

THE COMMUNITY AND ITS BANKS

By ROME C. STEPHENSON
President American Bankers Association

While upon the individual banker there rests without qualification the direct responsibility for the prudent, honest conduct of their institutions, nevertheless the soundness of banking as a practical matter of fact is a community problem in which the public has a part to play as well as bankers and government officials charged with the supervision of banks.

In the first place, the assets of a bank, outside its government bonds, consist primarily of loans to business men and of investments in securities created by corporate enterprises. The deposits of a bank are not kept in the vaults as idle cash but are employed in these loans and investments to earn the money to pay the expenses of the bank so that it can render services to its customers and also pay them interest on such deposits as bear interest. If there were no such thing as unsound business men or enterprises there would be no such thing as unsound assets in a bank.

It is of course the unquestioned duty of the banker to choose only sound loans and investments, but the difficulty of such judgment, and human judgment is never infallible, is plainly increased in such times and under such conditions as we have been passing through, with many businesses not making expected earnings and therefore hampered in meeting their obligations. Unfortunately some investments and loans created by persons outside the banks which found their way into the banks in a relatively few instances have reflected the unwise business policies and conditions that became more than usually prevalent in our business activities and contributed to the difficulty of banking. The vast bulk of bank assets, however, are 100 per cent sound above all question.

"Hard Boiled" vs. "Easy" Banker

In another aspect the people of the community have a part to play in maintaining the soundness of their banks, and that is through the medium of patronage. The existence of a bank is dependent on public patronage. If only those banks were patronized in which the most careful policies were practiced and the most conscientious and able men in charge, it would go far toward maintaining the standards of banking. If business men in a community when refused loans by their banks for good and sufficient reasons because conditions are not favorable, thereupon withdraw their business to banks where less careful methods prevail, they clearly contribute to the creation of a less sound banking situation.

Also if, in the heat of competition, a banker offers higher interest rates or more free service to attract customers than the earnings of conservative banking justify, and is encouraged by the patronage of the public as against a more conservative bank, obviously the public is again playing a part in bringing about a less sound banking situation. It is an unfortunate fact that the banker who is strict, "hard boiled" if you please, is liable to be less popular than the "easy" banker, and by that same token the public itself has a voice in influencing the character of banking. Also it is the public in the end which pays the main part of the penalty if unfortunate results follow.

Still again the public can exert an influence in shaping the character of banking by supporting the purposes of bankers to maintain intelligent, independent, honest banking supervision by the public banking departments through insisting that this function of government should be kept as free from political influence as the judiciary itself and shall be manned only by men of the highest ability and character.

In still another way can the people themselves contribute to maintaining the ability of their banks to meet their obligations, and this is by granting them the fullest possible confidence. As I said, the deposits are not kept as cash but are invested in loans and securities. Even the soundest assets of this type require some time to recoup at full value into cash deposits. In many cases of bank troubles the only thing wrong with a bank was an unduly suspicious and apprehensive state of mind in its customers created by no act or condition of its own but by baseless rumors which sometimes led them to destroy the value of their own deposits by demanding them immediately, forcing a bank to sacrifice its assets and otherwise disrupt its financial operations.

Bankers Help

During the year 1930 the Bankers' Association of Langlade County, Wisconsin, worked out the finances for a cooperative milk plant, which entailed the raising of \$100,000, and also sponsored an active 4-H Club campaign that culminated in an "Achievement Day" program, in which upwards of 400 young people participated. The increase in the number interested in this work was 200 per cent over the past two year period.

An Illusory Law

The bank deposit guaranty law in any form is a snare and a delusion, declares a banker in a state where it has been tried, adding: "It is a license and encouragement to irresponsible banks and banking and penalizes capital soundness and prudent banking. It creates a sense of security in the minds of the unwary and uninformed that is false and impossible to be realized on ultimately. To compare it to legitimate insurance is without reason and ab-

surd. It jeopardizes the solvency of all banks and the safety of all depositors for the theoretical safety of a few. Guaranty schemes always have been, are and always will be impotent, futile and disastrous. It is not new. Has been tried, failed and discarded at intervals for more than 100 years in this country. No well-informed, honest and intelligent mind can accept it in principle or practice. Competent bank supervision and restriction of banks to territory that will warrant sufficient capital investment and accounts is the only sane and honest course and will afford all the guaranty the depositing public is entitled to as compared with all other human affairs."

