

CREATED REEFICIAL

Inflation Stopped, Says Mr. Hawes, by Action.

'ROCKS AHEAD' RIDICULED

Depression, He Said, Never to Be Known at Periods of Under-Production.

That the credit stand of the Federal Reserve bank has proven to be a stabilizer on American business and should not be taken as an indication of distress, was the opinion expressed by Richard S. Hawes, president of the American Bankers' Association, speaking before the National Association of Credit Men at the Atlantic City convention last week, and that careful rationing of credit has been beneficial. He declared that the big bankers of the country are trying to stop inflation of credit, not restraining the production of necessities, but discouraging by every fair means projects that are purely speculative. He scoffed at the suggestion of the stage of "rocks ahead" having been reached as a "pure bluff," for the reason that depression has never been known to come in a period of under-production. He deplored the inclination of the time carrying the public to be actuated more by notions and tastes than by reason.

In summing up the various reasons that have caused strained credit conditions, results of these observations may be stated as follows: An indication of freight cars which are loaded with goods and blocked in terminals, against which millions of dollars have been loaned. Foodstuffs and other goods against which loans have been made, held in storage because of lack of ships and cars. Purchase of about \$4,500,000,000 of the United States government obligations.

Loans to individuals, firms and corporations for the payment of income tax and excess profits tax.

Beliefs Are Suggested. In suggesting beliefs which may be practiced, he submitted briefly for consideration the following: Economy by all individuals and reduction of purchases to the minimum. At the same time, however, the least possible pocket money.

Conservation by individuals, firms and corporations regarding construction plans.

The issuance of new securities should be deferred.

Municipal, industrial and county bond issues should be minimized. Federal expenditures should be reduced to the minimum.

Member banks should liquidate all speculative loans and reduce their loans at least 10 percent before crop moving period. If all the banks in the country would follow this suggestion a reduction of \$3,000,000,000 in loans would be apparent.

Mr. Hawes said: "One credit which is seldom recognized as a credit risk is the acceptance of checks and drafts payable outside of the city where they are deposited and requiring from one to ten days in transit to collect. This latter class of credit is seldom recognized by merchants and the realization of this method of extending credit in the middle of the year is understood and appreciated. The Federal Reserve bank credits to its members banks, subject to schedule of time in transit, the volume of such items and it is said that from 70 to 80 per cent of this character of credit is now being handled through that source.

"Frozen Credit" Cited. "When we consider that the daily outstanding of the federal reserve system in items which are uncollectible and cannot be used either as a basis of extending credit or the issuance of federal reserve notes amounts to the tremendous sum of \$600,000,000 daily, and that in addition thereto there is a similar "frozen credit" in the hands of the bankers of from two hundred to three hundred million daily, it is apparent that the banks of this country are extending credit to individuals, corporations and firms on checks deposited for their immediate use to the extent of eight hundred to nine hundred million a day, for which, in many cases, not if any compensation is received.

"In a number of centers a very proper charge is made by the banks for interest in transit on this character of credit, the reason being that there is absolutely no difference between discounting a man's note and discounting his indorsed check.

"This form of credit is least understood and the difficulties with which the federal reserve system and the bankers of the country have labored in their endeavors to meet this situation are not adequately appreciated by the merchants and manufacturers."

Because of the death of its president, Charles E. Ladd, the Equitable Savings & Loan association, at a special meeting of its board of directors last Friday, elected Edward Cook, president and manager of the association, as president. Other officers of the association were advanced as follows: F. Mckercher, vice-president; C. W. Hayhurst, secretary; R. A. Schramm, assistant secretary; and E. E. Vrooman, auditor.

Since the first of the year 1920 the association has received over \$1,500,000 in savings and other accounts and has loaned over \$1,200,000. It now has approximately \$5,000,000 of funds on other assets.

Pacific Coast Shipping Notes. SEATTLE, Wash., June 13.—(Special.)—With temporary repairs completed, the big Nippon Yusen Kaisha liner Suwa Maru, which was damaged in her upper works to the extent of \$150,000 by a fire the night of May 31, will sail for Japan Wednesday morning. The repairs were completed yesterday. She will carry only 35 cabin passengers on the voyage across the Pacific, her first-class accommodations having been damaged badly in the fire. The second cabin stateroom accommodations will be filled to capacity. On her arrival in Japan the liner will undergo permanent repairs.

