

The Sentinel

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Timely Topics

By HON. R. T. MOORE

Growing dissatisfaction with the administration of the G. I. bill threatens eventual federal monopoly of loans to veterans. Such a monopoly would constitute a backward step in American economy and a move towards the very European system we have just defeated. Unless there is corrective action promptly by private lending institutions the whole structure of the G. I. bill, as regards veterans to enjoy the fruits of their own efforts under free enterprise will be endangered.

The dissatisfaction stems from the difficulty in qualifying for G. I. loans. The bill provides that the veteran must prove ability to repay to the satisfaction of the banks. The latter are evidently refusing to make the character type loans contemplated under the act and are insisting on using the same standards as are now in force for private business. Very few veterans have the background of experience on which to base a credit rating. The ordinary standards of credit appraisal simply do not fit the G. I. set-up for this reason.

Restrictions placed on banks under the last administration have forced abandonment of the character loan. The banks have gradually become collection agencies for the Treasury Department and reservoirs of capital in which the government could float the major portion of war bonds. Except in rare instances, examination of published bank statements shows clearly that bank loans to private business are almost extinct notwithstanding the fact that war operation of business, with the government as the chief debtor, requires more working capital. It is therefore evident that industry is being financed from sources other than banks during the war period. The pressure on the banks is in the direction of avoidance of risk loans and towards reliance on U. S. bond volume and nuisance service charges for operating expenses and profits. The large volume of deposits makes it possible to sustain the banks on this basis at present. Substantial profit can be made without resorting to risk loans of any nature. Incentive is therefore lacking to undertake any such loan policy as that called for under the G. I. bill.

But if the banks are to reinstate the character loan in order to effectuate the G. I. bill they must be supported by the Federal Reserve system, or by some other agency especially designed for the occasion, to render assistance in carrying slow paper during emergencies. The Federal Reserve has not shown signs of being any too helpful in this regard to date and there is talk of a bank pool to substitute for it. Whatever is done to provide this safe-guard for the banks must be done soon. The V-E day has come and gone and G. I. matters are still in a mess. Veterans will be coming home in large numbers and will rightfully expect to be taken care of as per contract. They will be in no mood for listening to excuses.

The only practical way to meet the terms of the G. I. bill as regards loans is to use the character loan system. The responsibility will be on the banker for the correct appraisal of the honesty and industry of the borrower. The banker must be backed up by an agency for liquidation of slow paper giving much the same type of protection as a fire insurance policy. The banker should back his own judgment by being responsible for a part of any losses. The agency should provide protection for the balance so that bank depositors will take no risk whatever. In the final analysis it is doubtful whether any greater security for a loan can be offered than the integrity of the borrower. For, no matter what the security, if the borrower is dishonest he will find ways to avoid payment of the loan.

The team-work needed to put the G. I. bill in effective action will be the sympathetic, aggressive banker

TWENTY YEARS AGO

(Taken from The Sentinel of Friday May 15, 1925)

A committee from the Chamber of Commerce is going to ask the council next Monday evening to adopt the parallel system of parking cars. With Coquille's narrow streets, the present system of diagonal parking causes so much congestion, that often two cars cannot pass.

When two boys were taken to Salem this morning there remained but 40 prisoners in the county jail. Wednesday there were 43 there and two in the city jail.

The lease which the Coast Auto Lines has taken on the Graham Garage building and equipment was signed last night and the company took possession today. Geo. W. Bryant informs the Sentinel that the stage line ticket office and depot will remain in the Hotel Coquille building.

Fred Weaver, a well known Coos county citizen, was killed on his Coos river ranch during the electrical storm last Tuesday. He took shelter under a small tree during the down-pour and the bolt was deflected from a large tree to the small one and thence down to Weaver's head.

Ground was broken Tuesday for the two four-room cottages which E. C. Church is having erected on the lot he recently purchased from Mrs. T. J. Thrift on Second street.

"Hail stones as large as hen's eggs," is an expression one sometimes

hears, but the truth of the statement is rarely proved in this favored section. It came pretty near being demonstrated though out at Fairview last Tuesday afternoon. Earl Graham was out there fishing and when he came in he brought a small size coffee pot filled with what he had scooped off the running board of his car. After having had an hour to melt, one of them was measured in the Sentinel office and it was an inch and a quarter in diameter the large way. Earl says that this end of Fairview valley was covered with a two-inch blanket of hail. Trees were stripped bare of foliage, strawberry plants were cut down and even the fern which infests the hillside was cut to pieces. A grain field, standing a hoot high, looked as though a thousand cattle had trampled over it. It probably did several thousand dollars' worth of damage out in the North Fork valley.

"Auntie" McEwen, aunt of Mrs. J. E. Norton, passed away at the home of the latter at three o'clock Wednesday.

Mrs. Chas. Kime was a most charming hostess to the Lafalot Club Thursday. A lovely violin program was enjoyed during the afternoon, furnished by Mrs. Kime's son, Irmen. The ladies present were Mesdames Jas. Jacobson, Pete Jacobson, D. F. Thompson, W. R. Simmons, Will Myers, Earl Cross, Grandma Gilman, E. A. Wimer, Judith Collier, O. T. Nelson and the hostess. A lovely lunch was served in the flower arbor.

