

FEDERAL RESERVE ACT WILL PREVENT PANICS DECLARES J. N. TEAL

Speaker at Lumbermen's
Dinner Points Out How the
Law Will Create Credits.

Joseph N. Teal, addressing the get-together dinner of lumber manufacturers, timber holders and logging camp operators, at the Hotel Benson last Monday night, pointed out particularly the benefits that will be gained by the country from the recent passage of the currency bill. He said in part:

"This question is one that should have received attention long ere this. Financiers, publicists, economists, bankers and business men knew that conditions existed in this country which would not be tolerated in any other civilized country on the globe. A nation with unlimited credit, with boundless resources, with thoroughly trained business men and again passed through crises, leaving desolation, bankruptcy, suffering and even death behind them, all because when needed, the credit and resources of this country were apparently of as little value and availability as the sands beneath the sea.

Old System "Barbarous."
"Our banking system has been denounced as 'barbarous' for its lack of elasticity to our currency. It was as rigid and unyielding as a rock. There was no real discount market. While the country had been increasing in population, industry and commerce at a pace that can only be characterized as marvelous, we were still operating under a banking law that was the outgrowth of the sternest of all necessities—a nation's life."

"Though more than half a century had passed since its enactment, no changes had been made except of a minor character. The demands of commerce for a sound currency and for its automatic expansion and contraction as the needs of business required was not responded to. On the contrary, increased production and more business had made the menace greater which, like the sword of Damocles, hung suspended by thread over the neck of commerce and industry. Large crops with attendant financial requirements had accentuated the difficulty of financing business."

Control of Finances.
"As far as there was any control of the currency and of finances it had been allowed to drift in the hands of a few individuals who in truth and fact largely held in their hands through this control, the fortunes and future of the commerce and industry of this country. Whether this power was wisely or unwisely wielded is beside the question. It was a fact and by reason of the failure of congress to act almost a necessity—certainly a necessary result."

"In other words, individuals without responsibility to any authority were exercising the greater governmental functions. Again, I do not discuss whether this power was exercised practically or not. No such power can safely be entrusted to any individual or group of individuals. I speak plainly so you will better appreciate what a revolutionary change has taken place."

Black Man's Panic in 1907.
"The fruits the system or lack of system could produce were displayed in the so-called rich man's panic of 1907. With the country in the midst of prosperity, the earth heavy with harvests, labor fully employed, railroads unable to handle the traffic, like a bolt from the blue, the black cloud of the panic swept over us and it was night indeed. Banks closed their doors, those remaining open issued clearing house certificates and real money could only be obtained in great quantities at the centers of the country at a favor. One instance that passed under my observation will illustrate the preposterous and illogical condition that obtained: A bank had loaned money to a perfectly responsible concern holding as security receipts for wheat in warehouse fully insured. Moreover, the wheat had been sold, was awaiting cars for loading to ships, when bills on London with documents attached would be issued. The bank required money to meet demands of depositors; yet on this security, which meant gold coin as soon as bills could reach London and coin be returned, say 60 days, this bank could not get a dollar. In other words, neither credit both combined could secure one dollar in money."

Money Was Not Obtainable.
"Comment is unnecessary. Doubtless you think I am exaggerating conditions. That such a situation would not be permitted to exist in this country is not why it was permitted to continue is not for me to answer. A test of the truth of my statement is at hand. If any of my hearers during the panic of 1907 desired to secure money for the ordinary conduct of his business I will be indeed glad to know what credit or security produced real money in any quantity from any bank during that time. In what situation from a banking standpoint is a country as rich as this when the only protection to business lay in the declaration of legal holidays from day to day extending over weeks. Surely any legislation that will safeguard us from and prevent a recurrence of such conditions, not only marks an epoch, but must make for safer and better business, for prosperity. Such a measure is the currency bill and such its purpose."

poses. It is a matter then for surprise that C. W. Babson, a celebrated financial authority, recently said: "Next to the Declaration of Independence and the constitution of the United States the federal reserve act signed by President Wilson December 23, may be the most important measure ever placed before the people of these United States. Upon its wise administration depends the good or ill of a hundred million people and as a nation we shall probably live under it not only for the 20 years named in the act, but with the amendments found necessary from time to time, for possibly many generations."

Will Not Conflict With Banks.
After describing the terms and operation of the federal reserve act Mr. Teal said: "It will be noted the federal reserve banks in no way conflict with or attempt to perform the functions of the ordinary bank. To the average man or woman there will be no visible changes in the usual method of doing business. What it does create is a discount market; it provides currency on a sound basis when needed which is withdrawn when required. It creates a condition where credit, securities and the resources of the country count for something. It will prevent panics as we have known them and it will place legitimate business on a basis where one without any fault of his own will not see the savings of a life time swept away in the mad scramble of a panic possibly triggered by stock gamblers thousands of miles away."

Mr. Teal then quoted from an article in the Outlook of January 3, 1914, a portion of which is as follows: "It will be no easier than before for the man with poor assets of bad credit to borrow, but it will be immeasurably easier for the man engaged in a legitimate and profitable business to turn his wealth or his credit into a form which will be generally accepted and which will support him in his action. The Outlook company will probably never again have to pay its employees in checks because its bank has not the bank notes with which to meet the Outlook's legitimate demand on its weekly pay day for the money which it has deposited in the bank during the week. The technical statement of the matter is that at last we have an elastic bank note currency, the volume of which expands as the number of the trade impressions throughout the country increases and which contracts as the number of nation-wide trade transactions decreases. On the night of December 23, expressed a very deep gratification at being able to sign it. He was entirely satisfied by the provisions of the bill itself, by its history, and by the spirit with which both houses of congress had treated it, in calling it a great constructive measure."

As to Power of Committee.
Then Mr. Teal continued: "It has been said that an enormous power has been lodged in the hands of seven men. That is true, but what is to be done? The power must be lodged somewhere, and man is as yet the highest earthly exponent of the maker's will. We can only use the best instruments at our command. The courts have the power of life and death over property and over personal liberty, yet they are men. Seven men constitute the interstate commerce commission. Men make our laws, men administer them, men pass on them, and until there is some better instrumentality we must rely on men for everything calling for judgment or discretion."

"I may say, it being admitted that we must rely on some man or men, for what else it comes to exercising a control over the currency and business of the country, I would rather rely on men appointed by the president of the United States and subject to its laws than to any voluntary aggregation of men, no matter how experienced, who are responsible and answerable to no one but themselves and their consciences. Such a responsibility is too great to be thus assumed, and the chances too uncertain to be risked."

Policy of Administration.
Speaking of the policy of the administration towards business, Mr. Teal said: "I hold no brief for the administration, have no authority or right to speak for it, and have only the same means of forming judgment as to its purposes as that possessed by any citizen. I can but judge the future by the past, and take actions, not words, as the yardstick. Many of us have come in close contact with some of the representatives of the administration. I think all of us who have thus been favored will bear me out in the statement, that the sole purpose of the administration is the bettering of conditions, the creating of wider opportunities for all and that the time and talents of those on whom the direct responsibility is placed are dedicated to this service. There has occasion in a business way to be thrown in direct contact with the heads of some of the departments, and no one could be impressed with the sincere desire found everywhere to do as to advance the common interests of a common country. What is needed by us, what will be accomplished by the administration, is confidence and trust that will naturally lead to closer relations between the men of affairs and those who administer the laws. No one knows everything. Indeed, sometimes I feel that no one really knows much of anything. But if we are not to place our special knowledge at the hands of those who make the

DEPORTING OF LABOR LEADERS FROM AFRICA RAISING BIG PROTEST

Grave Difficulties Between
Imperial and Colonial Govern-
ments Threatened by It

(United Press Leased Wire.)
London, Jan. 29.—That the deportation of labor leaders from South Africa Tuesday night will be made a permanent matter seemed certain today. The affair promises to develop serious complications and threatens grave difficulties between the imperial and colonial governments.

To make matters worse, the national labor party's conference at London yesterday passed strong resolutions denouncing the action in which the South African authorities suppressed the recent strike in that country and demanding Lord Gladstone's recall as minister of general affairs. These resolutions were adopted before it was known that the deportations had occurred, and with them to add to the general acclamation of the labor party group will be in a position to make things extremely uncomfortable for the administration.

The strike involved a formidable revolutionary movement was considered certain in official circles. In deporting the ten men sent out of the country, however, it was generally agreed that Premier Botha had exceeded the letter of his authority. It was believed, however, that the influential South African upper class would support him in his action, so that it may be a somewhat risky matter for the imperial authorities even to administer a reprimand.

On the other hand, with the labor party insisting on a full investigation and presumably showing that the colonial officials have disregarded legal requirements, it was difficult to see how action could be avoided.

laws and those who administer them, who will be to blame if mistakes are made and misunderstanding arise? The president has spoken and he has acted. You can judge as well as I whether those words and acts indicate that his object is the general good, and that service to his countrymen is his chief ambition. From every standpoint and for every reason, indeed the most practical considerations, if there were no higher or nobler purpose, would impel the administration to do all it can to advance in every possible way the industrial and commercial interests of the country."