After steaming approximately 500 miles in the Bering sea, the trade of Seattle, the liner Mexico Maru of the Osaka Steamship Co. was received last night by W. J. E. Shields of the Pacific Coast Coast Conference of this port. In a letter written in Iktan, Alaska, by George Grothe, employed on one of the

OREGON BANKERS TO CONVENE AT EUGENE

Portland Delegation Will Get Special Car Tonight.

OFFICERS TO BE CHOSEN

Noted Speakers Obtained to Discuss Problems That Confront Financiers of Today.

The fifteenth annual convention of the Oregon Bankers' association will convene at Eugene tomorrow at 10 A. M. A special Pullman sleeper will be attached to the Southern Pacific train leaving Portland at 1 o'clock tomorrow morning for the convenience of the bankers and representatives of banks in the northern section of the state. A large attendance is expected. C. S. Hudson, president of the First National bank of Bend, is president of the association, and will call the convention to order and preside over its deliberations. John L. Hartman of the Hartman & Thompson bank, the veteran secretary in charge, and has arranged for speakers of note that will make the session of special interest in view of the present situation in financial affairs. The program will be opened with an invocation by Rev. E. V. Silvers, Luke D. Goodrich, cashier of the First National bank of Eugene, which will be responded to by E. H. Senech, vice-president of the Northwestern National bank of Portland. President Hudson will then deliver his annual address.

Noted Speakers Obtained. G. E. Bowerman, general secretary of the American Bankers' association, will deliver an address: "Greetings From American Bankers' Association." A. L. Lathrop, trust officer of the Union Bank & Trust company, Los Angeles, will be the concluding speaker of the morning session, on the topic: "The Organization and Development of a Trust Department."

The program for the afternoon will consist of the following addresses: "The Banker's Public Relations," George A. Van Smith, assistant cashier the Anglo & London Paris National bank, San Francisco; "Feeding the People," Sherman T. Edwards, manager New Olympic cereal mill, central department, Portland; "Political Problems Which Oregon Bankers Are Facing," Robert E. Smith, president Title & Trust company, Portland; "Some Features of the A. I. E. Cyrus A. Woodworth, with the Ladd & Tilton bank, Portland.

The feature of Tuesday events will be a picnic dinner on the bank of the Willamette in one of the popular resorts of the University city.

Officers to Be Chosen. Wednesday the session will convene at 9 A. M. and will receive reports of the various committees. Election of officers for the ensuing year will take place. The afternoon will be given over to social affairs, including an entertainment for the ladies of the party at the Eugene Country club. A visit to the University of Oregon will occupy a part of the afternoon. For those fond of outdoor sports a golf tournament has been arranged.

Officers of the association who have directed its activities during the past year are: C. S. Hudson, First National bank, Bend, president; N. U. Carpenter, vice-president; J. W. McCoy, cashier First National, Ashland, treasurer; John L. Hartman, Hartman & Thompson, Portland, secretary.

Movements of Vessels. PORTLAND, June 13.—Arrived at 9 A. M.—Steamer Westwind, from Honolulu; at 10 A. M., steamer Rose City, from San Francisco; at 11 A. M., steamer Myder Hanly, from Coos Bay. Sailed at 6 P. M.—Steamer Klavich, for San Francisco.

ASTORIA, Or., June 13.—Arrived at 3 A. M. and left at 9 A. M.—Steamer Ryder Hanly, from Coos Bay. Sailed at 9:10 A. M., steamer Atlas, for San Francisco; steamer P. H. Buck, for Monterey.

COOS BAY, Or., June 13.—Arrived—Steamer Tiverton, from Portland. Sailed—Steamer Waheena, from Columbia river.

SAN FRANCISCO, June 12.—Sailed at 5 P. M.—Steamer Dewey, for Portland, via Astoria.

SAN PEDRO, June 12.—Arrived—Steamer Santiam, from Columbia river.

ASTORIA, Or., June 12.—Arrived at 4:50 and left at 8 P. M.—Steamer Westwind, from Honolulu. Sailed at 3:20 P. M.—Steamer Tiverton, for Coos Bay; at 9 P. M., steamer John Poulson, for San Francisco.

SEATTLE, Wash., June 13.—Arrived—Steamer Toiyah Maru, from Hongkong; Admiral Rodgers, from Seattle; Admiral Rodgers, from Seattle; Admiral Rodgers, from Seattle. Sailed—Steamer Uralian Maru from Yokohama; Hanley for Corinto via San Francisco; steamer Everett, for Everett; Alaska; Horace X. Baxter, for San Pedro; U. S. S. El Aquilar, for San Francisco.