THE INDIVIDUAL AND HIS BANK

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BANKERS recognize that their business carries especially heavy public responsibilities and welcome all sound measures to aid them meet the duties this imposes. Unceasing efforts to bring about continuous improvement in methods of depositors in banks of all kinds have long been uppermost in the plans of bankers' organizations throughout the nation. They are not the outgrowth merely of the past year of business adversity, but have been carried on actively for many years and have resulted in great progress along lines of better, safer banking methods. Although banking along with all business has suffered reverses, conditions in this field have been far less severe than they would have been had not bankers been widely successful in their endeavors to develop the high standards of banking that now generally prevail.

The American Bankers Association and bankers' organizations in every state actively support the principle of government supervision of banking. The national banks, which receive their charters to do business from the federal government, are under the supervision of the Comptroller of the Currency at Washington. Through his efficient staffs of expert bank examiners in every section he has the duty and powers to keep watch of the way every national bank is being conducted, to suggest desirable changes in its policies or methods and even to step in and take control for the protection of the depositors if such action is warranted. The state banks, also, which are chartered by the various state governments, are subject to similar supervision and control by state bank officials. In addition banks in many places have long maintained voluntary clearing house associations which enforce even closer supervision over their members.

Bankers Favor Public Supervision
Present laws adequately enforced contain ample provisions for government supervision. Bankers universally believe in strong, capable banking departments manned by officials with the discretion and courage to enforce these laws and act under them as the common welfare demands. They believe that these public officials should be paid sufficient salaries to command the services of men of character, ability and a resolute spirit of public service. They believe also that the banking departments should be kept free from all political or other special influence in order to be able to act at all times with single-minded independence solely for the benefit of the public interest.

Although banks in the United States operating under state or national charters are thus subject to supervision of public authority, they are strictly private business enterprises. They are owned by their stockholders and administered by officials chosen through the boards of directors which their stockholders elect. No bank is owned or operated by the United States Government, nor, with one small exception in a western state, by any state government. The function of government in banking is to promote and enforce careful banking administration through the system of examination and supervision which I have described. This, however, does not relieve the individual depositor from the necessity of acting to his banking relations, just as in his other business or professional relations. He must inquire for himself into the character and type of institution and men he shall do business with, satisfying himself as to their reputation, reliability and capability. These qualities are essential to complete the element of safety and dependability in any human institution.

State Game Commission Issues Closing Order

Notice to the Public
The Oregon State Game Commission, at its regular monthly session, at the offices of the Commission, Portland, Oregon, on Monday, February 26th, 1931 adopted the following:

For the purpose of simplifying the records of the Oregon State Game Commission, all previous orders of said Game Commission closing certain streams and lakes to angling and reducing bag limits in certain waters of the state of Oregon are hereby rescinded by said Oregon State Game Commission under authority of Section 39-108, Oregon Code 1930:

WHEREAS, after thorough investigation of the condition of the following named streams and lakes and the facts submitted to the Oregon State Game Commission at a meeting

held for that purpose in its offices in Portland, Oregon, on the 16th day of January 1931, all in accordance with the provisions of Section 39-108, Oregon Code 1930, it was determined that the closing to fishing therein of the following named streams and lakes, and the reducing of bag limits in the following named lakes, all situated within the state of Oregon, will be for the best interest of the fish life therein; and,

WHEREAS, it has been determined by the Oregon State Game Commission to restock such named waters and protect the fish life therein for the purpose of making said waters more suitable for angling and fishing therein, under the regulations provided by the laws of the state of Oregon; now, therefore,

BE IT RESOLVED, that the waters of the following named streams and lakes, and parts of streams and lakes, all situated within the state of Oregon, be and the same are hereby ordered closed to fishing and angling therein, in any manner, for trout and other fish, and that the bag limits be reduced in the following named lakes, all situated within the state of Oregon in accordance with the provisions of said Section 39-108, Oregon Code 1930:

Baker County

Black Lake and Van Patton Lake, situated in Baker county, closed to angling from October 15th to April 15th of the following year.

Clackamas County

All that part of the Willamette River, situated in Clackamas county, closed for angling for a distance of 200 feet above and 200 feet below the fishway on the west bank of said river, near the Crown-Willamette Paper Company's pulp mill at Oregon City.

All that part of the Willamette River, situated in Clackamas county and known as the tail race of the Crown-Willamette Paper Company, closed to angling for a period of 10 years, beginning at a point near the mouth of said tail race on the south bank thereof, thence extending across said tail race following the line established by the bridge, across said tail race to the north bank thereof; thence in a westerly, southerly and easterly direction around the bank of said tail race to the place of beginning.

