

A BANK REFLECTS THE LIFE ABOUT IT

Loans and Investments on Which Condition of a Bank Depends Determined by the Kind of Business Surrounding It

POLITICAL and popular misapprehensions toward banking are due to little else than failure to realize that it is what the people themselves do that the condition of banking reflects, and that banking cannot of itself reflect events and conditions other than those that actually originate from surrounding circumstances.

The character of an institution's notes and investments indicates whether it is in the farm, a manufacturing center, a neighborhood or a great financial district, he says, and furthermore, besides identifying the institution as to its locality, a study of its notes will equally clearly indicate the economic conditions surrounding it.

"If a farm district bank's note history shows that its loans rise and fall with the normal cycle of production and marketing of the products of the region, it may be taken as an index of economic good health for the locality," he says. "But if, over a period, the loan volume shows a dwindling trend it may mean a region that is losing ground—becoming exhausted or being robbed of business by another community. Or if a large proportion of the loans are not paid at maturity but are chronically renewed, or if stocks or bonds or real estate have to be taken as additional security, these too have economic significances, reflecting perhaps crop failures, over-production or inefficient, high cost farming methods in a highly competitive national or world market, such as wheat. Invariably all these facts are reflected in the condition of the local banks.

City Banks, Too

"If the loans of a bank in a manufacturing or merchandising field show a smoothly running coordination with production and distribution they, too, mirror a healthy economic situation. Or there may be here also signs that reflect growing unfavorable conditions, such as excessive loan renewals, over-enthusiasm and therefore over-expansion of credit extended to makers or dealers in particular products, and similar circumstances. Similar conditions apply to banks engaged in financing the activities of the securities markets.

The foregoing is merely suggestive of the infinite aspects of the life outwardly surrounding the banks which form and control their internal conditions. Although these facts seem obvious enough, the discussions and criticisms that have raged about the banks often appear to set them apart as somehow separate from the lives of our people, casting forth a malignant influence upon agriculture, industry and trade from forces generated wholly within themselves.

The truth of the matter is that the fate of the banks is inseparably interwoven with the fate of the rest of the people and of the nation. What happened to the country happened to the banks and what happened to the banks is in no way different or detached from what happened to the people. They are all part of the same pattern, of the same continuous stream of events. No one element in that stream can be called the cause of business depression.

"If the banks caused trouble to some of our people it was because they were irresistibly forced to pass on troubles that came to them from other people. These troubles impaired the values of their securities and customers' notes—and rendered some unable, in turn, to pay back to other customers their deposits that had been properly used to create these loans and investments. Unless these truths are kept continually in mind there is no such thing as approaching an understanding of the banking problem or of properly safeguarding the very heavy stake of the public in that problem."

The Bank as a Rebuilder

IN place of a 3 per cent loss on an investment of \$40,000 a large New York savings bank is now getting 4 per cent profit on an investment of \$80,000, because it had the good business judgment to spend \$40,000 in modernizing a group of 40-year-old tenement houses on the lower East Side which it was forced to take over on mortgage foreclosure, says an article in the American Bankers Association Journal. A year or two ago the owner, who had always kept up his mortgage payments, began to neglect the property, it became run down and the tenants began to leave.

The bank renovated the buildings completely, putting in an oil-burner heating plant, incinerators and other modern changes, with the result the buildings are now entirely rented, and there is \$14,000 a year coming in instead of several thousand going out. At that rate the improvements will pay for themselves in three years.

This same bank has done 15 other renovation jobs similar to this, and all have proved profitable. The bank has its own architects and is employing seven painters who are kept busy continuously.

THE PRICE OF BUSINESS SPEED

Banking Institute Speaker Says That Bank Failures Followed Business Failures

CHICAGO, Ill.—Many appear to think that failures occur only to banks, but the complete story of business shows that failures of American banks have followed the failure of business enterprises, and have not been a cause of those failures, Dr. Harold Stonier, National Educational Director of the American Bankers Association, declared in a recent address here before the American Institute of Banking.

"It is true that we have had more failures in our banks than in the banks of a number of other countries," he said. "It is also true that we have had more failures in drug stores, grocery stores, railroads, and in every other type of business enterprise. At the same time, it must be said that we have left after all our failures, more drug stores, more grocery stores, more railroads, and more banks than any other country."

People do not realize, he said, that we have in excess of 108 banks which have been in existence over a century and we have more than 2,000 banks which have been in existence over 50 years.

"In other words, we have more banks over 100 years of age than any other country—we have more banks over 50 years of age than any country in the world," he declared. "The American banking system has not fallen down—it is not in danger of decay. Such failures as it has experienced are due to the price we pay for too rapid development of business enterprises, but that is the American spirit."

CONSUMERS' COUNSEL



Dr. Frederic C. Howe, scholar and banker, has been appointed "consumers' counsel" of the Department of Agriculture. His job will be to wage a nation-wide war on unfair food prices. He comes from Cleveland and received his academic degrees from Allegheny college and a Ph. D. from Johns Hopkins university, later studying at Oxford and in Germany and in law schools of Maryland and New York.

HI-WAYS TO HEALTH

By ADL R. MAYNE
OREGON DAIRY COUNCIL

MAIN DISH SALADS

This is the season for chilled dishes and on very warm days it is permissible to make exceptions to the usual routine of menu planning and to serve the protein or main dish in the form of a salad. To most of us, a salad consists usually of fresh chopped vegetables, preferably green vegetables, plus a dressing made especially for it. Fresh fruits served with a generous portion of crisp lettuce are also suitable salad ingredients.

