SHERMAN COUNTY OBSERVER
Moro, Oregon
FRIDAY....... ...October 5, 1923

NO BOON IN CHEAP MONEY

One thing that has to be given up is the idea that cheap money is always good for business. Farmers want cheap money, business men want cheap money, stock speculators want cheap money, the U. S. Treasury wants to float government loans on cheap money, socialists, anarchitsts and old-line greenbackers want very, very cheap money. Everybody feels that when the money rate is shoved up it is an arbitrary damper on prosperity.

But we cannot have both a low rate on money and a stable level of prices. We can have one or the other—not both together for any length of time. A low rate of money means an inflated price level. A stable price level means a fluctuating rate of discount. That is, the public must learn to look at the price level instead of the bank reserves, as their measure of expectation for a rise or fall of the value of money.

Now this fact makes me feel that a mistake is made if we do not fully explain to the public the power already exercised by the bank rate and the Federal Reserve Board and Reserve banks. Our bankers and economists see the bad use that is likely to be made of political control of banking and currency and they try to make the people believe that so intricate a question must be left to experts.

As a matter of fact our present methods encourage the very thing we wish to avoid. We let everybody believe that low rates on money are necessary for prosperity and then when bank reserves run low on account of the effects of this belief, we are suddenly compelled to jump the rates to protect the reserves. We get both a cycle of prices and a cycle of bank rates, whereas, if the public understood that the rise of bank rates should not wait until bank reserves are low, but the rates should be advanced several months ahead for the very purpose of preventing a fictitious prosperity with its inflated price level, then the public might be satisfied to support the administrative regulations which raise the rates at a time when there seems to be no need of doing it.—John R. Commons, University of Wisconsin.

Honors for Club Members

... Wisconsin ... presented diplo... girls ... years ... state ... such

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It was also true that the factory corporation had issued a million dollars in bonds to raise funds to buy the material and pay the wages of workmen to build the factory. These bonds were owned as investments not only by persons of wealth but also by many people of moderate means who had saved out of their wages and salaries. They were Capitalists.

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And it was also true that out of the receipts of the factory, before a cent was taken to pay interest on the bonds, before a penny was used to pay dividends on the stock, a good many dollars were taken to pay wages to the workmen.

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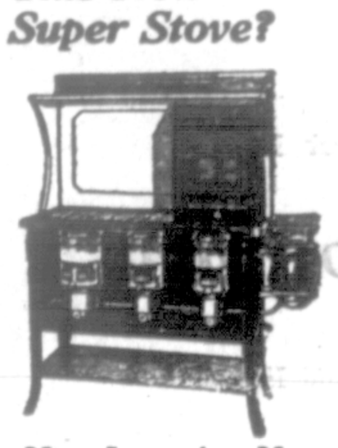
The workmen were Capitalists too. They were investing their strength and their talents and their skill in the factory—they were getting their dividends out of its earnings as were the stockholders and bondholders.



EDWARD W. BOK

Edward W. Bok of Philadelphia, who offered $100,000 for the most practical plan by which the United States might co-operate with other nations to achieve world peace.

INTERSTATE BRIDGE ASSOCIATION FORMED

Longview, Wash.—First steps toward the erection of an interstate bridge across the lower Columbia river were taken when more than 75 representatives from every county in northwestern Oregon and southwestern Washington at a meeting here organized the Longview-Rainier bridge association and elected officers to promote the project.

David Boice, of Longview, was chosen president, Hamilton Highday, of Longview, secretary and Sherman Miles of St. Helens, Or., treasurer. The president was authorized to appoint an executive committee of five members from Oregon and Washington at large and to issue a call for the next meeting for the association, as he saw fit.

Organization of the association followed a public hearing of the bridge project before a joint commission of Oregon and Washington legislators which was authorized at the last session of the legislature of the two states to investigate the matter as to site and financing methods and make a report at the next session.

BULGARIANS IN REVOLT

100,000 Peasants Said to be Marching on Sofia.

Paris.—A dispatch to the Havas agency from Sofia says the present insurrection in Bulgaria is spreading and gathering strength. One hundred thousand peasants, a majority of whom are armed and fairly well organized, are marching on Sofia in an attempt to overthrow the government.

Bulgarian towns along the Jugo-Slav frontier are showing special activities. Although it is asserted in Sofia that the movement is purely agrarian, the communists have taken a hand in the controversy and are directing a general strike which is to become effective immediately.

School Bonds Beaten at Medford.

Medford, Or.—The proposal to issue $160,000 in bonds to build and equip a new high school was defeated at a special meeting of the taxpayers of the Medford school district by a vote of 412 to 304. It was one of the warmest school elections ever held in the city, and each faction had challengers at the polls. Many citizens were challenged as not being legal voters.

The soap-boxer told a half truth that amounted to a whole lie. His listeners did not know that that particular factory, typical of thousands of others, was a complete refutation of the lie—if only the other half of the truth were told.

