DISPELS MYSTERY OF BANK BUSINESS

Country Banker Gives Simplified Picture of How a Bank Works to Help Other People's Business

A COUNTRY banker recently prepared the following simplified statement for his neighbors on just how a bank goes about helping them:

"It is the most important part of a bank's business to lend money. Of all the money deposited in a bank, the law requires that a certain percentage be kept on hand as a reserve to meet the demands of depositors. It is the business of its officers to lend the balance conservatively and safely.

"The loans of a properly managed bank are invariably made to those it believes are able to repay, and always on condition that they be repaid at a stipulated time.

"The promise of an individual to repay a loan to a bank on a certain date is as sacredly inviolable as the promise of a bank to repay its depositors on demand, or, in the case of a certificate of deposit, on the date it falls due. When it comes to be known of an individual that he 'always pays,' his credit is established and his bank is always glad to extend him needed accommodations.

"A well managed bank never capitalizes industries. That is, it does not place its loans in fixed form, but puts them where they are to be used for temporary requirements, and where they will be taken up at the time specified.

How a Bank Lends

"It is not the function of a bank to become a partner in industries, nor could it be legitimately done with the money of depositors. Its loans must be kept in 'liquid' form,—that is, repayable in cash at stated intervals.

"A bank must use the greatest discrimination in making loans. A stranger cannot expect accommodations. It is customary for the borrower to make a statement of his financial affairs, which is kept in the bank's records. It is a punishable offense to make a false statement for the purpose of borrowing funds.

"Naturally, in their dealing with the regular depositors of the bank, its officers become well acquainted with their characters and their resources and are thus in a position to determine how large a line of credit each one is entitled to. That is one of the great advantages of being a bank depositor.

"The man who knows how to get into debt wisely, that is, who borrows money with which to make more money through legitimate enterprise, is the borrower whom the bank is looking for. By the frank interchange of opinion and a free discussion of various projects, the borrower is often guided and helped by his banker.

"In order to procure a line of credit at a bank three things are important:

"1. A statement of assets showing a basis of credit in the way of invested capital, or collateral of sufficient value to cover amount of loan, or

"2. An endorser whose credit is established at the bank; and

"3. Average deposits of a sufficient amount to justify the extension of the desired accommodation."

AS WILL ROGERS SEES IT

Will Rogers recently told why the banks had got into trouble. "Don't blame it all on the bankers," he said. "When we all needed money they loaned it to us—but when they needed it we couldn't pay it back."

Advertising Aids Business Revival

NEW YORK.—Aggressive concerns are expanding business by effective advertising despite depressed business conditions, declared A. W. Diller, advertising counsel, at a bankers' conference here recently.

"Is 1933 a good year in which to advertise?" Mr. Diller asked. "Yes, if 1933 is a good year to stay in business, to reinforce the public's confidence in you, to put more business on the books. There is new business to be had today and aggressive companies are getting it. But new business will come in only if you go out for it. Advertising certainly goes out for it.

"Will people read newspaper advertisements these days? They will read anything that interests them. There are plenty of present-day arguments for business."

Advertising Mistakes

A QUESTION before many of us is what change of advertising policy, if any, should be made in view of present financial and business conditions. It is perfectly natural for us to give consideration to some degree of retrenchment, but it is dangerous to let reduction in expenditure be such as to bring about a real gap in the continuity of the advertising. It is a common mistake for some advertisers to think that they can turn advertising on and off, like water from a faucet, and expect it to become immediately effective whenever they are prepared to resume operations. Advertising does not work that way. Temporary conditions should not influence us to make too serious inroads on the program of advertising, which can be wisely conceived only on a long term basis.—Francis H. Sisson, President American Bankers Association.

SENIOR'S GIVE FAREWELL ADDRESS

Classmates, members of the faculty, ladies and gentlemen, upon me has been conferred the privilege of bidding you farewell today, and of adding a few words that I might wish to say. Many people like to have the last word, but in this case I cannot see how they could. I rather hate to say good-bye, myself. Sometimes I almost think the English word "good-bye" is not so well chosen as the French word for parting. For some reason or other, our expression, good-bye, has a hopeless meaning. It means good-bye forever. There is something suggestive of death. It is sad. But let's see what the French say: "Au Revoir". Did you notice how musical it sounded? And it means "until we see each other again." It connotes joy and hope—always, until we meet again."

In our reaction whatever it may, it remains a fact that the class of 1933 is today saying goodbye forever to a definite period in our lives. No more will we meander through high school days together. We have finished our course, and a definite goal has been reached. Tomorrow we part in our pathways, and go our seperate ways—some to continue their training in other institutions of higher learning, and some to take their places among you as active members of society.

