IN THE CIRCUIT COURT OF THE STATE OF OREGON FOR YAMHILL COUNTY. NO. 7498.

Willamina State Bank, a corporation, Plaintiff,

vs.

Marcus Petersen, Carey Petersen, his wife; George P. Petersen, Vera M. Petersen, his wife; August Baunach; John Ziegler; Credit Service Company, a corporation; Paul Fundman as guardian of Benedict Hartless, an incompetent; Benedict Hartless; also all other persons or parties claiming any right, title, interest, or estate in and to the real premises described in the complaint herein,
Defendants.

NOTICE OF SHERIFF'S SALE

BY VIRTUE of an execution dated May 17, 1923, issued out of the above entitled cause and court, based upon that certain judgment order and decree in the above entitled cause and court, which decree is dated May 15, 1923, and which execution aforesaid is directed to the undersigned, sheriff of Yamhill County, Oregon, and is in favor of the above named plaintiff and against all the defendants herein, and which said judgment and decree provides that the plaintiff, Willamina State Bank, do have and recover of and from the defendants, Marcus Petersen, Carey Petersen, George P. Petersen, and Vera M. Petersen, the sum of $3123.33 with interest at 8% per annum from said May 15, 1923, until paid, plus the sum of $300.00 as plaintiff's attorney fees; and further provides that said plaintiff, Willamina State Bank, do have and recover of and from said defendants, Marcus Petersen, Carey Petersen, George P. Petersen, and Vera M. Petersen, the sum of $767.25, with interest at 8% per annum from said May 15, 1923, until paid, plus the further sum of $75.00 attorney's fees; and further provides that the Willamina State Bank recover from the defendant, August Baunach, the sum of $447.20, with interest thereon at 8 % per annum from said May 15, 1923, until paid, plus the further sum of $50.00 attorney fees; and further provides that the plaintiff, Willamina State Bank, recover the sum $515.89, with interest thereon at 8 % per annum from said May 15, 1923, until paid, plus the further sum of $50.00 as attorney fees; and further, that said plaintiff recover its costs and disbursements on this suit, taxed at $88.65.

And it was further adjudged that plaintiff recover certain sums of money as taxes, which are hereinafter referred to, and which are made liens on certain real premises; and that certain mortgages be foreclosed, and that certain real premises be sold in order to satisfy said several sums due to the plaintiff herein, and commanding the undersigned sheriff to sell the premises hereinafter described in order to satisfy said several sums of money found due to the plaintiff herein, and to make sale of the premises in said decree and in said execution described, towit:

TRACT NO. 1: That certain mortgage executed by defendant, August Baunach, in favor of plaintiff, dated March 17, 1913, recorded April 2, 1913, in Volume 38, page 541 Mortgage Records of Yamhill County, Oregon, and being on the West Half of the Southwest Quarter of the Southwest Quarter of Section 36 Township 5 South Range 8 West of the Willamette Meridian in Yamhill County, Oregon, containing 20 acres, which mortgage was made to secure payment of $300.00, with interest at 8% per annum from March 17, 1917, until paid, which mortgage is by said decree foreclosed, and wherein it is decreed that said premises be sold to satisfy the sum of $447.20, plus the further sum of $50.00 attorney fees, plus the costs and disbursements of this suit.

TRACT NO. 2. That that certain mortgage, executed by William Hartless to the Willamina State Bank, on May 9, 1919, to secure payment of $524.00 recorded May 10, 1919, in Volume 38, page 218, Records of Mortgages of Polk County Oregon, but which said mortgage by said decree, is made only a lien upon the Northwest Quarter of the Northeast Quarter of Section 11, Township 6 South Range 8 West of the Willamette Meridian in Polk County, Oregon, be foreclosed, and said amounts are made a lien for the sum of $515.89 plus the sum of $50.00 attorney fees, plus the sum of $37.07, taxes paid, plus the costs and disbursements of the suit, and that said sums are made a first and prior lien upon said tract, known as tract No. 2 in said decree; but the said tract is not to be sold herein, the same to be sold by the sheriff of Polk County Oregon.