Clatsop County

That part of the Klaskanine River, situated in Clatsop county, closed to angling from November 30th to May 15th of the following year, beginning at Barth Falls, approximately three miles above the State Fish Commission's hatchery and extending down said river to the confluence with the south fork of said river.

Coos County

Ferry Creek and all tributaries thereof, situated in Coos county, closed to angling above the lower boundary of the hatchery property of the State Game Commission.

Deschutes County

That part of Paulina Lake, and including that part of the outlet of said lake to the falls, all situated in Deschutes county, closed to angling below a line drawn across said lake, beginning at a point at which is known as the boat landing at the Paulina Lake Resort, and thence following a line across said lake at right angles to the shore line from point of beginning.

East Lake, Paulina Lake, Paulina Creek, Lava Lake, Little Lava Lake, and Sparks Lake and tributaries thereof, all situated in Deschutes county, closed to angling from September 20th to May 15th of the following year.

Twin Lakes and Three Creeks Lake, both situated in Deschutes county, closed to angling from September 20th to April 15th of the following year.

That part of East Lake, situated in Deschutes county, closed to angling west of a line beginning at a point on the north shore of said lake, 20 chains south of the quarter-section corner between sections 19 and 20, township 21, range 13 east, Willamette Meridian, thence running south 26 degrees, west across said lake to a point on the south shore of said lake, 7-1/2 chains north of the quarter section corner between sections 30 and 31, township 21, south, range 13 east, Willamette Meridian.

That part of the Deschutes river, and all tributaries thereof, situated in Deschutes county, closed to angling above impounding dam on said river until April 15th, 1933; this portion of the Deschutes River known as Crane Prairie.

Elk Lake situated in Deschutes county, closed to angling until May 15th, 1932.

North Twin Lake and Big Cultus Lake, both situated in Deschutes county, closed to angling until May 15th, 1933.

The bag limit in East Lake and Paulina Lake, both situated in Deschutes county, shall be 10 pounds and one fish but not to exceed 20 fish in any one day; and 20 pounds and one fish, but not to exceed 40 fish in any 7 consecutive days.

Douglas County

That part of Rock Creek, a tributary of the north fork of the Umpqua River, situated in Douglas county, closed to angling within the boundaries of the State Game Commission's hatchery property on said stream.

Lake Creek, situated in Douglas county, closed to angling for a distance of 800 yards below a point where said creek empties out of Diamond Lake.

That part of Diamond Lake, situated in Douglas county, closed to angling northwest of a line beginning at a point on the north shore 800 feet northwest of the mouth of Bear Creek, running thence diagonally across said creek to a point on the west shore of said creek, 7,450 feet north of the mouth of Silent Creek. It shall be unlawful to fish for or take bass in the waters of Tahkonitch Lake, its outlets or tributaries, situated in Douglas county, from April 15th to July 1st of any year.

Grant County

Strawberry Lake, Lake Creek, Lake Creek reservoir, Magoon Lake and Olive Lake, all situated in Grant county, closed to angling from September 20th to May 15th of the following year.

That part of Canyon Creek, situated in Grant county, closed to angling within the boundaries of the State Game Commission's hatchery property located on said stream.

Hood River County

Lost Lake Inlet Creek, situated in Hood River county, closed to angling until April 15th, 1940.

Jackson County

That part of Rogue River, situated in Jackson county, closed to angling for a distance of 400 feet below the Gold Ray dam.

Fish Lake, situated in Jackson county, closed to angling from August 15th to April 15th of the following year.

That part of Fish Lake, situated in Jackson county, closed to angling for a distance of one-fourth mile below the head of said lake.

The bag limit in Fish Lake, situated in Jackson county, shall be 15 pounds and one fish but not to exceed 15 fish in any one day; and 30 pounds and one fish, but not to exceed 30 fish in any 7 consecutive days.

Josephine County

That part of the Rogue River, situated in Josephine county, closed to angling for a distance of 400 feet below Savage Rapids dam.

Klamath County

Odell Creek and Spencer Creek, both situated in Klamath county, closed to angling.

That part of Link River, situated in Klamath county, closed to angling for a distance of 200 feet below the dam owned by the California-Oregon Power Company.

Seven Mile Creek and Wood River, both situated in Klamath county, closed to angling from November 30th to June 15th of the following year.

That part of the Klamath River, situated in Klamath county, closed to angling for a distance of 4,000 feet below, and 2,000 feet above the mouth of Spencer Creek from November 30th to June 15th of the following year.

Fawn Lake and Hazel Lake, both situated in Klamath county, closed to angling until April 15th, 1932.

