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"No Favor Sways Us; No Fear Shall Awe"
From First Statesman, March 28, 1851

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Branch Banking

THERE was a legislative hearing on branch banking at the senate chamber Friday night, with arguments on both sides of this controverted question presented. Ted Cramer, secretary of the state bankers' association, presented the affirmative of the debate. Much of the opposition showed a bias "agin" banks, bankers, the credit system, the gold standard, covering far more ground than the Oregon legislature's authority extends. Sen. Zimmerman got in a lick for his state-owned bank scheme. One man, a banker at Oswego, gave a straightforward and practical argument against branch banking.

Since ten thousand banks have closed in this country the pressure to "do something" is strong, and branch banking is proposed as one way of affording better protection to the depositor. People look across the line at Canada with 13 banks and no failures and conclude there must be virtue in the plan of branch banking. From our own study of banking we believe that establishment of branches should be permitted; but the public is in error if it thinks that that is any automatic solution to our banking troubles.

The fundamental weakness in our banking situation is the collapse of the price structure; and this was in large degree caused by the credit expansion tolerated and encouraged by the largest banking interests in this country. Legitimate loans based on stocks of goods or growing crops could not be liquidated when prices fell below levels which would cover the amount of the borrowing. Branch banks caught in the undertow have succumbed as well as independent banks. What has saved the large banks has not been any superiority of judgment in placing loans; but their large capital resources and surpluses pulled them through.

There is a sharp difference between the English-Canadian method of banking and that in the United States. English commercial banks restrict their loans to short-time discount paper based usually on self-liquidating lines: bills of lading for goods in transit, warehouse receipts, and such. They do not make capital loans which are long in term; and they are far more conservative in their loan policy than American banks have been. Then Canada was not involved in the speculative orgy nearly to the extent that this country was. However the branch banking policy undoubtedly has helped Canada develop more consistent, more stable and more conservative bank practice than this country.

The biggest banks of the country were more guilty of bad ethics and bad judgment than the managers of cross-roads banks. When we see that Chase National and others were loaning money on the security of common stocks of highly pyramided utility holding companies, with valuations which even dubs should know were highly inflated, the surprise is that they were able to absorb their losses and keep going. The Chicago banks took a big licking from Mr. Insull. The security affiliate of one great New York bank floated debentures of the General Theatres Equipment company, then took the Fox Film stock which was supposed to be back of the bonds, over to their bank and hocked it for a big loan. Bad judgment and worse ethics. The record is full of stuff just like that; and one may get plenty of gossip at any group of bankers.

We are inclined to think the bankers have learned their lesson; and the biggest bankers had a lot more to learn than the little bankers. On the bond end of the business they had more opportunity to ascertain the merits of the bonds; and the small bank bought often on the recommendation of the big bank, or its security affiliate. The supervisory officials were no more immune from error than other people. We recall one federal reserve examiner who came into a bank and urged it to buy South American bonds, said he was putting all the money he could into such bonds. Fortunately his advice was not taken.

Independent bankers who know their business need have no fear of branch banks. The personal element and the factor of local loyalty will make their banks thrive if they know how to manage them. They can give quicker action on loans. Moreover they will lend a larger proportion of their deposits locally, which is a good thing, not only for the service of the community but for the earnings of the bank; and under proper management, for the safety of the depositors. A local, short-term loan whose security the banker may be positive of himself, is a better loan than a lithographed real estate bond on a New York hotel, even though the circular says the latter is "eligible for trust funds."

In our view branch banks are very necessary in the cities, enabling residents and businesses in all parts of the city to get the advantage of the service of the large institution. Extended over the state on a conservative basis they should have a stabilizing influence, should promote better banking. There will still be plenty of room for independent banks, and the competent manager of an independent bank has nothing to fear from branch bank competition.

The fundamentals of banking reform are not touched however merely by legalizing branches. Those fundamentals involve making of discount rather than capital loans; avoidance of other than highest grade bonds; and charges for banking service so the banker will not be forced to take high-rate notes or bonds in order to earn his operating expenses.