TRACT NO. 3. That that certain mortgage, executed in favor of the Willamina State Bank, by the defendants, Marcus Petersen, Carey Petersen, his wife, George P. Petersen and Vera M. Petersen, his wife, which mortgage is dated January 26, 1920, recorded February 7, 1920, in Volume 53, page 133 of Mortgage Records of Yamhill County, Oregon, and upon the following described property, to-wit: The West Half of the Northeast Quarter of Section 15 township 5 South Range 8 West of the Willamette Meridian, containing 80 acres; all of Tract or Lot No. 6 in Section 1 Township 6 South Range 8 West of the Willamette Meridian, containing 10 acres, saving and excepting that certain lot sold and conveyed by the defendants, Marcus Petersen and Carey Petersen, husband and wife, to Theron Lockwood, by deed recorded January 3, 1918, Book 74 page 210 Deed Records of Yamhill County, Oregon; the South Half of the South Half of the East Half of the Northeast Quarter of the Northeast Quarter of Section 1, Township 6 South Range 8 West of the Willamette Meridian, containing 5 acres, more or less; also the Northeast Quarter of the Northwest Quarter of Section 35 Township 5 South Range 8 West of the Willamette Meridian, in Yamhill County, containing 40 acres; all of said real property last described being in Yamhill County, Oregon, and which real premises are directed to be sold to satisfy the sum of $3123.33 principal, with interest at 8 % per annum from said May 15, 1923, until paid, plus the sum of $300.00, attorney fees, plus the further costs and disbursements of this suit, and which sums are declared to be a first and prior lien on all of said tract number 3, and in addition thereto the sum $17.64, as tax money, with interest from said May 15, 1923, is made a first and prior lien on the West Half of the Northeast Quarter of Section 15, Township 5 South of Range 8 West of the Willamette Meridian, in Yamhill County, Oregon; and further, the sum of $142.31, as tax money, with interest from said May 15, 1923, is made a first and prior lien on the Northeast Quarter of the Northwest Quarter of Section 35, Township 5 South of Range 8 West of the Willamette Meridian, in Yamhill County, Oregon, containing 40 acres, and also on all of Lot or Tract No. 6 in Section 1 Township 6 South Range 8 West of Willamette Meridian, in Yamhill County, Oregon, containing 10 acres more or less, excepting such portion sold as is described in said volume 74 page 210 Deed Records of Yamhill County, Oregon.

Tract No. 4 That that certain mortgage, executed by Marcus Petersen, Carey Petersen, his wife, George P. Petersen, and Vera M. Petersen, his wife to G. W. Byers, or G. W. Byers Jr., and which mortgage is now held by plaintiff, Recorded March 3, 1920, in Volume 53 page 219, Mortgage Records of Yamhill County Oregon, also recorded October 13, 1920, in Book 43 page 544 mortgage records of Polk County, Oregon, and being upon the following described property, to-wit:

All of lot or Tract No. 6 in Section 1 Township 6 South Range 8 West of the Willamette Meridian, in Yamhill County Ore., containing 10 acres, excepting said lot of 50' X 100', sold and conveyed by said Petersens to said Lockwood by deed recorded January 3, 1918, in Book 74, page 210 Deed Records of Yamhill County, Oregon. And also on the following tracts: The West Half of the Northeast Quarter Section 15; the Northeast Quarter of the Northwest Quarter of Section 35; the West Half of the Southwest Quarter of the Southwest Quarter of Section 36; all in Township 5 South Range 8 West of the Willamette Meridian, in Yamhill County, Oregon; and also on the Northwest Quarter of the Northeast Quarter of Section 11, Township 6 South Range 8 West of the Willamette Meridian, in Polk County, Oregon, and containing 190 acres, and against which said tract above described is decreed said lien of $767.25, with interest at 8 % per annum from said date, May 15, 1923, until paid, plus the further sum of $75.00, attorney fees and costs and disbursements, subject however, to the first and prior lien by reason of the lien as described under Tracts 2 and 3 of this notice.

Now Therefore, in consideration of the premises, said execution, said judgment and decree, and in order to satisfy the several sums of money due and declared liens as aforesaid, and in compliance with the commands of said writ, the undersigned, sheriff, will on Saturday, June 30, 1923, at the hour of 10 o'clock A. M., at the West and front door of the Yamhill County Court House, at Mc Minnville, Oregon, sell at public auction subject to redemption, to the highest bidder for cash in hand, all the right, title and interest which any of the within named defendants, or any persons whatsoever, had in or to the said real premises above described, on the date of the mortgages herein foreclosed, or which any of said persons had in or to the above described property since said date; and all of which said real property (except said tract number 2) will be sold in order to satisfy said execution, judgment order, decree, interest, costs and accruing costs.

Dated May 24, 1923.