The price ceilings are to be adjusted moderately to provide adequate profit margins under present wage rates and keep lumber firms out of the red. There is likelihood of tax assessments to help over the reconversion hump.

The debit side is shrinkage of capacity due to cutting out of major operations in Washington and Oregon and in the decreasing output due to chronic shortage of logs. The showing of the industry will depend upon volume of logs produced this season. Conditions are only fair to date but

production has held up remarkably well under the circumstances. A tough six months lie ahead. The industry will acquit itself creditably if all do their part. It has done well so far in meeting military demand. Let the good work be continued.

Take Site (Rent) In Place Of Taxes

The problem: The city of San Francisco took over six lots on a tax title in 1856. These lots were leased to a corporation July 1, 1944, for a rental of \$30,500 per month, increasing every ten years.

Question 7: What is the general effect on rent? (Rent is that which is paid for the use of land—site). The speculative value of land would disappear. No one could hold land out of use and there would be no object in doing so as land would have no salable value, nothing would go to an owner of land as owner. Lots coming into use would have a tendency to reduce rent but the increased activity due to the removing of taxes from industry to rent (site) would increase rent due to removing the burden of tax from wealth or industry to location (site). The cost of wealth would be nearly cut in two.

The effect on interest (that which is paid for the use of capital) would be generally to reduce it or, to remove it; all except enough to keep capital in existence.

Interest on money would disappear. The reasons for the disappearance of interest are: First—By making land free you have done away with one of the large needs for money on credit. Second—The increase of wages (relative) due to the removal of all taxes has nearly doubled the buying power of the dollar. That is, if all the taxes were taken out of everything you buy, you could buy just that much more. Third—Those having money or credit to loan would give it to anyone wishing to use it, if assured of its return on call. The general effect would be to cause interest to practically disappear.

Question No. 8: How would the price of goods be affected? What is paid for location cannot be shifted to price but must be taken out of volume, hence the removal of all taxes from the price of wealth to

site (rent), which now goes to a non-producer would directly reduce the price of goods by one-third at least; there would be a slight tendency to rise because of increased demand.


No. 9: The farm problem, the cost of doing business, is greater than the farmer's return under competition. There are too many items of expense which enter into the product from the time production begins until it is in the hands of the consumer. We have first the cost of land (which should be free), which is a very large item. Second, we have the additional taxes on everything on the farm. Third, everything the farmer buys is also largely tax (a nice mess). Fourth, all the risk the farmer has which is no small item. No business can be generally be made to pay under such circumstance.

No. 10: Does the giving of land a selling value produce anything? If we take the original problem, the rental value (site) \$30,500 a month is \$366,000 a year. If it was privately owned and no taxes, the \$366,000, capitalized at five per cent, would give the lots a selling value of \$7,320,000, the \$366,000 a year going to an owner and as such there is no production by him. The community

would be just as well off if the owner was dead and the wealth was dumped in the ocean. Owners of land produce nothing. Free trade, Free land, Free men. —Jas. Richmond, M. D.

"It Pays To Insure In Sure Insurance." See Ernest R. Smith, office Rosy Bldg. Phone 97.

When Your Back Hurts
 And Your Strength and Energy is Below Par
 It may be caused by disorder of kidney function that permits poisonous waste to accumulate. For truly many people feel tired, weak and miserable when the kidneys fail to remove excess acids and other waste matter from the blood.
 You may suffer sagging shoulders, rheumatic pains, headaches, dizziness, getting up nights, leg pains, swelling, sometimes frequent and scanty urination with burning and burning is another sign that something is wrong with the kidneys or bladder.
 There should be no doubt that prompt treatment is wiser than neglect. Use Doan's Pills. It is better to rely on a medicine that has won countrywide approval than on something less favorably known. Doan's have been tried and tested many years. Are at all drug stores. Get Doan's today.
DOANS PILLS

Advertisement
 From where I sit... by Joe Marsh
Lud Denny Lends a Helping Hand

 Lud Denny got home early from the plant the other day, and found his missus in the middle of housecleaning, with the furniture moved around, and the place a shambles.
 Some men might have grumbled about getting precious little time off, and finding their home upset. But not Lud. He just took his coat off, and pitched in and helped.
 And when he got the last curtain in place, and stepped down off the ladder, there was his missus with a tray of cold beer and cheese blintzes she'd made for Lud. And blintzes are Lud's favorite dish.
 From where I sit, it's little things like this that will help to ease our troubled lives today—see us through difficulties—keep alive the spirit of good fellowship and mutual respect. Try trading a helping hand for ice-cold beer and blintzes. See if it doesn't make life seem a little brighter!
 Joe Marsh
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MY POP'S A SMART MAN!



"He's saving money for my college by buying War Bonds, and hanging onto them too! But he says that he knows what to do in case we need money in a hurry sometime when the family budget gets out of balance or an emergency comes up—like the time Granny was sick. He says we can borrow at the First National Bank!

"My Pop says borrowing from a bank is good business and that it doesn't cost as much that way. He says too that when you borrow from the First National Bank you establish your credit so you can use it again if you want to."

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