The U. S. senate is having a spasm of virtue over the imputations of Dave Barry, sergeant-at-arms, that a few senators, names not given, are subject to corruption. Very shocking, indeed. And the man who brought the matter up was Watson of Indiana. Watson, it is recalled, is the man who was found with some sugar stock in his pocket for which he paid nothing. And Puddler Jim Davis also had a lot of the same stock, received for no consideration. The stock turned out to be bad; but considering the duty of senators to fix tariffs on sugar, the taste of the deals is not sweet to the American public. And what about senators gouging on meals and barber service and clerk hire and travel junkets?

Dr. Will Durant says we are already at war with Japan,—economic war which may end up in the real thing. And news from Europe is to the effect that Russia is getting ready for war with Japan. So what do we see: Russia and the United States in alliance to crush Japan? What a weird alignment of powers,—Russia with whom the United States has no diplomatic relations. There are war clouds in the east all right; but this country is in no mood to strap on her shooting irons. The surest way to defeat Japan is just to let the Jap military party bankrupt that country.

A writer in the Oregonian says the lumbermen are trying to use every bit of the log, including the "bark." We'll be satisfied if they find some other use for the nettles on the bark than seating themselves in the fingers every time we feed the fire.

HEALTH

By Royal S. Copeland, M.D.

THERE IS consolation in knowing that a recent health survey reports a marked reduction in the number of fatal cases of pernicious anemia.

Dr. Copeland

Pernicious anemia was at one time a terribly dreaded disease. New knowledge concerning pernicious anemia has been acquired within recent years. The discovery of the curative value of liver has made possible the control of this affliction.

The word anemia come from a Greek word which means "without blood". There are three chief causes for anemia.

Blood may be lost from the body as a result of injury. It may be due to some disturbance of the mechanism within the body which prevents the blood from being formed properly. Pernicious anemia is classified in this last group.

Liver in Extract Form

In most instances anemia is perfectly evident from the appearance of the patient. The sufferer has a pale skin. He complains of shortness of breath, tires easily, has a poor appetite and loses weight. In other cases, though the patient does not feel well, an examination of the blood is necessary to confirm the diagnosis of anemia. By means of a "blood count" the actual destruction of the red blood cells and decrease in the coloring matter can be determined.

The administration of liver is of great value in the treatment of pernicious anemia. Many of my readers are aware of the value of this food, but perhaps few are aware that it is now possible to get liver in extract form. It can be had in powder and tablet form.

It can also be given by hypodermic injections. Recent reports appear to show that the hypodermic is the most beneficial method.

In addition to liver, it is essential that iron salts and copper salts be included in the diet. This fact has been demonstrated by recent laboratory experiments.

Sunlight Aids Recovery

The food should be simple, yet wholesome and nutritious. It should include plenty of fresh fruits, vegetables, milk, cereals, cream, butter and eggs. The sufferer should have plenty of rest and an adequate number of hours of sleep. He should be outdoors and in the sunlight as much as possible.

In this disease the afflicted person may complain of mild headache, dizziness, nausea and vomiting. Though these symptoms increase in severity the patient often refuses to consult a doctor.

In spite of having no medical care he may improve greatly and for a short time may be in fairly good health. This improved condition may last for several months, but is usually followed by a relapse. As time goes on the periods of improvement are shortened.

As is true in other ailments, early recognition of pernicious anemia is necessary for a speedy and complete cure. Never attempt to make your own diagnosis of what ails you, and under no circumstances prescribe for yourself. Consult with your physician who will advise you and prescribe the proper medication.

