers to enter the market on each tent booms, and as the floods of lightened, but we know we are far from being as than most universities. Although they have wor-When we chart an index of probably be enough to keep neces- 1929, many debtors began to be wholesale prices we assume the sary changes in the weight of the squeezed between the falling prices masterful statements has proven that beyond doubt. they have not neglected to slip over a telling punch curve for the price of gold to be a dollars very small over consider- for their commodities on the one now and then, leaving an enduring impression on straight line. When we chart the able periods. Even if the power to hand and the rising value of gold value of gold we assume the curve change the weight of the dollar on the other. Some conspicuous President Franklin D. Roosevelt has decided for the general price level to be a in order to keep a steady price debtor was bound to fail in due are constructed. Using now the reserve system might prove inade- tracts. Hoarding of dollars by posand private debts created so en- level among the debtors and cred- supply was restricted at the very First of all, we must have a strong president, thusiastically between 1917 and itors. This confidence in the price moment that the demand became

In "Air Adventure," one gets cepting only a couple of bones. but thrilling nothingness, and surprise. Somebody actually did loneliest gasoline pump in the Paris.

"Bidon Cinq."

when one lands, there are excellent get lost in the Sahara, and the descriptions of odd places and odd somebody was not Professional people-not savages and such, but Adventure Seeker Seabrook, but chiefly civilized persons reacting Miss Worthington. She did a good variously to life in and near a job of it, was found before she had desert. Such is the tale of the suffered too much, and so everykeeper of what probably is the one flew very happily back to

world, in the middle of the Sahara, "Air Adventure" probably will be ranked as good entertainment There were two keepers, in fact. by most readers, but not along-

One went insane and imagined he side earlier Seabrook tales; such was pestered by a Taureg chief- as "Jungle Ways," or "Magic tain who played the flute, and his 'Island."

## May 17, 1933

In my day I've heard plenty of people complain about the weather. But as a friend of mine used to say-"nobody's ever done anything about it yet."

An' that's about right!

That's just the way weather is different from watches. If there's something wrong with your watch-something can be done about it.

Mr. Skeie is a regular genius at fixing watches. If your watch is running too fast or too slow, I'd suggest that you bring it in. Mr. Skeie will examine your watch and give an estimate of the cost of repairing, free of charge

Cleaning is now \$2.50; mainsprings, \$1.50; round crystals glass, 50c; non-break, 75c; fancy crystals, \$1.00 and \$1.25. TICK





Dear friends: