

# News Review of Current Events the World Over

## Germany's Financial Plight Worries All Other Nations—Hearings on Railway Freight Rate Increase Begun.

By EDWARD W. PICKARD



WHILE all the world looked on with anxious interest, Germany was plunged into a financial crisis that threatened the country with utter economic collapse and made possible even the subversion of the government. Delay in acceptance of the Hoover memorandum by France had led to the withdrawal of vast sums from the German banks, the conversion of these funds into foreign currency and its removal from the country. The big Darmstaedter and National bank closed its doors, primarily because of heavy losses sustained through the failure of Germany's largest wool-combing concern, Dr. Hans Luther, president of the Reichsbank, rushed from Berlin to London and thence to Paris, seeking aid. The French government refused to participate in a loan to the Reichsbank unless Germany would agree to conditions which Berlin regarded as impossible of acceptance. These included suspension of the pocket battleship building program, abandonment of the Austro-German customs union, further credit restrictions in Germany and relinquishment of any hope of regaining Danzig and the Danzig corridor. President von Hindenburg and his ministers said they would resign rather than submit to these demands.

Luther then flew to Basel and laid the case before the Bank for International Settlements and representatives of American, British and French banks. Gates W. McGarrath, American president of the B. I. S., announced that the directors of that institution had agreed to renew its participation in the rediscount credit of \$100,000,000 accorded to the Reichsbank June 25 and due on July 15. This credit was advanced jointly by the Federal Reserve bank of the United States, the Bank of France, the Bank of England and the world bank. The sum was welcome to Luther but it was only a drop in the bucket which he had to fill.

MEANWHILE the German government ordered all banks closed for two days, shut up the stock exchanges for a week and decreed a two-day moratorium. It thus checked the exodus of capital and the transfer of marks into foreign currencies or securities at the time being. There was some rioting, but in general the German people exhibited the calmness of despair. The authorities cannot believe that America and the other nations of Europe would permit the insolvency of Germany, and the decree issued by President von Hindenburg stressed the fact that the crisis was largely metaphysical and due to lack of public confidence.

At the suggestion of the French government, an important conference was held in Paris Saturday and Sunday, the chief participants from other nations being Chancellor Bruening and Foreign Minister Curtius of Germany, Lord Secretary Henderson of England and Secretary Stimson of the United States. This was a preliminary to a conference in London called for July 20 by the British government. To represent the United States at the latter President Hoover designated Secretaries Stimson and Mellon. It was understood they would not concern themselves with matters of European politics, and Mr. Stimson already had explained that this government could not participate in a loan to Germany, that matter resting entirely with the federal reserve and private banks.

President Hoover kept in close touch with the German situation but it was the official view in Washington that Germany must help herself by strong measures and that in the matter of outside assistance Europe must take the lead. Hoover took the position that in bringing about the moratorium he had done all that he legitimately and properly could do. France refuses to be abashed by the attacks on her apparent harshness toward Germany. She holds that her demands are fully justified and that they tend to promote the cause of world disarmament and to assure security for Europe in general and France in particular.

CHARLES G. EDWARDS, Democrat, representative in congress of the First Georgia district, died suddenly of cerebral hemorrhage in Atlanta. He was fifty-three years old and his home was in Savannah. Mr. Edwards' majority restores to the two the Republican death in the house. He was the seventh member of that body to die since the election. The Republicans now have 215 members to 213 for the Democrats and one Farmer-Laborite. There are only six vacancies for that caused by the death of Aswell of Louisiana has been filled by the election of another Democrat, John Overton.

INVESTIGATION was ordered by Secretary of Commerce Lamont into charges made by Dr. Ray O. Hall that he had been dismissed from the department for protesting against falsification of the recently issued report on the "balance of international payments." Hall, who prepared most of the report, alleged figures were juggled and deletions made to suit "political expediency." He said particularly that a comment to the effect that in-

pending tariff legislation possibly was in part responsible for merchandise imports holding up relatively well during the first half of the fiscal year 1930 had been omitted in the publication.

The point he had endeavored to bring out and which, he said, was omitted, was that, in anticipation of higher tariff rates later, foreign shippers had sent greater quantities of goods to this country during the first part of the fiscal year than otherwise would have been the case.



Ezra Brainerd, Jr.

RAILWAY officials, shippers and other interested persons gathered in Washington before the Interstate Commerce commission on the application of the railroads for an increase of 15 per cent in rates on all freight traffic. It is the largest of the biggest questions that Chairman Ezra Brainerd, Jr., and his fellow commissioners have had to handle, for some time. There was no disposition to question the fact that the railroads are in a sad financial plight. The problem is to find the remedy. In the first five months of this year the class one railroads had a net railway operating income of \$188,387,587, or 210 per cent on their property investment, and 44 of the 371 roads operated at a loss, of which 14 were in the eastern, 6 in the southern, and 24 in the western district.

Conforming to the wish of President Hoover, that existing wage scales be maintained, the roads are seeking an increase of revenue in increased rates, but their executives have made it plain that if this is not granted, wages will have to come down. Many shippers have let the commission know that they favor the latter alternative, asserting that they cannot bear higher transportation charges. President Hoover has taken no part in the controversy, but Secretary of Agriculture Hyde has publicly asked the commission to take into consideration the fact that while the revenue of the railroads dropped 16 per cent last year, the revenue of the farmers dropped 20 per cent; that farm prices are down to pre-war levels, while freight rates are relatively high; that with many products taxes, manufacturing costs, and railroad rates can be passed on to the consumer, but that the farmer cannot pass his costs on.

Two security holders' committees appeared before the commission to set forth the danger that many millions of dollars of rail securities may become ineligible for life insurance unless the freight rate increase is granted. One of the committee represented life insurance and savings bank interests and the other trust and fire insurance companies and institutions.

In an effort to determine whether certain practices of the railroads are consistent with "economical and efficient management," the interstate commerce commission announced that it would conduct an investigation on its own motion into practices of carriers which affect their operating revenues and expenses.

Among the practices the commission is investigating are prices paid for railroad fuel and the handling of coal at tidewater ports, lake coal, private freight cars, the spotting of cars at industries and the construction and maintenance of sidings for shippers.

CAPTS. GEORGE ENDRIES and Alexander Magyar of the Hungarian army made a remarkable non-stop flight from Harbor Grace, N. F., to within 14 miles of Budapest. That city was their goal but their fuel ran out just before it was reached.

Joseph Lebriz and Marcel Doret, two famous French aviators, set out on a non-stop flight from Paris to Tokyo, hoping to make the 6,000 miles in 62 hours. They were making good progress when they were forced down in Siberia 310 miles from Irkutsk. The plane was ruined and Lebriz was slightly injured.

SOVIET Russia has taken another step in its return toward old-time ways. It has been decreed by the people's commissariat for agriculture that payment to workers on Russia's collective farms shall henceforth be made only on the basis of quality and quantity of work performed. The measure is designed to increase the "material interest" of the farmers and thus enlarge production.

THREE independent investigators, after a tour of the Pennsylvania-Ohio coal fields, where the miners are on strike, declared that "the people of Pittsburgh are entirely unappreciative of the gravity of the situation. If they do not awaken soon they will shortly find themselves faced with a civil strife unparalleled in the coal industry." The investigators were Dr. Colston E. Warner of Amherst college, Dr. Wil-

Ham T. Egan of New York university and Maurice H. Legrain, associate editor of the publication The Nation.

CHILE has a new cabinet headed by Pedro Blanguier who, besides being premier, is minister of finance. Blanguier was formerly finance and public works minister, as well as director of the state railways. He is regarded as an efficient technical man and it is believed in Santiago that he can find the remedy for the precarious state of Chilean finances.

FROM the White House came an official reply to the attacks on the tariff commission that have been made by Senator Joseph T. Robinson of Arkansas and other Democratic leaders. The statement represented the tariff commission as a most industrious body which had completed investigations of 110 different articles under the flexible provisions of the tariff act and has investigations of 119 articles still under consideration. In 22 investigations completed and reported to the President, it was pointed out that on only 10 of the 46 articles involved had there been an increase proclaimed. On 12 articles the duty was cut. On 20 there was no change; on 4 others there was no change.

It was also explained that in addition to its duties under the flexible clause, the commission had been called on by congress for reports on 10 subjects, four of which have been completed. On its own initiative the commission undertook and completed an investigation of leaf tobacco.

"The cases brought before the commission are being handled expeditiously," the White House statement declared. "The tables presented here-with reveal that the commission is disposing of the cases at a rate of one per week."

ONE more report from the Wickersham commission has been made public. It deals with methods of criminal procedure, and an interesting paragraph denounces as "shocking to one's sense of justice" the laws under which the famous Money-Billings case was conducted. The commission cites the case arising from the 1916 preparedness day bombing in San Francisco as one in which motions for a new trial "were held inadequate to prevent injustice." It makes no direct recommendation, however, that the case be reopened.

In the body of its report, signed by ten of the eleven members, the commission concludes that blame should be laid at the door of "incompetent or politics-ridden judges" for much of the general complaint against this country's criminal procedure.

Monte M. Lemann, New Orleans lawyer who declined to sign the commission's prohibition report, likewise refused to sign this document. He charges that the report was made without sufficient research to back up the conclusions reached.

VIRTUALLY the father of the army air service, Brig. Gen. Benjamin D. Foulois, will next December, reap the reward of his long and earnest labors. The War department announced his promotion to succeed Maj. Gen. James E. Fechet as chief of the army air corps, effective December 29, when General Fechet's term expires. Foulois will then become a major general. He was one of the pioneers in the development of aviation through association with the Wright brothers. He flew the first airplane and the first dirigible balloon purchased for the army, and in 1910, when the appropriation for the air service was only \$150, he contributed \$300 from his own pay to make up a deficit. He organized the first flying unit the army ever had. As assistant chief of the corps he supervised the gigantic air maneuvers along the Atlantic coast last May.

ALBERT B. FALL, former secretary of the Interior, was ordered by the Department of Justice to be committed to the New Mexico penitentiary to serve out the term to which he was sentenced on his conviction in the Elk Hills bribery case. In order that Fall, because of incipient tuberculosis, might serve his term in the Southwest, his sentence of a year in jail was changed to a year and a day in Justice Jennings Bailey of the District of Columbia Supreme court.

FUNDS FOR HOMES SUPPLIED BY BANKS

By ROME C. STEPHENSON  
President American Bankers Association

A LARGE portion of the funds required in home building always has been furnished by banks. They have shown constantly a deep interest in the performance of this feature of national development. Upon it rests much of our country's future stability, and any contribution to its advancement is a redoubt to the advantage of all.

So banking has never permitted its co-operative attitude toward home building to lessen.

Practically all banks now accept savings deposits which can well be turned to the advantage of the home builders. The construction of individual dwellings requires a large amount of financing and is a thoroughly commendable enterprise. Necessarily, the aid given to home builders is governed by the sound banking rules which have grown out of the years of experience and the constant studies of bank practices.

All of the efforts made to secure broader real estate loan privileges, to adjust resources to make it possible to lend larger sums for long terms, the

standardization of mortgage loan formulas, and the actual lending of vast sums on mortgage notes evidence the desire of banks to contribute a full measure of support to the home-building movement. This is true of all classes of banks, but even in a more marked degree of those whose deposits are largely in the form of savings and whose loans are primarily for building or home purchasing purposes.

Both Sides Protected

The process through which bank loans are made on real estate is as simple as the nature of such an important transaction will permit. When money is advanced the lender must know that repayment will be made the specified time. Likewise the borrower wants to be assured that, after he has figured the loan on the basis of his conservatively anticipated ability to pay, he will not be required to do more, that he will not be disturbed in his efforts to work out his obligations under these terms. Whether his agreement is to repay the entire loan in three or five years, or on a monthly or yearly basis, he wants the assurance that no additional burdens will be imposed upon him. All of this is settled definitely in advance.

There is no mystery about any of the details, and when the negotiations are complete the borrower knows just what he may expect and what he will be required to do to meet his obligations.

Loans made to persons who wish to acquire homes are not necessarily building loans. One may wish to purchase a home already constructed. In this form of transaction bank loans are used very freely because it is the only kind of a real estate loan some classes of banks may make. Others of course, may lend upon real estate with improvements uncompleted and advance funds as the construction progresses. Different styles in home financing have developed in the various states, and banks have tried to adapt their facilities to the needs. Whatever character of assistance is required in any particular instance usually can be found in some bank in the local community.

Among banks and borrowers for home acquisition purposes a long established and thoroughly tested relationship exists. Banks are not the only agencies through which such funds are available; they do not embody all the spirit of helpfulness which abounds. However, through the years of their co-operation their aid has been of unquestioned value to the home builders whose efforts to establish a permanent home have been constant and encouraging. Bankers everywhere are ready to counsel with their customers about their home-building plans and to assist to the extent of their ability. This is being done constantly and the many advantages of it are not without recognition.

Farm Service by a Bank

A farm service department was inaugurated a year ago by a bank in Olympia, Washington, and a farm advisor appointed. Close cooperation has been maintained with the state college extension service. Work in dairying is carried on in conjunction with the Dairy Herd Improvement Association. Also a pasture contest was held in cooperation with the four banks in the county which offered prizes amounting to \$100. Work in poultry was carried on in cooperation with the Co-operative Poultry Association and assistance was given in organizing an economic conference for the benefit of berry growers. The farm advisor of the bank is active in the Agricultural Council of the county composed of farm and other organizations interested in agricultural development, and also in the Farmers' Market. Six hundred farm books and analysis blanks were distributed while farm account books and poultry record books were also provided to farmers and have been helpful in starting many farmers in keeping business records.

Barrow, Alaska, Claims Record for Lawfulness

Barrow, Alaska.—The most law-abiding community in the world—that's what Barrow, on the northern tip of Alaska, calls itself.

And Barrow has a court case of its kind here for 25 years, and there has been no murder committed for 50 years, according to Alfred H. Hopsen, Sr., trader, who has lived here since 1880.

There are 300 native Eskimos at Barrow. They are mild mannered, friendly to each other, big-hearted, and strict in their observation of man-made laws. Morality is of the highest type and robbery is unknown. Fish, whales, seals and animals provide plenty of food and clothing for all, and so long as an Eskimo has food and skin clothing he is satisfied.

The Eskimos have been fortunate in having evil outside influences kept away. Only a dozen white people live at this isolated point, and for the last 25 years they have been of a high type. Monogamy is strictly adhered to by the natives.

Eskimos in some sections of the north used to be more or less warlike, but those living at Barrow are very peaceful. Even tempered and of happy disposition, the northern Alaska natives are believed by many missionaries and traders to be the highest type of Indian in the world.

La Grande high school recently graduated its largest class in history when 128 seniors received their diplomas at commencement exercises. Last year the number was 109 and the previous year more than 130.

An agreement whereby northwest pear growers will pay 2 cents a box toward an advertising campaign this year was tentatively reached by fruit men meeting in Medford recently. The agreement will become effective when 70 per cent of the growers have been signed.

## Wasco

Mrs. G. C. Akers of Moro spent the week in Wasco with her daughter, Mrs. Lloyd Hennagin.

Mr. and Mrs. P. G. Erickson of Portland, are at the home of Mrs. Kenneth Woods. Mrs. Erickson and Mrs. Woods are sisters.

Mrs. Mae Nichols and daughter of Portland, are visiting in Wasco with friends.

Duane Stevens of The Dalles was visiting friends this week in Wasco.

Gen. Updegraff was a business visitor from Moro this week.

Mrs. Orville Yocum and Mrs. Wayland Welde were in The Dalles on business Thursday.

Mr. and Mrs. Jeff Wilson and children of The Dalles, were visitors at the Schunke home this past week.

Mrs. Robert Evans, Mrs. Leo Watkins and son, were business visitors in The Dalles on Friday.

Mr. and Mrs. Homer Harding of Spokane are visiting at the home of W. A. Spencer.

Evelyn Spencer, who went to Portland at the close of school, is now visiting with her grandparents, Mr. and Mrs. R. Harding, at Buckley, Wash.

Jack Sheetz returned to the Veterans Hospital in Portland for treatment.

Mr. and Mrs. Alfred Smith of Pomona, Cal., are visiting Mrs. E. H. Dingle. With Mrs. Dingle they are planning to go to Camp Sherman for an outing at Mrs. Dingle's summer home.

Young Wallace-Ross of Corvallis is spending some time at the E. W. Farrell home.

Master Bobbie King of Grass Valley spent the past week with Doug and Tuel.

Mr. and Mrs. William Rhine of Fresno, Cal., are guests at the Fred Hennagin home. Mrs. Rhine and Mrs. Hennagin are sisters.

Al Hull is spending some time at the Shearer home. His home is in Vancouver, Wash.

Mr. and Mrs. Walter Medler have closed their town house and moved to the ranch for the harvest season.

Miss Violet Seeley left for her home in Portland after visiting for two weeks with her parents at their ranch in the Webfoot district. Miss Seeley is in training at St. Vincents Hospital.

Miss Ruth Young and Nathalie Lawler returned to their homes in Goldendale after a visit at the home of Miss Winniford Fortner.

A. C. Kaseberg has the distinction of being the first to haul wheat to both Wasco and Miller warehouses this year.

Lee Everett of McMinnville is in Wasco for the harvest season. He is employed by the Grain Corporation at the Wasco Warehouse.

Mr. and Mrs. Carl McKean of Moro were callers at the R. H. McKean home Sunday.

Mr. and Mrs. Vernon VanGilder and family and Mr. and Mrs. A. R. Fortner and family spent Sunday on the Deschutes river, swimming and picnicing.

George Grassmiller of The Dalles spent Sunday with Bill McKean.

Rev. Mrs. Patten, mother of Mrs. L. P. Haven, gave a very interesting sermon at the Methodist church Sunday. She filled the pulpit for Rev. Hawk who preached at Moro Sunday morning.

Chas. Marshall returned to Portland this week after a visit here with his aunt, Mrs. E. D. McKee.

Mr. and Mrs. Marion McKee of Moro were Sunday visitors at the home of E. D. McKee.

Miss Mignon Wall was a weekend guest at the home of Mary Jeanette Sargent.

Junior Johnson has been in The Dalles the past week taking medical aid for an injured hip which he hurt some time ago.

C. P. Kaltenborn of Portland, representing the Farmers National Grain Corporation, was in Wasco Thursday making a business call on the Sherman Co-operative office. Mrs. Kaltenborn accompanied her husband on his trip thru Oregon.

Word was received Monday of the death of Roy Moore of the Moore Garage, Sunday at The Dalles hospital. Friends and neighbors extend sympathy to his widow and relatives.

Rev. Sherman Hawk and family left Monday for Portland on a business trip.

Mrs. B. H. Grady and son Nyal were business visitors in Goldendale Tuesday morning.

Mr. and Mrs. H. D. Proudfoot spent last Wednesday in Walla Walla on business.