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The Safety Valve - -

Letters from Statesman Readers

FOR THE GOOD OF THE PEOPLE

Kind Friends and People:

Were you not amazed when on receiving or seeing our latest telephone book how it had shrunken. As a matter of fact it would hardly do justice to a place like Woodburn or Silverton, and does it not seem to you a very great injustice to our progressive and rapidly growing city of Salem? At any rate it so impressed me that I made it my personal business to investigate why the number of subscribers had discontinued their phones and service, and also when calling up, so many times the answer would come back "temporarily disconnected" or I find in many cases permanently. As my business brings me in contact with so many people, I have asked those who had their phones taken out or discontinued, the reason, and invariably and almost entirely the answer was that we could not afford it; that the benefit derived from it under our present conditions did not justify the high price to maintain it. In other words they had rather dispense with so valuable an assistance as the telephone rather than pay the price. Does it not seem to you that our large corporations; the Telephony company, the Gas company, the Water company and the utilities in general have overlooked or lost sight of the fact that we are passing through one of the greatest money stringencies that many of us have ever experienced and yet at the same time they are asking us to pay the same price that we did when butter was 35 or 40 cents a pound, eggs 40 or 50 cents a dozen and practically all those who desired it earning a living wage. The costs of many of these necessities which we are almost obliged to have from these corporations remain the same and does it not appear to you the fact that they should be willing to meet us half way on many of these utilities?

Would it not appeal to you at the time of making your payments on the phone if you would suggest in a kind and courteous way that if there could be some very appreciable decrease in the price of many of these utilities that there would be enough more business and emoluments to more than repay the difference in reductions that they might make. Does it not seem to you that there should be an equalization from these corporations meeting the dear public half way. As it now exists it is a very great hardship to maintain many of these, almost we might say, necessities, but of which as it now exists and at the price, makes a very heavy burden. Does it not seem to you that we could cooperate and bring to bear and express our sentiments and feelings in a way that it would then renown to the benefit of the public and all concerned?

Yours very respectfully,
E. B. BALLINGER,
116 New Bligh Bldg., Salem, Oregon, Telephone 6017.

BITS for BREAKFAST

—By R. J. HENDRICKS—

Former Oregon man is "going on" 100:

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(Continuing from Sunday:) A. F. Brown wrote in his book that he had intended when the proper time came to open a general store in Oakland, and resigning as station agent, he was preparing to put up a building for the purpose. Hyman Abraham suggested that he buy out his brother, Soloman, or himself, as they were not getting along well in family matters—they had married American women, and everything they had, even to houses and furniture, was owned in common. The upshot was the purchase by Brown of Solomon's interest, paying between $23,000 and $24,000, and the firm became Abraham & Brown May 25, 1875. The firm did a large and profitable business; the town then having nearly all the trade of Douglas county north of the North Umpqua river.

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After three years, Brown became sole proprietor, and continued in the general merchandise business until Jan. 2, 1892, when he sold to P. B. Beckley and rented the store to him, in June, 1893. (The writer of Bits for Breakfast was in those days well acquainted with all the parties just named. He could tell personal incidents and revive traditions that would fill newspaper pages. Brown was a high type man; led a strenuous life, and Mrs. Brown was a fine woman. "Pet" Beckley, who succeeded him in business, was one of the best known men of southern Oregon in his day.)

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Soon after the sale to Beckley, a fire wiped out several of Brown's buildings, including store and warehouse buildings, with grain, lumber, etc., and no insurance. A heavy loss; but the next day, while the embers were still burning, he got onto his horse and went out to the brickyard in Whitmore gap and contracted for brick to erect the building afterward occupied by the Commercial bank and Weigel Bros., which he completed that summer. Resuming the text:

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"On the 3rd of May, 1888, my wife died, and on the 19th day of December, 1889, I married Miss Addie Smith, and by whom I had one child, named Loyal P. He died at the age of 5 months. . . During several years after my heavy loss by fire times were very dull and the price of land and all farm products came down to an unprecedentedly low price. Wheat sold as low as 40 cents per bushel, oats at 20 cents, and sheep as low as 75 cents per head, cows $7 per head, and there was no sale for farm land, except sheriffs' sale under foreclosure of mortgage, and the only bidders were the ones that held the mortgages, and to make times worse for Oakland, the towns of Drain, Elkton, Yoncalla and Wilbur became business centers for their vicinities and Oakland lost quite a share of her trade.