We, as a class, wish to express our deep gratitude for the many favors showered upon us so far. The community, through the Board of Education, has provided us with the best possible facilities in the way of buildings and physical equipment; the teachers have labored long and faithfully to guide our courses to the best advantage; and our parents, with all the true devotions of their natures, have provided opportunity, often by great sacrifices, for us to attend school regularly. We only, hope that we may be able in a small way to repay all your sacrifices, all your hopes, all your ambitions for us by taking our places in life and filling them as completely and unselfishly as you have done. You have done your part well. It remains for us to prove our worth.

Classmates, it is you I wish to say a final word. What a big thought it is, that from now on we have the shaping of our own destinies in our own hands. All these years of our student life, we have been on the receiving end. Life has showered upon us it's best gifts, and we have merely soaked them up like a sponge. It is true that we have justly earned a portion of what we have obtained through our own efforts. It is also true that we are largely, because of influences, often unseen. Tomorrow, however, we step into a life that has for it's rule a law that is as unchanging as the laws of the Medes and Persians. This law was voiced by the master teacher of Nazareth in the words: "With whatsoever measure ye mete, it shall be measured unto you again." We stand today at this gateway of life's activities, prepared by all these years of careful painstaking instruction for the struggle with that real vital existance that awaits us on the outer side. We have signed a note to life that reads: "For value received I promise to pay." The world will at once look for us to pay back into it's treasury the wealth of good things it has for so long been bestowing upon us. It will demand our noblest revelations of character, our highest attainments, our most faithful, self-secrificing service. It will never let us forget the cost of life, the constant expense that must be met, the unfailing price that must be paid for every gift—not in dollars and cents, but in services, in faithfulness to duty, in the uplift of our neighbor—yes, sometimes perhaps, in unavailing pain and heartache and tears.

This may seem at first glance a hard way to look at it. On the contrary, however, it is an inspiring thaught! For life sets absolutely no limits to the possibilities of our attainment. We can make it just what we desire. Life brings just what we are willing to pay to gain our desire. We can have what we will, for life itself will not say nay! when we come with the desired fee in our hands, not as a beggar, but as a purchaser who knows what he wants and considers it worth the price demanded.

So, classmates, let us walk forth through the gateway today, bravely, with full realization of all that will be expected of us, and a knowledge of our ability to meet every requirement. Then it is that we can cheerfully say to high school days: "Good-bye forever!" But to each other, and to you, my friends, we say like the French "Au Revoir."

Mrs. Elizabeth McGowan was taken to the Emanuel hospital on Wednesday where she will undergo treatment for awhile.

The members of the eighth grade class of the local school, concluded their year's work with a picnic at Jantzen Beach on Saturday.

CHEMISTRY TEST PROVES DIFFICULT

The state chemistry test given on Friday May 5th was a "whopper" according to the chemistry team, Alden McBaron, Ivan Bierly and Douglas Taylor. There were only five questions but each question had about six parts and each part had three or four sub parts so that the two and a half hours time allotted for the test was easily used. The questions were sent to Reed College where they will be corrected and the team standing highest in the state will be announced.

—Douglas Taylor

BEAVER CHIPS

By "The Snoop"

This week's column, my friends, is devoted entirely to the Senior Class (does lucky peoples)—Give them all a big send off. We don't wish them any bad luck, but we certainly hope to see them back next year. P. S. I haven't spoken to the teachers about this.

Several Seniors, I won't mention names, but the Big Six thought last Monday was Senior Day and they have been honored by a permanent seat in the assembley and the moral of this story, dear children, (Freshman) is don't follow these lads example.

Lloyd Wirtz leaves with the Seniors. Now don't break down and cry, he didn't. Homer I mean. So long Woitz and—, you'll find out some day.

Seniors we wish you every success in life. Eniors may everything be yours. Niorsse everything may be yours. Iorssen yours may be everything. Evolution.

Well, farewell, youse guys, and may you think back and remember incidents dear to your hearts. Remember the days you were A.W.-O.L. and the Big Six. Your's

—De Snoop

ON OREGON FARMS

More Crop Loans Offered

CORVALLIS—Oregon farmers may obtain additional crop production loans to help finance summer fallowing and fall seeding, according to word received by the Oregon Extension Service. The limit is $1.50 an acre or $300 total, and the borrower must agree to cut acreage 30 per cent under 1932. This is not considered favorable for most Oregon growers unless the same reduction will apply under the new farm relief law. May 31 is the deadline for applications for these new loans and county agents have been furnished details regarding regulations.