Buys Blue-Blooded Bull.
Forest Grove, Or., Jan. 29.—Harry Underhill, a farmer of the Thatachee section near this city, received a registered Holstein bull from the famous herd of W. J. Boynton of Rochester, Minn., yesterday, by express. The calf is three months old and cost \$200. Its ancestors have taken prizes at New York stock shows.

Mme. Schumann-Heink Ill.
Chester, S. C., Jan. 29.—Ill of bronchitis, Mme. Schumann-Heink has cancelled her engagements.

BOY SCOUTS ORGANIZE IN PACIFIC COUNTY

South Bend, Wash., Jan. 29.—Three patrols of Boy Scouts have been organized here within the last few days—the Hyman, the Owls and the Lions. Principal Earl Decker of the "A" street school is directing the boys and a number of the business men are financing them. The boys qualified and were sworn in as tenderfoot members at the Commercial club at its last meeting. Tuesday night City Health Officer Anderson gave them lessons in first aid to the injured, and Captain L. L. Dar-

ling gave them instructions in rope tying. This is the first organization of Scouts in Pacific county.

Vancouver Marriage Licenses.
Vancouver, Wash., Jan. 29.—Quite a rush for marriage licenses was experienced in the office of the county auditor yesterday, nine permits to wed having been issued, and the majority of these to persons residing outside of the state. The following couples were licensed: John Welinity of Portland, and Miss Lydia Bond of Topeka, Kan.; R. F. Hitchcock of Vancouver, and Miss Grace C. Atkins, 17 years old, of Miss Frisbe; Holger Christoffersen and

Miss Jennie Mournoe, 17 years old, both of Portland; Vito N. DePinto and Miss Mary E. Dabrutz, both of Portland; Means, both of Metzger; Lester D. Smith and Miss Rachel Scheller, both of St. Johns; George A. Mearns and Mrs. Margaret Gates, both of Portland; Richard P. DeFue of Seattle, and Mrs. Bell Ringland of Portland; Arthur Marr of Vancouver and Mrs. Josephine M. West of Bellingham.

Benson Check Received.
Hood River, Or., Jan. 29.—Judge E. E. Stanton received a check yesterday from S. Benson of Portland for \$500, to assist in defraying the expenses of making the survey of the Columbia river highway through Hood River county. Mr. Benson has previously given \$10,000 for work on the highway in Hood River county, and the sum

was expended in building the road around Shell Rock mountain.

Natural gas consumed in the United States last year was equivalent to 26,000,000 tons of coal.

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| \$22.50 Suits..... | \$11.25 | \$14.75 Coats..... | \$7.40 |
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| \$27.50 Suits..... | \$13.75 | \$19.50 Coats..... | \$9.75 |
| \$30.00 Suits..... | \$15.00 | \$22.50 Coats..... | \$11.25 |
| \$35.00 Suits..... | \$17.50 | \$24.75 Coats..... | \$12.35 |
| \$40.00 Suits..... | \$20.00 | \$27.50 Coats..... | \$13.75 |
| \$45.00 Suits..... | \$22.50 | \$30.00 Coats..... | \$15.00 |

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1 pound Cascara Bark 20c
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10c Lucia Castile, white, 7-oz. cake 6c
10c Deland Castile, new process 6c
10c Hearts Violet Glycerine Soap 5c
25c Imported Violet de Nice Soap 15c
50c Hygienic Soap, 3 for 50c; unscented 25c
10c Boehm's Water Lily Floating Bath Soap, 3 for 25c
10c Lister's Antiseptic Soap 5c
Tussling, 3 cakes in box; odors rose, heliotrope and violet 10c
10c Armour's Glycerine, Quinine and Tar Soap 5c
10c Transparent Glycerine Soap 5c
25c 4741 White Rose Glycerine Soap 15c
25c 4741 Ala Violet Soap 15c
\$1.00 4-lb. bar Castile Soap, "aged," special 39c
Antoni Bert's Castile Soap, bar 75c
El Progresso Castile Soap, bar \$2.00
Antonio Luggado Castile Soap, bar 89c
Conti Mottled Castile Soap, bar \$1.50
Cleary's Bath Tablets, 3 for 25c
25c Cuticura Soap 15c
25c Woodbury's Facial Soap 15c
25c Pears' Transparent Glycerine Soap, scented 15c
Vallant's Antiseptic Skin Soap, 3 for 25c
10c Physicians' and Surgeons' Soap 7c
10c Sayman's Vegetable Wonder Soap, 3 for 25c
Wild Flowers of Mt. Hood Complexion Soap 10c, 3 for 25c
25c Resinol Soap 19c
25c Green's Sulphur Soap 19c
25c Herpicide Soap 19c

N. B. Means Take Notice

25c will be deducted from every article you purchase in the RUBBER DEPARTMENT amounting to \$1.50 or more.

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