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It is true the factory was Capitalized—for a million dollars. The net profits gave annual dividends of 6 per cent, or $60,000, to the stockholders. All that was true.

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But it was also true that the million dollar capital was divided up into ten thousand shares of $100 each. The ownership of these shares was distributed among about one thousand people. Several hundred of them were workmen in the factory. They were saving out of their weekly wages and buying shares on the instalment plan. They were Capitalists.

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It was likewise true that shares were also owned by workmen in other factories, by clerical workers and by small merchants. A good many were also owned by widows and orphans whose modest estates had been wisely invested for them by their bankers. They were Capitalists.

FARMER-BANKER CONFERENCES THROUGHOUT NATION DEVELOP WAYS TO AID AGRICULTURE

Collective Marketing, Diversified Farming, Promotion of Agricultural Education and Use of Bank Instead of Mercantile Credits Chief Lines of Suggested Action.

By D. H. OTIS,

Director, Agricultural Commission, American Bankers Association.

D. H. Otis

Four lines of action to improve the business of farming stand out in the discussions that have occurred at a series of farmer-banker conferences now being held throughout the United States. They are collective marketing, diversified farming, the promotion of agricultural education and the use of the more economical bank credit rather than mercantile credit. At many points active steps to foster action along these lines have been taken.

The conferences were initiated by the Agricultural Commission of the American Bankers Association to the end that the condition of the man on the farm be improved. The first conference was held in conjunction with the Wisconsin College of Agriculture at Madison. An important point of contact for the work of the Commission was established at this meeting in the form of co-operation with the agricultural colleges.

In five other states—California, Washington, Oregon, Idaho, and Utah—it was agreed at subsequent conferences that bankers' agricultural committees would meet at the state agricultural colleges and, in co-operation with the college officials, work out a program that they would recommend to the banks.

The Texas Plan

It was at the Texas conference that it was developed that the officials of both the bankers' association and of the state college felt the big problem for that state was the establishment of a system of collective, orderly marketing. In order to bring this problem effectively before the farmers and the bankers it was agreed to hold a banker-farmer meeting in December. Efforts will be made to get from 200 to 250 bankers to attend, each banker to bring with him several representative farmers of his community. The program and demonstration will emphasize the need of meeting the marketing problem and point ways to a satisfactory solution.

At Athens, Georgia, the conference recommended that the State Bankers Association take steps to raise a fund for assisting deserving students to complete a college course in agriculture or home economics. This conference, recognizing the valuable work being done by county agricultural and home demonstration agents, also went on record as favoring the employment of agents in each county.

At the Raleigh, North Carolina, conference the pressing problem, in addition to loans for worthy students, was held to be encouragement of the farmer to practice greater crop diversification. The conferees felt that the first big step was to get farmers at least to produce sufficient vegetables, fruit, milk, meat and poultry to live on. Many farmers, it was brought out, now depend entirely on the cotton crop, and buy the products named for their own tables.

More Economical Credit

At the conference at Ithaca, N. Y., those participating felt that a better understanding between farmers and bankers would be beneficial to both. At present a large amount of the credit used by farmers is in the form of mercantile credit, which, it was pointed out, is much more expensive for them than bank credit. It was felt that a campaign of education is needed to acquaint farmers with banking facilities. The conference, therefore, recommended that the Agricultural Committee of the State Bankers Association, the agricultural college and representatives of the Farm Bureau and the State Grange get together for the purpose of working out programs and plans for further meetings to be held in the various counties of the state.

At a conference held at Amherst, Massachusetts, there were representatives from Vermont, New Hampshire, Massachusetts, Rhode Island and Connecticut. Emphasis was placed on the importance of the Boys' and Girls' Club work. The New England conference also felt that the importance of bank credit over mercantile credit should be stressed. A resolution was adopted and is being sent to agricultural committees in each State urging that they get in touch with their agricultural colleges and map out a program for educating the farmer in regard to the importance and the economy of bank credit over mercantile credit.

The emphasis on this resolution came not so much from the bankers present as it did from the representatives of the agricultural colleges and the farmers.

THE FARMER'S NEW POSITION

By WALTER W. HEAD,

First Vice-President American Bankers Association

The farmer today is more than a tiller of the soil. He is a business man. Raising crops is only a part of his business, if he is a real up-to-date Twentieth Century farmer. Problems of marketing, distribution and financing are equally important.

Walter W. Head

The complexity of our modern economic organization makes it necessary for the farmer to understand and assist in solving these problems if he is to succeed. In this new role—as a business man—the farmer steadily has advanced to a better position.

There was a time when the farmer was dependent wholly upon private marketing agencies, whose interest was not always identical with his own, whose greed for profits sometimes outmatched consideration of the farmer's need. Today there are many great co-operative marketing organizations that handle a large part of the farmer's crop and win for him more liberal treatment from the private agencies which still handle the bulk of his production.