But on the very warm days exceptions are made, and meat, eggs and cheeses of all kinds may parade to the table as salads. To accompany this type of salad, carrot sticks, celery or sliced tomatoes are served along with a pitcher of cold milk or a tempting milk shake for every one.

Instead of fried chicken for your Sunday dinner, try this delicious chicken salad. It will be much cooler both for the cook and the family.

Chicken Salad

- One boiled chicken
- One cup sliced cucumber
- Three stalks crisp tender celery

- One dozen stuffed olives
- French dressing
- Three hard cooked eggs
- One cup whipping cream
- Three-fourths cup mayonnaise

Prepare the chicken as for roasting then wrap in several folds of cloth and boil gently in salted water until tender. Remove from broth, and let cool in the cloth. Boiling the chicken in cloth makes the dark meat almost as white as the breast meat. When cold remove chicken from bone in as large pieces as possible. Remove skin and cut the meat into half inch cubes with sharp scissors. Combine the chicken cubes with the cucumber, and celery then add just enough French dressing to moisten and place in the refrigerator to chill. When ready to serve, add the halved olives and the sliced eggs. Toss together lightly and place on lettuce leaves. Top with mayonnaise dressing into which has been folded the whipping cream.

Cottage Cheese Loaf

- One and one-half cups cottage cheese
- Four olives chopped fine
- One tablespoon green pepper chopped

- fine
- one-half tsp Worcestershire sauce
- Four tbsp creamed butter
- One pimento chopped fine
- Two sprigs parsley chopped fine
- One-half teaspoon paprika
- Four tablespoons butter
- One cup cottage cheese

Mix cottage cheese with olives, green peppers, pimento, parsley, paprika, butter and Worcester Sauce. Shape in a roll 2 inches in diameter, place on a small platter and chill. Decorate with 4 tablespoons cheese mixed with 2 tablespoons butter and chill again. Garnish with water cress or lettuce.

Food Chocolate

- Two tsp cocoa
- Three tsp honey
- One cup milk
- Few grains salt
- Heat milk to boiling point. Mix cocoa and honey and add to hot milk. Stir well and add salt. Pour into ice tea glasses filled with cracked ice and top with whipped cream. This makes two servings.

Mitch—What salaries do college professors receive now?
Adams—Their salaries are not

NOTICE OF SHERIFF'S SALE OF REAL PROPERTY

On the 16th day of September, 1933, at the hour of ten o'clock a. m. at the front door of the Court House in Moro, Sherman County, Oregon, I will sell at auction to the highest bidder for cash the following described real property located in Sherman County, Oregon to-wit:

The Northeast Quarter of Section Seven, and the Southeast Quarter of Section Five, in Township One North, Range Nineteen, East of the Willamette Meridian.

Said sale is made under execution issued out of the Circuit Court of the State of Oregon for the County of Sherman to me directed in the case of The State Land Board of the State of Oregon, plaintiff, vs. Herman Hapgood, a single man; Harvey Ferrell, also known as James Harvey Ferrell, a single man; Alma Barrette Fridley, and Sherman County, a political subdivision of the State of Oregon, defendants.

First published August 18th, 1933.
HUGH CHRISMAN
Sheriff of Sherman County, Oregon.
Last publication September 8th, 1933.

NOTICE OF SHERIFF'S SALE OF REAL PROPERTY

On the 26th day of August, 1933, at the hour of ten o'clock a. m. at the front door of the Court House in Moro, Sherman County, Oregon, I will sell at auction to the highest bidder for cash the following described real property located in Sherman County, Oregon to-wit:

The Southeast Quarter of Section One, and the Northeast Quarter of the Northeast Quarter of Section Twelve; the North west Quarter of Northeast Quarter, and the South Half of the Northeast Quarter, and the Southeast Quarter of Section Twelve, all in Township Three, South of Range Seventeen, East of the Willamette Meridian.

The North Half of the Northwest Quarter, and the Northwest Quarter of the Northeast Quarter of Section Seven, the Northeast Quarter of the Northeast Quarter, and the South Half of the North Half, and the South west Quarter, the North Half of the Southeast Quarter, and the Southeast Quarter of the Southeast Quarter, all in Section Seven, Township Three, South of Range Eighteen, East of the Willamette Meridian.

The North Half of the Southeast Quarter, and the Southeast Quarter of the Southeast Quarter, all in Section Seven, Township Three, South of Range Eighteen, East of the Willamette Meridian, containing One Thousand and Eighty acres, more or less.

Said sale is made under execution issued out of the Circuit Court of the State of Oregon, for the County of Sherman to me directed in the case of Elizabeth McDonnell, plaintiff, vs. Albert P. O'Leary, a single man; Edythe G. O'Leary Hickey, formerly Edythe G. O'Leary, Administratrix of the estate of Alice M. O'Leary, deceased; Mollie V. Rice and A. F. Rice, wife and husband; Edythe G. Hickey, formerly Edythe G. O'Leary, and Harry Hickey, wife and husband, defendants.

First publication July 28, 1933.
HUGH CHRISMAN
Sheriff of Sherman County, Oregon.
Last publication August 18th, 1933.

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fixed; they get whatever is left after the athletic coaches are paid.
"Are you going to that lecture on the heart, the lungs, the liver, the kidneys and the gall bladder?"
"No, I'm tired of those organ recitals."

Mistress—Bridget, it seems to me that the crankiest women get the best cooks.

Bridget—Ah, go on wid yer blarney!

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