Tides at Astoria Monday. High. 11:20 A. M., 6.0 feet; 5:21 P. M., 6.4 feet. Low. 11:01 P. M., 0.8 feet; 4:58 P. M., 3.0 feet.

Columbia River Bar Report. NORTH HEAD, June 13.—Condition at the bar at 5 P. M. Sea, choppy; wind, southeast, 35 miles.

A woman teacher of the Rocky Glen district school, near Elmdale, Kan., has had only two pupils the last term, but she has been getting a salary of \$10 a month.

PLENTY OF MONEY FOR CROPS SEEN

Credit Conservation, However, Held Need.

BANK HEAD GIVES OPINION

E. H. Senech Returns From Extended Trip Through East and to Conventions.

If the banks of the country continue to conserve credit there will be ample financial facilities for handling the crop movement of the year, is the opinion of E. H. Senech, vice-president of the Northwestern National bank, who returned yesterday from a business trip east that has occupied more than a month. Mr. Senech was a member of the delegation that attended the seventh national foreign trade convention at Philadelphia and New York and visiting most of the important centers of the Atlantic coast section in his travels. Incidentally, he visited his old home in Lancaster county, Pennsylvania, which he declares is the richest agricultural county in the United States, a proud position which it has held in census statistics for several decades.

Crop Outlook Favorable. The crop outlook of the country is very favorable, said Mr. Senech, in speaking of the general conditions as he observed them throughout his trip. "Last month, when I traveled through the western states, the indications were that the farming sections had the seasonal work well under way. In some localities corn planting was later than normal, due to continued rains during April that prevented preparation of the ground, but everywhere the outlook for the crop was good for crop yields. Montana was being soaked thoroughly in the middle of last week after three dry years, and the outlook is for abundant crops and good range for livestock this year.

"Money is in strong demand throughout the country. Credits are especially tight in the middle west, largely due to the car shortage and the consequent inability to liquidate loans. My observation is that money is probably easier in the Pacific northwest than in any other section of the country. It appears that the credit difficulty has been passed. If the bankers of the country continue to conserve credit for legitimate demands, credit facilities will be available for the movement of the crops of the coming season. Rates for money will no doubt be stiff throughout the year.

Republican Victory Forecast. "I attended the foreign trade convention at San Francisco, the annual convant of the National Association of Credit Men at Atlantic City and the Washington Bankers' association at Seattle, all of which were largely attended. It was surprising to learn how generally the feeling prevailed that republican victory is certain in November. It seems to be the general impression that a republican administration of national affairs would mean a period of great development and prosperity.

While in Chicago I attended the first session of the republican convention, which was an impressive occasion. Oregon delegates took a prominent part, in which Judge McCann was especially active and served on committee places with distinction. In fact, all of the members of the Oregon delegation attracted favorable attention by their activities.

1000-Acre Ranch Sold. ROSEBURG, Or., June 13.—(Special.)—One of the biggest realty deals made in this county for some time took place Saturday, when the Jackson brothers of Douglas, Ariz., bought the Four C ranch of 1000 acres.

Milroy Candidate for Judge. YAKIMA, Wash., June 13.—(Special.)—R. B. Milroy, judge of the

GOWLITZ AIR IS DENIED

ENGINEERS OPPOSE DEEPENING OF RIVER.

COMMERCE TO BE BENEFITED SAID

Not to Be Sufficient to Warrant Expenditure.

Announcement has been made by Lieutenant-Colonel J. E. Slattery, commanding the corps of army engineers assigned to this district, that in all likelihood the improvements in the Gowllitz river, from Ostrander to the mouth of the stream, asked for by towns along the river, will not be made. The reason for the denial is the petition being that the district corps of engineers which surveyed the river in 1917, reported that neither the present nor the prospective commerce to be benefited is sufficient to warrant the expenditure necessary to make the desired change in the river bed.

The petition submitted by Ostrander, Kelso and other towns asked that the bed of the Gowllitz be deepened by six feet.

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Table listing various municipal bonds with columns for Name, Rate, Maturity, and Price Yield. Includes entries like 'Arlington, City of, Oregon, Sewer' and 'Bull, City of, Idaho, Sewer Dist.' with yields ranging from 5.5% to 7%.

SPECIAL ASSESSMENT BONDS

Table listing special assessment bonds with columns for Name, Rate, Maturity, and Price Yield. Includes entries like 'Bull, City of, Idaho, Sewer Dist.' and 'Bull, City of, Idaho, Paving Dist.' with yields ranging from 7% to 7.5%.

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