Jots and Tittles

(Continued from page 1)

Rena Walker is home from Washington.

Mrs. George Hayes visited Corvallis Saturday evening, returning Sunday.

Cecil Quimby, who has steady work in a mill at Toledo, was home over the week end.

gon City, leaving their three children at Mr. Jackson's while they were gone.

Delas Clark went to Eugene and took the civil service examination for a position in the postal service.

D. E. Skrivin of Salem, brother of T. J. Skirvin, visited the Skirvins here, with his family, the first part of the week.

Among visitors at Albany from here Monday were Mrs. H. M. Miller, Miss Beulah Miller, Mrs. O. F. Neal, Miss Melba Neal and Douglas Taylor.

E. Zimmerman has had charge of the road work at Shedd during the incapacity of P. M. Freerksen, who got badly hurt in a fall at the rock bunkers.

Charles Kirk and family of Athena visited Mr. Kirk's brother Frank here Saturday and Sunday. They had been at John Harrison's, at Brownsville, for about a week.

Eugene Kercher and family, from Minneapolis, who had been visiting in Brownsville for several days, were at C. C. Jackson's Sunday. Monday Mr. and Mrs. Kercher went to Ore-

Farmers feel assured already of good crops of all but the latest sown spring grain and hopeful of that. The warm weather that commenced Monday is also very discouraging to the aphis, which had caused some misgivings.

Mrs. Harry Commons and family visited the home of her parents, Mr. and Mrs. T. B. Sprenger, at Shedd Sunday and the elder couple returned the visit Monday evening

Hazle Armstrong is still improving slowly, sitting up a little each day.

The Missionary society of the Christian church will meet at the church next Tuesday at 2 p. m. Mrs. Arlie Cummings will be the leader.

Delora Wells is enjoying her vacation with her grandma, Mrs. L A. Pray.

Mrs. George Workenger and son Kenneth attended Charity grange Saturday.

We have been hewling for warmer weather. This week the howl is inaudible.

Examination for state teachers' certificates at Albany next Wednesday to Saturday.

Mrs. S. J. Chenoweth, Mrs. L. H. Armstrong's mother, returned to her home at Oakland, Ore., on No. 17 Sunday.

Mrs. Harry Commons' mother, Mrs. Mable Brock, and husband and daughter, from Albany, were up Monday evening.

New potatoes have appeared at 10c. a pound. Green peas are are coming into town and strawberries are in their glory.

A tree fell on Harry, son of Mr. and Mrs. William Amon of Brownsville, Monday, at the Mac Sawyer mill, badly injuring him.

A dirty and frail fellow, who looked as if the wind might sway him about and whose mind seemed to be as wobbly as his body, appeared in town Sunday. Marshal Hector gave him a feed at Dad's and Mam's restaurant and he came back for more but didn't pay for it. He also wanted cigarets and matches. A deputy sheriff came on call and took him to Albany, and further deponent saith not.

Expert Shows How Commodity Money Would Make Worse the Evils It Aims to Correct.

MEANS SPECIAL FAVORS AND ADDITIONAL TAXES

Would Open Way for Political Meddling With Business and Complicate the Conduct of Trade and Finance.

The weaknesses of the Edison-Ford commodity money scheme to abolish the gold standard and do away with monetary instability, interest charges and speculation in farm products are exposed by William T. Foster, Director of the Pollack Foundation for Economic Research, in an article in the Proceedings of the Academy of Political Science. He shows that the only result of the plan would be to aggravate the evils it aims to cure. There is presented herewith the first of a series of articles, prepared by the American Bankers' Association, reviewing Mr. Foster's argument.

The plan provides, Mr. Foster explains, for government built, owned and controlled warehouses, to which producers might bring basic commodities raised on American soil, on which they wish to borrow money. A government agent would grade the producer's goods and hand him two pieces of paper—a mortgage certificate and an equity certificate.

The Edison-Ford Plan

The mortgage certificate could be exchanged at any national bank for Federal Reserve notes up to 50 per cent of the average value of the goods for the previous twenty-five years. In this way the producer would obtain a loan of money without incurring any expense for the use of the money and he would still own the goods.

"His equity certificate is his evidence of ownership," Mr. Foster says. "He may keep it, sell it or present it at a bank as security for a loan. He or anyone to whom he sells it can present it at any time within a year, together with the exact amount of money that has been loaned, and receive the goods.

"If the goods are not removed within one year the Government must sell them and thus get back the money it has loaned. This is to prevent an accumulation of goods and to make sure that the money will be self-canceling. As soon as the farmer repays the loan or the Government sells the goods an amount of money is destroyed equal to the amount that was advanced. This, in all essentials, is the Edison commodity-money plan.

More Taxes

"Most men will be impressed by the fact that it involves additional taxes, additional corps of political appointees and a vast extension of government control over industry. If the special privilege of borrowing money without interest is really a boon and is granted only to certain groups of producers, the list to be changed from time to time, somebody must decide who are to be the favored groups, and whether that somebody is Congress or Federal warehouse directors who are subject to partisan appointment and removal, the question who is to receive free money will undoubtedly remain in politics and will recurrently become of great moment as election day approaches.

"Mr. Edison contends that his commodity dollars will be sounder than gold dollars because 'there in the warehouse lies the actual wealth, the things we eat and wear and must consume to live.' At first, he says, only a few basic commodities are to be accepted, such as grain, cotton, wool, rice, legumes, fats, flax and tobacco. Manufactured articles, he warns us, will not be satisfactory for this purpose.