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"In the winter of 1904 times had gotten better and my wife and I took a trip to Europe; sailed from New York January 9, on the steamer Baltic, . . . direct for the Mediterranean, stopping at the Azore islands, Genoa, Italy, then Naples; Alexandria and Cairo, Egypt." (Visited Rome, Florence, Nice, Marseilles, Lyons, Paris, Liverpool, London, Queenstown, and, on the way back home to Douglas county, many American cities; called on President Roosevelt in the White House, etc., etc.

% % %

In the spring of 1907, Brown took a car load of horses to San Francisco, where they were in demand after the greath earthquake and fire of 1906. Resuming the text: "I then went down to South Pasadena, where Fred (his son) was living, and while I was there I bought a lot and let a contract for a house, . . . and the following November we moved down here and are still living here and taking it easy in my old age. . . . I have built seven dwellings here and two in Los Angeles, and have sold them all except my home; . . made yearly trips to Oregon, looking after my business there, and several seasons two trips. This summer (1922) I went with Fred and Mollie by auto to Springfield, ... over the Cascade mountains to eastern Oregon, and visited Bert at his ranch near Fossil; . . . to Aberdeen, Wash., and back home, stopping at Oakland five days and Roseburg one day; also at San Francisco to visit Joe and family one day.

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"As I look back over my years since I left my old home in Stratford, ... and think of all I have gone through I often wonder that I am still here and blessed with good health, while so few of my generation are left. I am not only the last one of my father's family, but out of a very large number of cousins, seven years ago I had only one still alive, and as she was older than myself it is very likely that she has passed on before this time.

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"Nearly all the modern improvements we have now, such as air and seaplanes, steamboats, telegraph, telephone, automobiles, movies, harvesters, binders, combined harvesters and threshers, and many other implements were not known when I was a boy. I remember when my mother cooked for a large family by an open fireplace, and when she got her first cook stove; also when matches were unknown. . . . . If there were no live coals, we went to a neighbor's and borrowed live coals; I have done this many

(Turn to Page 5)

Yesterdays

. . . Of Old Salem

Town Talks from The Statesman of Earlier Days

February 7, 1908

Assistant District Attorney Charles McNary has just made use, for the first time, of the law passed in 1907 providing punishment for a person who fails to support his wife or children. The law permits sentencing such a man to work on the county roads, the county paying wages to his family.

LONDON.—"I know of no truer friends of Japan than the Americans, and our excellent relations and knowledge of one another will insure an amicable outcome at an early date of the negotiations still in progress," said Baron Kogora Takahira on the eve of his departure for Washington, D. C., where he will become Japanese ambassador to the United States.

JERSEY CITY. — William Jennings Bryan was accorded an enthusiastic reception here last night. He was introduced as the "next president of the United States."

February 7, 1923

Efforts of Senators Ellis and Taylor, of the committee on alcoholic traffic, to amend the house prohibition enforcement bill so as not to include light wine and beer, failed yesterday when the senate refused to pass their majority report on the measure.

Today begins the intensive campaign for funds for the W. C. T. U. children's home at Corvallis. Salem's apportionment is $2500, Marion county's, $7500.

Representative Lewis' bill to place church property on the tax rolls of the state was defeated 35 to 24 in the house yesterday.

Editorial Comment

From Other Papers

SCHOOLS THE GOAT?

The fight that the board of higher education is making to prevent too drastic reductions in the appropriations to the support of the institutions in their charge is a fight for the civilization of Oregon. The future of the country and of the state depends on the development of an informed intelligence. Too great a reduction in the support of the institutions on which we depend for the development of that intelligence means that it will not be developed. Instead we shall start slipping back toward a dark age from which a renaissance will come only after long years of toil and expense.

Cuts there must be but they should be, as a friend of Oregon education has pointed out, where they will "do the least fundamental hardship to the social and spiritual fabric of the commonwealth." Education must not be made to stand too much because of what it means, as this same man has said, "in terms of the spiritual, educational and material welfare of the citizens of tomorrow, who, as the children of today are bearing the brunt of this misguided policy."—Bend Bulletin.