Two Kale Crops Advocated

DALLAS—Kale is considered the best locally grown milk producer in Polk county, and although large stands were frozen out last winter dairyman are planning to plant the usual acreage again this year, if not more. Though kale is usually set out as plants in June, County Agent Beck is recommending two plantings this year, one earlier than usual so as to have some coming on early in the fall before the regular crop is ready, which later plantings will be made the latter part of May.

Poison Used In Pest Hunts

Roseburg—Squirrel poisoning campaigns have been combined with competitive pest hunts through Douglas county since methods of placing the poison so as to later be able to find the dead squirrels was explained by J. F. Branson, local representative of the biological survey. Bait stations are made with a common prune or apple box or by nailing together three pieces of fence boards. These are placed along fences of infested areas. Squirrels die shortly after eating the poison and most of the bodies are found near these stations so that tails or scalps may be taken.

HUMOR

Who was that stupid man I just danced with?"

Mrs. Warren: "That's my husband."

Stranger: "Oh, pardon me, that's my mistake."

Mrs. Warren: "No, it's mine."

Chuck found Wirtz shaking a little rabbit and shouting, "Five and five. What's five and five?"

"What are you doing?" asked Chuck.

Wirtz: The biology says rabbits multiply rapidly but this dumb bunny can't even add."

Julius S: "Would it be wrong for me to kiss your hand?"

June: "Well, it would be out of place."

Crater Lake in Winter

Photos Gilmore Oil Company

Caravans from Medford and Klamath Falls recently found Crater lake cloaked in twenty feet of snow when park roads were opened to the public. (Top) Part of the caravan crowd atop the deep snow at the Rim. (Center) The lake through a frame of snow-laden trees. (Bottom) The Gilmore pilot car of the caravan waits to lead the procession to the lake as E. C. Solinsky, park superintendent, welcomes W. S. Bolger, president of the Medford chamber of commerce, while W. G. Steele, U. S. commissioner of parks, prepares to lower the barrier rope.

FOR FAILURE PROOF BANKING STRUCTURE

Speaker Outlines Threefold Co-operation Between Bankers, Government Officials and the Public to Maintain Bank Standards

TWO elements beside the bankers themselves are required in order to give the nation universally the type of banking it should have, Francis H. Sisson, president of the American Bankers Association, declared in a recent address. He said that the efficiency of government officials upon whom the people rely to supervise the banks properly, and the patronage of the people themselves are factors in the kind of banks a community shall have.

"There can be no question that the people of the United States should have banks immune from failure and wholly free from bad or questionable banking," Mr. Sisson said. "It is not enough, as President Roosevelt has said, that while some bankers had been incompetent or dishonest, this was not true in the vast majority of our banks. A situation should exist in which there is not even a small minority of bankers open to question. There should be no room for dishonesty or incompetency to exercise any influence in banking anywhere.

"While bad faith and bad management enter the human factor in all types of business, their effects in banking should be surrounded by such special safeguards as to render them no longer a factor in bank failures. The responsibility for bringing this about, however, cannot rest upon the bankers alone, for the means to accomplish it are not wholly in their hands. There are other essential elements.

"One is the efficiency of government supervision. Since we rely so greatly upon supervision, it may, unless it is of the highest order in safeguarding the public interest, create a sense of false security. Supervision should render bad banking impossible, but it has failed to do so. There was supervision by presumably the highest type of bank supervisors in every one of the instances of questionable banking that has shocked the attention of the country during the past three years. Therefore a thorough strengthening of supervision is clearly called for if the people are to rely on it to the fullest extent for the protection of their interests.

The Public's Part

"Another essential factor in maintaining good banks involves the part played by the public in banking. There is certainly a responsibility on the people themselves to support that type of banker whose rigid adherence to sound principles makes a sound bank, rather than to give their patronage to the easy going banker who may be easier to do business with, but whose methods create a weak bank.

"Bank customers are charged with a great responsibility in protecting the safety of their banks in respect to their utilization of the assets of the banks as borrowers. Banks have failed because many of their loans and securities, created in good faith by bankers in cooperating with the business interests of the country, proved unsound under subsequent conditions. An unsound loan is created by the borrower as well as the banker. A bank is only as sound as its community, and this applies also to the banking structure as a whole in relation to the economic condition of the nation as a whole.

"A bank is truly a semi-public institution, but in a reciprocal sense—it has its obligations to the public, but so has the public equal obligations to the bank. No one who has not sound banking principles at heart has any business in a bank whether as a banker or as a customer.

"The banker is a semi-public servant. He is charged with the heaviest of responsibilities and obligations that occur in our economic life. But he can meet these fully only through the cooperation of good laws, good public officials who are empowered to exercise authority over his bank, and good business methods on the part of business men generally who utilize his bank. Only through such cooperation by all elements in our nation's community life can we be assured of a failure-proof banking structure.