F. B. Ferguson, Sheriff of Yamhill County, Oregon.
45-48 B. A. Kliks, Attorney for Plaintiff.

PUZZLE OF WHY DEBT HELPS SOME BUT HARMS OTHERS EXPLAINED

How a Debt Can Be Put to Work to Increase Earnings—Thrift and Loans Go Hand in Hand to Aid the Industrious.

The true use of debt in personal and business affairs remains something of a puzzle to many people. To some the very word "debt" signifies misfortune, while others merely fail to understand the ways in which they can put a debt to work for them to increase their earnings. The Committee on Public Education of the American Bankers Association has undertaken in the following discussion of how and why banks loan money to clear up these misunderstandings:

Some people think that to incur a debt at the bank is unwise, or a reflection on their business standing. This is not the case where the debt is contracted for legitimate business purposes. Incurring debt to live beyond one's income is something no thrifty person would do, and careless use of credit leads to extravagance and disaster, but wise borrowing is an encouragement to thrift and industry.

The first function of the banker is to encourage industry and thrift so that a large fund of bank deposits may be accumulated. This fund is often likened to a reservoir in whcih water is accumulated for community needs. The banker then loans from this fund to those conducting the business of the community.

The banker bases credit on what are known as the three C's of credit—Character, Capacity and Capital. Character is an imperative business qualification. Allied with character is Capacity. Before making a loan a banker takes into consideration the capacity of the applicant—that is, his ability to earn through his honesty and his industry. Capital is a man's worth in money, merchandise, stocks and bonds or lands, which may be given as collateral in security of a loan to make it safe.

Let us consider the business transactions of Mr. Smith, the storekeeper. He finds, with his business increasing, that he needs a larger stock of goods. Also, some of his customers do not pay cash, and their accounts must be carried until "pay day." He must have more money for his business, so he goes to his banker for advice. The banker asks Mr. Smith to submit a statement of his business, showing what he owns and what he owes. He knows Smith's character and responsibility from his observation of his dealings and from the confidence that people have in him. If he finds Mr. Smith's statement, and the progress he is making, satisfactory he will be glad to consider the best method of loaning him the needed funds.

How Money Is Loaned

Money is loaned by banks on straight notes, on indorsed notes, on collateral notes, on bills receivable and on trade acceptances. Mr. Smith may be told by the banker that, because he has sufficient money in his business and manages it well, the bank will extend him credit without his putting up any security beyond his own word of honor, evidenced by his note.

Let us say that Mr. Smith needs a maximum amount of $2,500 during his busiest season and that the bank has consented to grant him such a "line of credit." Mr. Smith could come to the bank and make out a note for any portion of all of this amount for any time up to six months. To pay some bills he needs, say, $500. He estimates that within sixty days he will receive from his charge customers enough money to repay this amount. He therefore makes a sixty day note, which the banker "discounts" at the prevailing rate of interest, let us say 6 per cent, and places the proceeds to Mr. Smith's credit. How much does he credit to Mr Smith's account? Six per cent on $500 for sixty days is $5. This amount the banker deducts at the time the note is made, it being the interest which he charges Mr. Smith for the use of the money. He then credits Mr. Smith with the proceeds of the note, or $495. When the note is due in sixty days Mr. Smith has received payment from his customers, and he pays the bank $500. The bank marks the note paid and returns it to Mr. Smith.

If Mr. Smith's business condition were not sufficiently strong to warrant granting him unsecured credit the banker might say to Mr. Smith, "I want to help you, but you will have to get the indorsement of your friend, Mr. Jones." Jones is known to the banker as a very reliable and responsible business man. Should he be willing to help Mr. Smith he will write his name on the back of Mr. Smith's note and if Smith cannot pay the note when due Mr. Jones will have to pay.

In another case the banker, still anxious to help Smith, might say, "I am willing to loan you up to $2,500, but you must secure the loan with the goods which you purchase for that amount and with some additional goods." Mr. Smith would have to warehouse the merchandise used as collateral in such a way that it might be easily identified through warehouse receipts as being the bank's property until the note is paid. If Smith finally found himself unable to pay, the banker could sell the merchandise and use the proceeds to pay the note. If the goods brought more than the amount of the note the bank would pay the excess to Mr. Smith; if the amount were not enough the bank would look to Mr. Smith to make good the difference.

Mortgage Loans

Loans against farm lands, called mortgage loans, are frequently made in country districts. If Mr. Smith, lacking an indorser or sufficient collateral or business standing, owned a farm free of debt he might give a mortgage on it as security.