New Views

"What do you think of the grand jury recommendations for changes in the courthouse to reduce the fire hazards?" This was asked by Statesman reporters yesterday.

Ellis Stevens, farmer: "I doubt if it is as bad as represented, but if so, perhaps it ought to be fixed."

W. G. Krueger, businessman: "I think the grand jury did a good thing in bringing in that report. There's no doubt but what it is a fire hazard. If we had the money, I'd say build a new courthouse. Something ought to be done, although the jury recommendations wouldn't protect the valuable records there much."

John Deacon, unemployed: "I should say it is a matter of whether the county court can afford the expenditure at this time or not."

P. C. MacDonald, paper company representative: "What kind of grand jury do we have serving us? If it is a good jury, I should say accept its recommendation."

D. H. Mosher, tailor: "There may be fire hazards there. It has been a fire hazard for 50 years. This is not time to tax the people for remodeling the court house. If it has fire escapes upstairs for people to get out, with the fire equipment as close as it is, there is no reason for anyone being burned to death."

J. S. Murray, office employe, state penitentiary: "It is quite a fire hazard, all right. Sure, they ought to go ahead and fix it up."

Ross Brown, Willamette student: "Well, I don't know just what changes are proposed, but the court house is old, and anything that can be done to lessen fire hazard would certainly be a good thing."

"The Challenge of Love" By Warwick Deeping

"Pimley's a snob. You should see her with those Dudeny girls," said Jess

SYNOPSIS

Dr. John Wolfe, old Dr. Montague Threadgold's assistant, is stunned at the unsanitary conditions he finds in the smug little town of Navestock. Wolfe realizes his greatest fight in ridding the town of pollution will be in overcoming the resentful attitude of the people themselves who seem perfectly satisfied with their mode of living. He encounters his first obstacle in the person of Jasper Turrell, the brewer, who objects to Wolfe taking a sample of his well water for analysis. Undaunted by opposition, Wolfe continues his researches and prepares a map of the town's unsanitary areas. The one bright spot in Navestock is the home of Mrs. Mary Mascall where Wolfe is always sure of a welcome. He is exceptionally fond of Mrs. Mascall's young daughter, Jess. Wolfe is summoned to the home of elderly Miss Perfrement, who feigns heart attacks to attract attention. She is annoyed when Wolfe does not humor her and tells her there is no cause for alarm. Later, Dr. Threadgold insists that Wolfe be more tactful. Wolfe realizes it is to Threadgold's financial benefit to humor the lady. The blundering old man cautions Wolfe against using so much "expensive" medicines when the "ordinary" preparations will do. Wolfe's disgust with the abounding ignorance reaches its peak when he finds three babies in the care of Mrs. Lucy Gallop drugged from a "cordial" given as a pacifier. He censures Hubbard, the chemist, for selling it. Hubbard complains to old Threadgold who criticizes Wolfe. Later, Wolfe meets Jess coming from school.

CHAPTER SEVENTEEN

"Miss Plimley has packed you off early to-day."

"Oh, has she! I have just been putting old Plimley in her place."

Jess smiled up at him, her eyes glittering over some vivid adventure, some feminine onset that had been carried through to victory.

"What, have you had a battle?"

"Rather!"

"With Miss Plimley — the Miss Plimley?"

"I never was afraid of the old crow."

"Oh, come now!"

Wolfe dismounted and walked beside her under the beech trees. He knew that Jess Mascall went three days a week to Miss Plimley's establishment for young ladies at High Elms, and that Bob Munday drove down to meet her with the pony cart. Miss Plimley had been "finishing" Jess, though it appeared from what she told him that Jess had finished Miss Plimley. Jess's French was quaint and impulsively original, and a certain gift for caricature had put an end to her drawing lessons, though no one ever discovered who drew the famous sketch that was found pinned on the blackboard, a sketch that had represented Miss Plimley, in bridal attire, dragging the Rev. Charlie Clipperton to the altar at the end of a string. Miss Plimley had never urged an investigation. She was a dapper and decisive little woman, with a nose whose bones looked as though they were wearing through the skin. Wolfe knew her very slightly. He could imagine her giving music lessons, rapping her pupils' knuckles, and counting "one—two—three," the words snapping out like notes from a guitar. Jess and Miss Plimley in conflict would be something epic.