"The Administration at Washington has taken hold of this problem with a firm grasp of essentials and is exercising splendid leadership toward the desired end. The strongest feature of the government program will be found in recognizing the joint responsibility of the public, of business and of government officials together with the bankers themselves in creating the kind of banking the nation should have."

Improved Pasture Pays

IMPROVED pastures are a cheap source of feed for stock. A farmer in New Hampshire, cooperating with his county agent top-dressed his 5 acres of pasture with 500 pounds of complete fertilizer at a cost of $75, reports the United States Department of Agriculture. After 4 weeks he turned his cows out on this pasture. Tests made during the six weeks the cows grazed there showed that his herd produced 7,000 pounds more milk than they did in the same period the previous year, although the farmer had one cow fewer and fed 800 pounds less grain. Based on current milk prices he made $189 on the extra milk and saved $16 on the grain, netting him an increase in income of $120.—U. S. Department of Agriculture.

WELCOME ADDRESS GIVEN BY SENIOR

Classmates, members of the faculty, ladies and gentlemen, we wonder if you can realize just how proud we are of the privilege of bidding you welcome to these simple cermonies we are about to begin. It is true that we are not so many in number, but small beginnings often have foreshadowed tremendously important things to come.

The garden of the world is a paradise of miracles that only those who are trained to look carefully may ever recognize. In every tiny seed is the eternal glory of creation, in every blossom the promise of greater possibilities, of which the fruit is the perfect fulfillment. Someone has written "A poppy seed —it lies in the hand, a grain of dust, motionless, unlovely, dead. Yet think what it holds! The cool grey-green of upward springing stalks and leaves; the compact calyx studded with its hundreds of protecting hairs; and within, crumpled like a baby's hand, the exquisite, shining silk of gorgeous petals—sunset rose, faint, misty white, bold, magnificent scarlet—all this in an atom of dust."

So today we the class of 1933 are pushing forward timidly like the poppy seed who feels the warmth of spring sunshine, and outgrows its tiny shell, and like it we push upward towards a fuller expression of our maturer selves when we shall take a place among you as citizens of tomorrow. During all these years we have been nurtured and cared for carefully to see that nothing we needed was missing. Parents and teachers have been faithful gardners, watching over us carefully, sparing no effort to guard us from the rougher elements, and giving us every nourishing force necessary for our best unfoldment. No effort of Nature has been spared to awaken each spark of life in us to individual expression, and to assist each of the vital things within us to come forth and manifest to the world the wonderful reality of its being.

And now comes the springtime of life's eternal change. We have outgrown the period of dormant life within the tiny shell, and must push forward individual stalks of vigorous useful planthood that is to be our life's expression.

It has been such a safe, snug, happy little season of growth to us here in high school. Here we have grown close together, side by side, and felt ourselves very much akin. But, alas, the hour of transplanting has come. Tomorrow each of us will be changed to his own habitat, and will take roots in the soil in which his own tastes and possibilities must essentially assign him. It is here alone that he can produce fruit which is in this hour of transplanting, when we are pushing forward the first tender shoots into full sunshine and air of life's greater expression, that we give you greeting.

I am grateful for the honor conferred upon me in being granted the privilege of bidding you welcome to these excercises. But, still, as I look around at your faces marked by lines of wisdom and wider experience than ours may be for years to come, I cannot but feel that the words of welcome should come from you instead. It is true that you have shown your interest by coming out here to listen indulgently to all we have to say and do during this hour, yet it is we who are joining you in the larger sense; we who are entering into your pursuits and pleasures, and becoming one with you in the social and business centers that make up active life. And so much of our success will depend upon the spirit with which you receive us, and respond to our enthusiasm. Then, is it not we who should ask from you the glad hand of welcome? Thus while we are truly grateful to you for coming out and helping make this hour one that we may long remember, we still feel that we must ask your forbearance and kindly sympathy, and are from each of you as we step into your midst a warm handshake and a cordial smile that will assure us we are welcomed as we indeed welcome you today.

LOCAL NEWS

Mr. and Mrs. A. H. Barron are the parents of a little girl born on Wednesday, May 7.

Milton Boring returned last week from his school at Union, Oregon for the summer. He will teach there again in the fall.

Miss Rhoda Shellenberger returned from Boardman on Friday, where she has been teaching school the past two years.

Real Estate Transfers

J. W. Connell (Sheriff) to Flora Baker, Part Sec. 2, T2S R3W.

Patrick Early to J. J. Wismer, 2.55 acres Isiah Kelsey, DLC 41 T1N R2W.

Alex Coutts et al to Chester R. Stipe, N½ of lots 7 and 8, and part 6, Covell's Add. Beaverton.