"If, then, a warehouse full of tobacco guarantees the soundness of the notes issued against it they must be redeemable in tobacco. They are, in fact, Federal Tobacco notes. The plan must provide in like manner for Federal Flax notes and so on. Furthermore, there would have to be as many different kinds of tobacco notes as there were grades of tobacco. Everyone who used money in exchange would need to have at hand the latest market quotations on all products accepted for storage, as they approached in market value the established loan value, in order to estimate the relative values of different kinds of dollars.

Salt Cod Notes

"Everybody would have to observe carefully whether he had Grade A Kippered Herring notes or Grade X Salt Cod notes. If there was a strike of bituminous coal miners he would hoard Bituminous Coal notes. If there was a slump in cotton he would try to get rid of Cotton notes.

"Consider, on the other hand, the simplicity and definiteness of a gold-secured dollar. All the world knows precisely what is meant by the convertibility of a paper certificate into gold. All the world accepts the gold in exchange. Its value is known in every market. It is readily tested, stored, preserved, divided, transported. Moreover, there are the gold reserves, maintained for the very purpose of conversion and for no other and available on demand.

"From one of Mr. Edison's authorized statements, however, it seems that his plan does not provide for Federal Tobacco notes, Federal Fish notes and the like. In fact, it provides for no new kind of money whatever. No matter what commodity the farmer deposits with Federal agents, he takes his mortgage certificates to a national bank and there exchanges it for Federal Reserve notes. They are just like any other Federal Reserve notes.

"Very well. If there is nothing more than this in the much-discussed Edison plan for a commodity money that is sounder than gold money this part of the plan vanishes into thin air. The Edison money is not sounder than gold money, for it is gold money."

THE THIRD CLASS

It was old-fashioned physiology the class was studying. The thin angular teacher had just said there were two classes of skeletons—endo-skeleton and exo-skeleton. "An exo-skeleton is where the skeleton is on the outside of the skin like a turtle," she said, "and an endo-skeleton is when the skeleton is on the inside of the skin, like mine."

A little hand went up. "What do you call them, teacher, when there's some meat between the skeleton and the skin?" a little voice piped.

Good Advice for Bankers

E. J. Bodman, representative of the Agricultural Commission of the American Bankers Association for the Eighth Federal Reserve District, says: "Every one of the more than 30,000 banks in the United States would make more money by helping our six and one-half million farmers to make larger profits. The banks and business interests of the entire country cannot make the largest profits until the farmers as a whole have reasonable returns from their investments and labor. This includes every bank, from the small ones in the country to the largest ones in the great financial centers."

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 which 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 or 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.

The California Cherry Growers' association has sold 2250 tons of its crop for 9 to 9½c a pound. Oregon cherries bring 11 cents.

President Harding will celebrate our national holiday in Portland.

Are Turkey and Greece in love?

HALSEY RAILROAD TIME

North	South
No. 18, 11:37 a. m.	No. 17, 12:15 p. m.
24, 4:28 p. m.	23, 4:28 p. m.
22, 4:30 a. m.	21, 11:32 p. m.

Nos. 21 and 22 stop only if flagged.

SUNDAY MAIL HOURS

The delivery window of the Halsey postoffice is open Sundays from 9:15 to 9:45 a. m. and 12:20 to 12:35 and 9 to 6:15 p. m.

PAID-FOR PARAGRAPHS

Admittance Here 5 Cents a Line

A. F. Kirshman, dentist, at Hotel Halsey Tuesday and Friday every week.

Good pasture to rent for cattle and horses. Will not be responsible for same. J. D. RODE.
Three miles west of Halsey.

Oak and ash wood for sale.
E. S. HAYES, Halsey

"Racing Hearts," the title of the play at the Rialto tomorrow, suggests that somebody's heart may be in the race. There is a shift, too in the comedy bill.

Old papers 5c a bundle at the Enterprise office.

Peoria Pointers

(Enterprise Correspondence)

Leighton Bayne and family and Mrs. Gibbs drove to Sodaville Sunday and spent the day.

Mr. and Mrs. Louis Mason and son went to Roseburg Saturday and returned Sunday. They visited Mr. Mason, who is spending some time at the soldiers' home.

Mr. and Mrs. Frank Smith are home after spending some time at Coburg.

Mrs. J. W. La Mar visited with her daughter at the college in Corvallis last Friday.

Ralph and Floyd Wade and their wives attended church at Oakville Sunday night.

Mr. and Mrs. Stenson, who were married in Corvallis, are home from Astoria, where they spent a few days. Mrs. Stenson was Doris Brattain. They will make their home in Corvallis.

Mrs. Studley of Astoria, who was visiting her mother in Corvallis, is spending a few days with her sister, Mrs. Brattain, near Peoria.

Mrs. M. M. Fruit went to Alpine Saturday to be gone several days.

Mr. and Mrs. W. E. Githens were in Albany Tuesday.

Will Shepherd and wife of Portland, who spent several days visiting at Pine Grove, returned home Monday. They came up for decoration day.

Friday, June 15, the Peoria school will give a picnic across the river. A program will be given in the morning and a basket dinner at noon. Everyone is invited to come and join in a good time.

Will Robertson and wife, Mrs. Charity Clark, Miss Ina Hubbard, Mrs. Adda Ringo, Mrs. Edith Robnett and Truman and Jesse Cross attended the commencement exercises of the Eugene Bible university Monday evening. The Robertsons, Cross and Mrs. A. C. Armstrong had also been at the graduation musical recitals Saturday evening.