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ONE WAY TO REDUCE RATES

It may be a difficult job to equalize freight rates over the country, but we note that some sections of the country have actually gotten a reduction in rates in the face of increasing costs. Not so with the coast, however, for we had to absorb the ten per cent increase. Perhaps some day this section of the country will be recognized as part of the United States and we won't have to assume the status of a territory. Perhaps seeking protection against the atom bomb will eventually bring decentralization enough in the heavy industries that we won't have to ship everything from the east.

The railroads generally manage to show a low margin of profit from all operations. If about 80 per cent of the high powered vice presidents were discontinued, the railroads could probably reduce the freight rates and still enjoy a good margin of profits. The reduction should start from the top.

THE G I LOANS

The Wall Street Journal recently described what has happened in the case of the 67,000 government-backed business loans made to veterans since January, 1945.

By and large, the GIs have proven good risks. As of May 25, the last reporting date, only 1412 loans had defaulted, though 3118 other borrowers were behind in payments.

Blackest spot has been loans made to start little trucking businesses. Percentage of failures has been very high here, due largely to the fact that the ex-service people ran their equipment to death and didn't service it properly. This seems to have been a hangover from their war experiences, when motor equipment was expendable.

THE ULTIMATE CHALLENGE

It has been said that hunger and cold are communism's most efficient allies. That aphorism underlies the present United States foreign policy, with its emphasis on material aid to nations threatened by Soviet diplomatic and economic aggression.

France is a perfect example of this. France must have two basic materials from the United States—and if she doesn't get them from us, the way will be paved for her complete descent into totalitarianism. One of the commodities is wheat—France's own crop will be only about one-fifth of her normal prewar crop. The other commodity is coal—and, to quote a Life editorial, "Coal for France means the difference between just getting by and utter industrial collapse."

Fortunately, the United States will have a bumper crop this year, and filling France's requirements will not be an excessive drain. Coal, however ,is another matter. We have plenty of it in the ground. But it cannot be used to aid France or to serve ourselves unless the miners get it out. To quote Life once more, "The man who burns coal in Main Street must understand why he must conserve just as clearly as John L. Lewis must understand the necessity of avoiding a coal strike." If we fail to deliver the coal, we will be playing straight into the hands of the communists. If France ever enters the Soviet orbit, the iron curtain will soon cover all of Europe.

What this amounts to is that American materials are now a diplomatic weapon. If the greatest democratic power in the world cannot succor distressed peoples, stricken nations will turn to the greatest dictatorship in the world, and the cause of human freedom will be irretrievably damaged. Here is the ultimate challenge to American industry—and to American labor.

Party Lines
In 28 out of the 80 congresses since 1788, at least one house of congress has been of a different party from the President.

Did you ever see large redsides gasping in shallow pools after a forest fire had dried up their native streams? Help "Keep Oregon Green."

Hearing aid users, by setting up a timing schedule, and rotating batteries during the day can prolong the life of batteries and save as much as 50 per cent on the costs.

If you are a school teacher you will be interested in helping prevent forest fires. A large share of our taxes comes from forests and lumber. Keep Oregon Green.

ON OUR WAY!

Supplies Vitamin C
As an inexpensive source of vitamin C in family meals, cabbage is an important vegetable. It's popular and widely used the year around, and often is cheaper than the fruits rich in this vitamin.

The estimated daily population of Rockefeller Center is 152,132, and is surpassed by the population of only 55 cities in the United States.

The direct relation of music is not to ideas, but to emotions—in the works of its greatest masters. it is more marvelous, more mysterious than poetry.—Henry Giles.

The British Admiralty reports that Thompson and Lindsay Islands have vanished from the South Atlantic. These islands have been on the charts since 1825.

African hunter: "While wandering around a native village I spotted a leopard."
Sweet girl: "Don't be silly. They grow that way."

If you put out the little camp fire it doesn't become a big forest fire. Use plenty of water to drown every spark. Keep Oregon Green.

Charter No. 5642 Reserve District No. 12

REPORT OF CONDITION OF THE FIRST NATIONAL BANK OF COTTAGE GROVE, IN THE STATE OF OREGON, AT THE CLOSE OF BUSINESS ON JUNE 30, 1947

(Published in response to call made by Comptroller of the Currency, under Section 5211, U. S. Revised Statutes.)