Today the farmer also has his own co-operative agencies of credit. If not satisfied with the terms upon which his local capitalist is willing to advance money upon a land mortgage, the farmer can go directly to the Federal Land Bank, which, by reason of tax-exemption and other advantages incidental to its governmental character, can loan money at a rock-bottom rate of interest.

In addition, the federal government has established another group of banks which permit the local bankers—by rediscount privileges—to extend the farmer credit for his current operations on a more favorable basis than ever before. If he thinks his local bank is not sufficiently responsive to his need, this same legislation enables him to join with other farmers in a co-operative marketing association and arrange for credit direct from the government banks.

New Credit Facilities

For years it has been the farmer's complaint—with considerable justification—that he, alone of all producers, has been forced to market his crop on the buyer's terms because of his inability to use his products, in storage, as a basis for credit. Today the agricultural credits act authorizes the acceptance of warehouse receipts, on non-perishable agricultural products, as collateral for loans, the same as in the case of sugar or other commodities of commerce.

These developments have relieved the farmer from what seemed to be persecution by short-sighted, tight-fisted, grasping grain dealers, landlords and bankers—for there were some bankers who were guilty of this very thing, who thought of the farmer principally as a weak and ignorant opponent in a game whose only stake was the collection of a high rate of interest. The farmer's suspicion of the banker arose because of misunderstanding, because he judged bankers as a class by the derelictions of a few. Today, with these sources of government-controlled credit available at his call, the farmer cannot charge or even suspect that the bankers are conspiring to do him harm.

As the real farmer has taken advantage of these opportunities, he has made himself a business man. Like other successful business men, he is equipped with credit to finance his operations, he is able to make use of labor-saving machinery, he is able to barter with buyers of his products as their equal.

Most Wonderful of All Prodigies.

An eleven-year-old Russian boy, Shura Cherkaski, who has recently arrived in this country, is pronounced by some well-known musicians to be the greatest piano prodigy that has ever been heard. He plays many of the most difficult compositions with the understanding that is to be found only in old and experienced artists. His family was reduced to abject poverty before the lad was discovered, having parted with all their possessions for the purchase of fuel and food.

MISS HARLAN

Miss Laura Harlan, who was social secretary for Mrs. Harding, has been retained in the same position by Mrs. Coolidge.

A. F. OF L. BEGINS ANNUAL CONVENTION

Portland, Or.—With an unprecedented display of harmony and unanimity of purpose, the 500 delegates representing the hundred crafts comprising the American Federation of Labor opened the 43d annual convention of the organization at the municipal auditorium here.

Addresses were delivered by Mayor Baker, Governor Pierce, G. A. Von Schriltz and Otto Hartwig. An invocation was given by Bishop Walter Taylor Sumner.

Samuel Gompers, the 72-year-old head of the federation, with his customary fire and vigor flayed the enemies of trade unionism—red and reactionary alike.

The Seattle Central Labor council, accused of insubordination to higher bodies in the organized labor movement, of radicalism and of running contrary to the set policies of the American Federation of Labor, was allowed 30 days in which to recant, disavow certain acts at variance with the policies of the parent body, or to suffer, at the end of that probationary period, the loss of its charter.

RAILWAY MEN ASK PAY RISE

Engineers and Firemen Want Old Scale.

Cleveland, O. — Wage increase requests for restoration of schedules in effect before the approximately 12½ per cent reduction handed down by the United States railroad labor board on July 1, 1921, were presented to many railroads throughout the country by representatives of the Brotherhood of Locomotive Engineers and the Brotherhood of Locomotive Firemen and Enginemen whose contracts expire Monday.

With the engineers joining in the increased wage movement, all four transportation brotherhoods have initiated movements for wage increases. The Brotherhood of Railway Trainmen and Order of Railway Conductors took joint action here last week, favoring a request for an increase ranging from 12 to 15 per cent.

Four Bandits Steal $50,000 in Hosiery.

Langhorne, Pa.—Four masked bandits over-powered the watchman at the hosiery mill here, bound him to one of the machines and escaped with $50,000 worth of silk hosiery.

THE MARKETS

Portland

Wheat — Hard white, $1.06; soft white, $1.04; western white, $1.03; hard winter, $1.01; northern spring, western red, $1.00.

Hay—Alfalfa, $16 ton; cheat, $13@14; valley timothy, $18@19; eastern Oregon timothy, $20@22.

Butterfat—51c.

Eggs—Ranch, 37@45c.

Cheese—Prices to jobbers, f. o. b. Tillamook; Triplets, 30c; longhorns, 31c; loaf, 32c per lb.

Cattle — Choice steers, $7@7.50; medium to good steers, $6.50@7.

Hogs — Prime light, $9@9.25.

Sheep — East of mountain lambs, $10@10.75; choice valley lambs, $10@10.50.

Seattle.

Wheat — Hard, soft and western white, Big Bend bluestem, $1.03; hard and soft red winter, western red, $1.00; northern spring, $1.01.