Continued from page one.

been in worse economic straits from time to time, but never has there been a descent from such heights of prosperity to such depths of business difficulty. And strangest of all, the unemployment and financial distress

and business failure has gone hand in hand with an abundant supply, even an over-supply of food, manufactured articles, and money. Deposits in savings banks paying three per cent have mounted, and at this writing government bonds are selling at a premium. This means that those who have money are afraid to invest it until the present situation clears up. It is natural to suppose that when confidence is restored, there will be abundance of capital available for the revival of business.

With some of the greatest of our business leaders declaring that the situation is out-of-hand and beyond human control, it is not fitting to predict what will happen. But the significant fact for the Christian to ponder is that men everywhere are expectantly examining every sign of the times with their heart set on release from business depression as the great hope of the world. A universal longing for material relief has gripped the world. But there is scarcely any crying out to God for spiritual awakening. And material relief for America without spiritual revival in America will be a tragedy.

Thousands of pastors and Christian leaders have indeed been faithful in passing on to their people the spiritual lessons of these difficult days. But it is an ominous fact that in all the public movements for economic relief, in all the conferences to suggest ways and means to deal with the situation, in all of the declarations of great leaders as to the causes of this depression, there has been practically no recognition of any spiritual factors. There has been no national or public conviction that God has anything to do in the affairs of men, or that unrighteousness has any influence upon the movements of business.

Even in the highest circles, we have been depending upon Chamber of Commerce wisdom. Business wisdom, as represented by the Chambers of Commerce is a legitimate and an important thing. But one lesson writ large over the clouded skies of our day is the lesson that the best that man's wisdom can do is to learn how to handle the situation that God creates or permits. And if our unrighteousness is one of the main causes of that situation, we should go to the root of the matter, humble ourselves before God, and cry out for revival first, in order that relief may come safely.

The largest strawberry shortcake in the world will be cut and served at the annual Strawberry Festival, Lebanon. It will measure 12x14 feet and will be 18 inches in depth. A truck load of choicest strawberries, two barrels of sugar and 5000 quarts of whipped cream will be used in making the cake, which will be served for the happiness of thousands of merry-makers at Lebanon's 22d Strawberry Festival.

A small coupe, owned by R. A. Pover of Sheridan, will have the honor of displaying license plate No. 1 of the 1931-32 series. Power was awarded the first set of plates in a drawing conducted at the automobile registration department recently. The hoodoo number, "13," fell to Guy Hifner, Carlton, with "23" going to Elta M. Smith, Molalla. P. O. Vickers, Woodburn, drew No. 50, the Miller Lumber company of Bend, '75, and K. Handson, Eugene, 100.

More than 500 tons of strawberries have been handled through the Oregon Berry Growers, Inc., this season, with all the product being sold. In one day, when the sun was shining, 17,000 crates of berries, all grown locally, were handled at the cannery.

Pouring of concrete for the arches of the \$600,000 bridge over Rogue river on the Oregon Coast highway has begun. The bridge is to be completed late this fall.

The Pendleton post of the American Legion is planning an emergency fire fighting brigade to work in conjunction with the forest office for the Umatilla National forest.

## Finance Fights Erosion

Farm terracing to stop erosion is of major importance in Noble County, Oklahoma, the county agent said, and so one of the county's national banks bought five farm levels to be loaned to farmers without charge. The machines were immediately put to use and the farmers are showing keen interest in terracing. Two terracing schools were started for adults and 4-H Club boys.

## NOTICE TO CREDITORS

Notice is given that E. R. Barzee has been appointed administrator with the will annexed of the estate of John J. Schaeffer, deceased. All creditors of said deceased are hereby notified to present to the said E. R. Barzee as such administrator at his address at Moro, Oregon, their claim, duly verified and with vouchers attached as by law required, within six months of the date of the first publication of this notice, which said date is July 10th, 1931.

E. R. Barzee  
Administrator with the will annexed of the Estate of John J. Schaeffer, deceased.  
Updegraff & Pepper, Attorneys for administrator.

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