The procedure would be somewhat different from loaning against merchandise. The law, realizing the useful place farm and home owners occupy, protects them in a special manner. It says to the lender, in case of default on a mortgage loan, "You must give this owner of land one year after serving notice that you expect to sell his land to pay the mortgage and redeem the debt." This is called the period of redemption.

Mr. Smith has still another method open to obtain funds from his banker. He has sold, say, a $500 bill of merchandise to Mr. Brown, a dealer in a smaller community, who must sell the goods to his own customers before he can pay Smith. Smith says to Brown: "If you can't pay cash give me a ninety day note. I will discount it and get immediate cash on it from my bank. I will have to pay 6 per cent interest to do so, and I shall want you to pay that interest." Mr. Brown agrees and makes his ninety day note for $500 with interest at 6 per cent. Mr. Smith takes this note to the bank, which advances him credit for $500. When the bank collects the note from Brown ninety days later it receives $507.50, the added $7.50 being the 6 per cent interest charge for the use meanwhile of the money for the ninety day period of the note.

These are the various ways in which the bank serves its community by placing, through loans, the accumulated thrift of the community at the disposal of business and industry.

NATION REPRESENTED AT FINANCE CAPITAL

By FRANCIS H. SISSON
Chairman Public Relations Commission, American Bankers Association.


F. H. Sisson

Financial New York is peculiarly representative of the whole nation. All parts of the country, the small towns as well as the big cities, have supplied the greater part of the man power and brain power enabling it to function as the nation's financial capital.

A recent investigation as to the origin of one hundred leading executives in the New York financial district, showed that no less than sixty per cent were born outside New York State, that no less than twenty-eight per cent were born in towns of 5,000 or less, and only twenty per cent were born in New York City.

The birthplaces of these men represented Pennsylvania, Ohio, Massachusetts, Connecticut, Michigan, Missouri, Illinois, Maryland, Delaware, Vermont, Mississippi, Kentucky, Tennessee, Minnesota, Iowa, Florida, Rhode Island, North Carolina, Indiana, Wisconsin, Georgia, California, Montana, Maine, West Virginia, New Jersey and the District of Columbia.

The same situation is true of the younger men, particularly in the banks. This reflects more than merely the attraction of the big city for ambitious young men. It is the result of the definite purpose of New York banking to equip itself to perform most effectively its work for all the nation.

A brief description of the mechanism of the nation's banking system will make this clear. Many of the New York banks are bankers' banks. They are great reservoirs of credit in which banks throughout the country deposit unemployed funds in New York. When crop needs in rural districts or industrial expansion in manufacturing centers increase local requirements for money these local banks call in their funds from New York and in addition may ask the big city banks for loans.

Country banks frequently deposit as security the notes of their own customers, often secured, in turn, by farm capital such as ploughs, livestock and other possessions. The fifty thousand dollar note, for instance, of a country bank in a big New York bank may have attached, as collateral security, fifty or a hundred small notes of a hundred dollars up to a thousand or more, signed by local farmers and their wives. Into one of the biggest New York banks comes in this way from the South each crop season a small note secured by a plough and a harrow and a mule named "Molly"—an incident that has been aptly described as "The Minting of Molly." It is one among many securing a large inter-bank credit.

Thus is big banking in New York brought close to the plain people of the soil—thus does it finance their humble husbandry—and thus has it felt the need of recruiting its officers from among men familiar and sympathetic with local conditions—able to visualize the needs of the people there and pass sound judgment on the credit factors involved.

It is due to the conditions thus pictured that among the officers of New York's banks will be found representatives from all parts of the nation. They are the delegates of the people at the business capital.

Why Group Fights Group

America is suffering from a lack of economic understanding. It is, therefore, that we find group arrayed against group—that we find the grower at variance with the producer, the producer with the consumer and both with the carrier. It is because of a lack of economic understanding that we find capital and labor frequently striving against each other. Yet each element is vitally interested in each other for the final succses of the entire endeavor—in the farmer growing a prime crop and getting a fair return; in the canner packing a palatable crop and getting a fair return; in the carrier transporting without damage or deterioration and getting a fair return; in the wholesaler making a wide distribution and getting a fair return; in the retailer satisfying his customer and getting a fair return; in labor aiding each of the processes and getting a fair return; in capital supplying the money and credit to make each process possible and getting a fair return, and in the consumer receiving a pure, nourishing, dependable, wholesome health giving article at a fair price. There is this community of interest in the production and consumption of human requirements that should prohibit strife among the producing and consuming elements.—J. H. Puelicher, President American Bankers Association.