"You had a difference of opinion?"

Jess lifted her chin and laughed. "I have dismissed Miss Plimley."

"Dismissed her! Bravo."

"Plimley's a snob. You should see her with those Dudeny girls. Pah! she was rude to me to-day. I've been waiting for her for a long while. We have a reading class, you know; wretched stuff—Macaulay and Cowper, and all that. She put me on to read to-day, and we fell out over a word."

"One little word!"

"It was like this. Mother always says 'crownation' for coronation. It's her way, and it's as good as any other way. So I read 'crownation,' just to see what Plimley would say.

"'Cor-o-na-tion, Miss Mascall; only vulgar people say crownation.'

"That made me cross, because Mother says it, and she isn't vulgar.

"I said, 'My mother calls it crownation.'

"She said, 'No person of education pronounces the word so'."

Wolfe's eyes glimmered.

"That was tactless. And you?"

"I got up, and put my books away, and I said, "Miss Plimley, my mother is not a person, and she pays your fees.'

"Then there was that thunderstorm.

"Plimley splittered. Do you know people who splitter? She said, 'Miss Jessica Mascall —' but I got in first."

"One from the shoulder?"

"I said, 'Miss Plimley, I have no further need of your services. Good afternoon'."

"I say, that was good!"

"Wasn't it! I haven't felt so well this year."

She looked it, too, with a gleam of audacity in her eyes, fine frank eyes that made some of her more sentimental school-fellows foresee for her all manner of romances. Little Rose Steyning, who scribbled verses in old sermon books of her father's, would hold to Jess and utter admiringly: "Jess has such wonderful eyes." And they were the more wonderful because Jess Mascall made no cunning use of them.

She broke out into impetuous confidences.

"Old people are always talking to young people about manners, but why should we say nothing when old people are rude to us? Does being very old make us important, and able to say the nastiest thing that we please? I like to take people like I take dogs and horses. I'm not afraid of them, and that's everything."

Wolfe looked at her thoughtfully.

"Most of us—when we grow up—are so shy and so afraid of staring too hard at someone else's crooked legs that we play a game of peep-bo round corners."

"You don't."

"Thank you!"

"I shouldn't think you were ever afraid of anything. That's why I like you."

Wolfe winced inwardly, as a man should when he is a keen and honest critic of self.

"Men are afraid of things that you have never thought of."

"What things?"

"Losing money or losing work; offending people who are useful; getting themselves laughed at or hated."

"But if I felt myself in the right?"

"Well?"

"I'd never give in, never."

"By George, I don't believe you would."

He looked at her with a kind of awe, the awe of a man for something that is terribly and beautifully sincere. In the old tales of chivalry strong men knelt and took some young girl as their Lady of Honour. Wolfe understood the human significance of the spirit of chivalry. It was the bowing down of the man before cleanliness, beauty, and truth.

"Then you wouldn't think much of a fellow who met a savage dog in a lane, and slunk round by another way?"

Her eyes met Wolfe's.

"No, I shouldn't."

"No; that's right."

They had passed from under the beech trees, and down the wet, sunlit road came Bob Munday in the Moor Farm pony-cart. The boy had a way of staring wonderingly at Jess. He would have jumped into the great duck pond if she had so much as hinted that it would please her.

"Hallo, here's Bob. I must be riding on, or I shall not be back by surgery hours."

He looked down at her gravely.

"Do you know, you have done me a great deal of good."

"I?"

"Yes, you."

And Wolfe rode on with the wave of the hat, and a heart that felt warmer and less cynical.

(To Be Continued)

News Item: "Cold Snap Throngs Lakes and Hills"