ASSETS		
Cash, balances with other banks, including reserve balance, and cash items in process of collection		1,149,102.79
United States Government obligations, direct and guaranteed		3,414,812.82
Obligations of States and political subdivisions		1,584,373.89
Corporate stocks (including $3,000.00 stock of Federal Reserve bank.)		3,000.00
Loans and discounts (including $2,598.40 overdrafts		556,237.69
Bank premises owned $12,208.03, furniture and fixtures $7,917.71		20,125.74
Other assets		32,931.39
TOTAL ASSETS		6,760,584.32
LIABILITIES		
Demand deposits of individuals, partnerships, and corporations		4,917,979.72
Time deposits of individuals, partnerships, and corporations		1,203,442.98
Deposits of United States Government		24,986.82
Deposits of States and political subdivisions		214,093.63
Other deposits (certified and cashier's checks, etc.)		11,496.76
TOTAL DEPOSITS	$6,371,999.91	
Other liabilities		19,914.26
TOTAL LIABILITIES		6,391,914.17
CAPITAL ACCOUNTS		
Capital Stock: Common stock, total par		50,000.00
Surplus		100,000.00
Undivided profits		218,670.15
TOTAL CAPITAL ACCOUNTS		368,670.15
TOTAL LIABILITIES AND CAPITAL ACCOUNTS		6,760,584.32
MEMORANDUM		
Assets pledged or assigned to secure liabilities and for other purposes		595,644.27

State of Oregon, County of Lane, ss:

I, H. E. EAKIN, Vice President and cashier of the above-named bank, do solemnly swear that the above statement is true to the best of my knowledge and belief.

H. E. EAKIN, Vice President and Cashier.

Sworn to and subscribed before me this 3rd day of July, 1947.
RICHARD L. THWING,
Notary Public for Oregon.
My Commission Expires June 1st, 1948.

CORRECT—Attest:
J. H. MACKIE
C. B. STEPHENSON
V. O. STEENROD
Directors.

49-1tc

FHA Facilities May Be Used in Home Purchase

If the steadily increasing number of potential home buyers are to make the most of their opportunities, now is the time to examine the conditions under which existing homes may be purchased on the most satisfactory terms, Folger Johnson, State Director of the Federal Housing Administration said here today.

"The purchase of existing homes on the basis of economically sound values is important," Mr. Johnson pointed out. "But it is equally important to cloak the whole home-buying transaction with as many safeguards as possible. This means looking well beyond the initial steps of signing a contract and making a down payment.

"The use of FHA credit facilities, that is using private capital backed with FHA insurance, has been for more than a dozen years a conspicuously sound and safe system by which the family of average means achieves home ownership.

"Beyond the guarantee which insures the private lending institution against loss on the mortgage loan, the home buyer has the advantage of liberal terms, a low interest rate, and a long repayment period resulting in low monthly payments and, most important, the FHA appraisal of the property which establishes the value of the dwelling.

"When, as in these times, prices of existing dwellings tend to be inflated, the FHA appraisal of the property, which is based on long range factors rather than rapidly changing current conditions, is a safeguard which cannot be minimized."

The sales market in existing dwellings, Mr. Johnson said, is increasing, and more older homes are beginning to appear in the available market.

Many new homes today, he pointed out, are built under Federal Housing Administration inspection so that they may be purchasable on FHA-insured mortgage terms. Many older houses, however, have been built without FHA inspection, and this fact only adds to the importance of financing the purchase of these homes on FHA terms. Then they will be subjected to careful analysis by FHA inspectors who will establish value not on the basis of price tags on today's houses but on considerations of sound construction, design, location, condition of the neighborhood, and probable usefulness, Mr. Johnson said.

"Of course, FHA is not a lending institution and does not advance money for home buying or building," he said. "Private lending institutions, such as banks, building and loan associations, and similar agencies, provide the funds and FHA insures the mortgage. On existing structures home buyers may borrow up to 80% of FHA's appraised value and repay the mortgage in equal monthly installments over a period up to 20 years. The maximum interest rate is 4½% plus ½ of 1% insurance charge. The maximum mortgage insurable under these terms is $16,000."

Loose Leaf Supplies of all kinds. —The Sentinel.

The first landing field beacons were installed in New York City and Atlanta, eGorgia, in March 1928 and the first radio range equipment was put in along the airways between Newark, New Jersey and Oakland, California in December 1928.

THANK YOU

We wish to extend sincere thanks to our patrons and friends for your patronage during the time we have served you at the K. & M. Cafe. It has been a pleasure we assure you and we appreciate your cooperation and thoughtfulness.

May we take this occasion to ask a continuation of your patronage at the K. & M. Cafe — we are sure Wallace and Marie Carpenter will appreciate it.

Kenneth and Mildred
K & M Cafe