All of that part of Crooked Creek, a tributary of Wood River, situated in Klamath county, closed to angling within the boundaries of the State Game Commission's hatchery property.

Bag limit in Lake of the Woods and Fish Lake, both situated in Klamath county, shall be 10 pounds and one fish but not to exceed 15 fish in any one day; and 20 pounds and one fish but not to exceed 30 fish in any 7 consecutive days.

Lake County

Blue Lake, Campbell Lake and Deadhorse Lake, all situated in Lake county, closed to angling from September 1st to July 15th of the following year.

Lane County

The following named tributaries of the McKenzie River, situated in Lane county, closed to angling: Richie Creek, Johnson Creek, Trout Creek, Driftwood Creek, (commonly called Finn Creek) Granite Creek, Indian Creek, Martin Creek, Ennis Creek, Quartz Creek and that part of Gate Creek above the State Fish Commission's hatchery property.

French Pete Creek, and East Fork Creek, both tributaries of the south fork of the McKenzie River, situated in Lane county, closed to angling.

Island Lake, situated in Lane county, closed to angling until April 15th, 1932.

Gold Lake, situated in Lane county, closed to angling from November 30th to June 15th of the following year.

Maple Creek and Fiddle Creek, both situated in Lane county, and tributaries of Siletcoos Lake, closed to angling from November 1st to April 15th of the following year.

It shall be unlawful to fish for or take bass from the waters of Siletcoos Lake, its outlets or tributaries, situated in Douglas or Lane counties, from April 15th to July 1st of any year.

It shall be unlawful to fish for or take bass from the waters of Washink Lake or Collard Lake, or any outlets or tributaries of said lakes, situated in Lane county, from April 15th to July 1st of any year.

Linn County

The bag limit in Clear Lake, situated in Linn county, shall be 10 pounds and one fish, but not to exceed 15 fish in any one day; and 20 pounds and one fish but not to exceed 30 fish in any 7 consecutive days.

Marion County

Tumble Creek, Opal Creek, Dunlap Creek and Lone Creek, all situated in Marion county, closed to angling until April 15th, 1932.

Elk Lake and all tributaries thereof, situated in Marion county, closed to angling from November 30th to July 15th of the following year.

Polk County.

Clear Lake and Lost Lake, both situated in Polk county, closed to angling until April 15th, 1932.

That part of the south fork of the Siletcoos River, situated in Polk county, closed to angling from July 1st to April 15th of the following year, from the dam owned by the Cobb and Mitchell Lumber Company, including the mill pond above said dam.

Tillamook County

Cedar Creek, situated in Tillamook county, closed to angling.

Umatilla County

Umatilla River, situated in Umatilla county, closed to angling for a distance of 300 feet below the Three-Mile Diversion Dam in said river.

Union County

Glacier Lake and Prospect Lake, both situated in Union county, closed to angling until April 15th, 1933.

Wallowa County

That part of Bear Creek, situated in Wallowa county, closed to angling from the City of Wallowa's intake (point of diversion) to the mouth of Little Bear Creek, a distance of approximately 5 miles.

Wallowa Lake and tributary streams, situated in Wallowa county, closed to the taking of "yanks," land-locked salmon or red-fish with yank or jerk-hook; these fish to be taken with hook and line, commonly called angling.

All streams flowing into Wallowa Lake, situated in Wallowa county, closed to angling from said lake to the falls in said streams, from November 30th to July 1st of any year.

Aneroid Lake, situated in Wallowa county, closed to angling from September 15th to June 1st of the following year.

Wood Lake, Leo Lake, Razz Lake, Crescent Lake, Roger Lake, and Bear Lake, all situated in Wallowa county, closed to angling until April 15th, 1933.

Wasco County

Badger Creek, situated in Wasco county, closed to angling for a distance of three quarters mile below the outlet thereof from Badger Lake.

Washington County

Cedar Creek, situated in Washington county, closed to angling.

(Signed) H. L. MORELAND
Secretary of Game Commission.

ATTEST:

(Signed) J. E. CULLISON
Chairman
WILFORD ALLEN
Commissioner
S. R. THOMPSON
Commissioner
H. W. POOLE
Commissioner
DAVID B. EVANS
Commissioner

NOTICE OF ADMINISTRATOR'S SALE OF REAL PROPERTY

Notice is hereby given that the undersigned, administrator of the estate of James Hedrick, deceased, by virtue of an order of sale duly made and entered in the County Court of the State of Oregon for Sherman County, on the 28th day of February, 1931, authorizing and directing the said administrator to sell the real property belonging to said estate at private sale, will, from and after Friday, the 3rd day of April, 1931, sell at private sale for the purpose of paying charges and expenses of the administration of the estate of the said James Hedrick and the claims filed against the same, all of the following described real property situated in Sherman County, Oregon, and belonging to said estate, to-wit:

Commencing at a point 33 rods due west of the Southeast corner of the Northwest quarter of the Southeast quarter of Section Eighteen (18) in Township One (1) South of Range Seventeen (17), East of the Willamette Meridian, running thence due South 10 rods; thence due West to the right of way of the Columbia Southern Railway Company's line as now established; thence along said right of way on the Southeast side to a point in the line between the South and the North one-half of the Southeast quarter of Section Eighteen (18); thence due east to the point of beginning, all of said land being in the South half of the Southeast quarter of said Section Eighteen (18) in Sherman County, State of Oregon.

Commencing 264 feet West of the Southeast corner of the Northwest quarter of the Southeast quarter of Section Eighteen (18), Township One (1) South, Range Seventeen (17), East of the Willamette Meridian, thence running due North 19 rods; thence in Southerly direction and parallel with the right of way of the Columbia Southern Railway Company's main line to a point on the line between the South and North half of the Southeast quarter of said Section Eighteen (18); thence due East along said line to the point of beginning, the intention being to convey all of that certain piece or parcel of land triangular in shape on the East side of said railway, and adjacent to and lying on the West side of McKinley street in Thompson's Addition to the city of Moro, except a strip two rods wide along the side of said Columbia Southern Railway's main line, said strip being reserved for the use as a private lane or road to connect the South half of the Southeast quarter of said Section Eighteen (18) with said McKinley Street and to be forever set apart and dedicated for the use and convenience of the owner or owners or occupants of said tract and the owner or owners or occupants of said triangular piece or parcel of land;

Also the following tract commencing 264 feet West of the Southeast corner of the Northwest quarter of the Southeast quarter of Section Eighteen, running thence due South 10 rods; thence due West 20 rods; thence due North 10 rods; thence due East 20 rods; to the place of beginning, all being in the South half of the Southeast quarter of Section Eighteen (18) in Township One (1) South of Range Seventeen (17) East of the Willamette Meridian, County and State aforesaid, containing one and one-fourth acres more or less.

Terms of sale: Cash in hand.

Dated this 2nd day of March, 1931.

R. J. GINN, Administrator of the Estate of James Hedrick, deceased. 56m6a3

NOTICE OF SHERIFF'S SALE OF REAL PROPERTY

Notice is hereby given that an execution and order of sale has been issued out of the Circuit Court of the State of Oregon for Sherman County, to me directed and dated February 28th, 1931, in a suit therein pending wherein Moro State Bank, a corporation, was plaintiff and C. L. Chamberlain and Emma Chamberlain, husband and wife; G. J. Koepke, a single man, and Louis Schadewitz, were defendants, and in which proceeding a judgment was rendered in favor of said plaintiff against the defendants, C. L. Chamberlain, Emma Chamberlain and G. J. Koepke, in the sum of \$9321.67 with interest thereon from the 26th day of February, 1931, at the rate of eight per cent per annum; the further sum of \$750.00 attorney fees, and \$14.75 costs and disbursements, and which said execution commands me to make sale of all and singular the following described real property situated in Sherman County, State of Oregon, to-wit:

The Southeast Quarter of Section Twenty-two (22); the South Half of Section Twenty-three (23), the West Half of Section Twenty-six (26), all in Township Four (4) South, Range Sixteen (16), East of the Willamette Meridian in Sherman County, Oregon.

Now therefore, by virtue of said execution and order of sale, and in compliance with the demands of said writ, and for the purpose of satisfying the judgment aforesaid, and accruing costs, I will, on Monday, the 6th day of April, 1931, at the hour of ten o'clock in the forenoon of said day, and at the front door of the Courthouse in Moro, Sherman County, Oregon, sell at public auction, subject to redemption, to the highest bid for cash in hand, all the right, title, interest and estate in and to the said real property which said defendants, or either of them, had on the 26th day of October, 1928, being the date on which the mortgage mentioned in said decree was recorded, or since had in or to the above mentioned and described real property, or any part thereof, to satisfy said execution, order and decree, with interest, costs and all accruing costs.

Dated this 2nd day of March, 1931.

HUGH CHRISMAN, Sheriff of Sherman County, Oregon. 56m6a3

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