

Sherman County Observer

Oregon Historical Society
Auditorium

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37 NORTHWEST BANKS COMBINE RESOURCES

Funds to Total \$341,000,000;
Headquarters in Twin Cities.

Minneapolis, Minn.—Organization of the greatest banking corporation in the Northwest, having combined resources of \$341,000,000 in 37 units, was announced by the First National Bank of Minneapolis and St. Paul, which formed a \$250,000,000 holding company.

Known as the First Bank Stock corporation, the holding company will weld 34 banks in Minnesota, North and South Dakota and Montana into a centralized system directed from headquarters in the twin cities. The new concern will take over control of the 17 banks in the First Bank Stock Investment company, organized last spring.

Formation of the new concern brought into the organization four banks in Montana thus assuring definite association of the financial and commercial structure of the twin cities with the metal mining industry of the West.

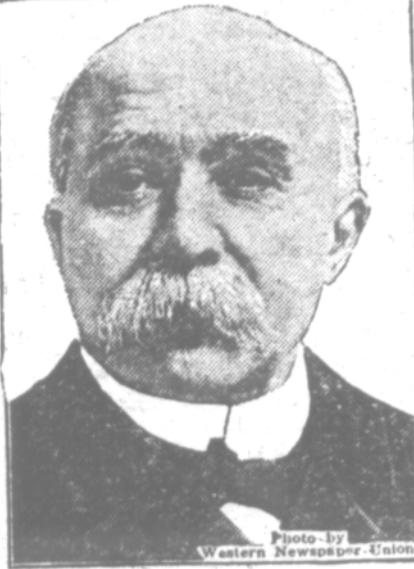
The Montana banks have combined resources of more than \$46,000,000. They are the Metals Bank and Trust company of Butte, the First National of Great Falls, the Western National of Missoula, the Midland National of Billings, the National Bank of Montana and the Montana Trust and Savings bank, both of Helena, and the First National bank of Miles City.

Some directors of the Montana banks also will sit on the board of the new holding company. They include John D. Ryan, chairman of the board of the Anaconda Copper Mining company; C. F. Kelly, president, and L. C. Evans, general counsel; James E. Woodward, president of the Metals bank of Butte, and Sam Stephenson, head of the Great Falls bank.

C. T. Jaffray, president of the Soo Line railroad, will head the new organization as chairman of the board, while George H. Prince, chairman of the First National of St. Paul, is president of the First Bank Stock corporation. Directors also include the president of the seven leading railroads serving the Northwest territory.

Read the Observer for county news.

CLEMENCEAU IS ILL



Georges Clemenceau.

Paris.—Georges Clemenceau, eighty-eight, wartime premier of France, was taken ill suddenly a few days ago at his cottage on the Bay of Biscay and a doctor from Paris who called said the patient was suffering from fatigue.

ACTION ON TARIFF FACES LONG DELAY

Debate Likely to Run Into
December Session.

Washington.—The senate membership, which will enter upon its tariff debate September 4, will have the large part of two weeks to study the house measure as revised by the senate finance committee Republicans in preparation for the long struggle to come.

"The committee majority has acted upon administrative provisions, completing its task of rewriting the bill. Predictions are increasing that final congressional action on the measure cannot be completed before the end of the special session and that the debate will extend into the regular session beginning in December, with prospects that final enactment will be further delayed in that event.

The rate sections of the bill already have been made available to the Democratic members of the committee, who had no part in rewriting the measure, and the administrative sections have

been placed in their hands to begin planning for the contest that will get under way in a short time.

In its revision of the administrative sections the committee majority, after approving house provisions to enable the tariff commission to consider competitive conditions as well as production costs in determining bases for imposts, voted to retain the Presidential power to advance or reduce rates as much as 50 per cent, but rejected proposals to increase the commission membership to seven and to eliminate the present law's provision that not more than three could be members of the same party.

It also inserted an amendment by Senator Reed (Rep., Pa.) to base ad valorem rates on American instead of foreign values, which, he said, "would not change the measure of protection in the slightest degree" but would merely speed up the commission's work of determining values and eliminate undervaluation frauds.

Senator Simmons of North Carolina, who, as ranking minority member, called the Democratic committee's meeting the past week, explained that "we do not contemplate offering a substitute for the entire bill, but intend to prepare a number of amendments and substitutes for amendments to be sponsored by the majority members."

Amendments offered in the senate by committee members have priority, and substitutes must be disposed of before they can be voted on.

Several resolutions intended to limit revision of the present tariff act to agricultural and related products have been prepared, but the extent of support they will command has not been disclosed.

\$100,000 Fire at Gay Mills, Wis.
Gay Mills, Wis.—Fire caused a loss of nearly \$100,000 to five business houses in one block here.

May Ignore White House Letters
Washington.—Another new rule has been decreed at the White House. Letters to the President will henceforth be ignored if the senders give their publicity before they are received.

Retains City Manager Plan
Cleveland, Ohio.—The proposed amendment to abolish the city manager form of government and substitute the ward mayor-council plan was defeated.

THE BANK'S PART IN THE FARM PROBLEM

By H. LANE YOUNG

Member American Bankers Association
Agricultural Commission

ONE of the most discussed and least understood questions regarding the farmer's problems is the part the bank has played, or is to play, in financing the farmer. The basis of co-operation between the two, however, is a very simple one.

Both sides are subject to criticism for the condition that exists today. The major share of the blame rests on those banks that have failed through disregard of fundamental principles in loaning other people's money, that have encouraged the farmer to expect bank loans without first putting his business on the earning basis which would justify a bank to lend him money.

One of the underlying reasons for the failure of so many country banks has been the existence of too many banks. With the limited business of the community divided among too many banks it was impossible for them to make enough money to justify the employment of officers with the proper ability to manage the bank successfully. Then the scramble for business was so hard that good judgment and foresight were forgotten in practice loans, with the result that failure of the weaker institutions.

In the future, banks are not going to loan the money of their depositors without the kind of security that can be immediately realized upon in case the loan is not paid, or unless the applicant presents a sound and successful record of business operations—whether that business be manufacturing, merchandising, or farming.

Farming-Banking Interdependent
This is a perfectly obvious attitude, because country banking cannot be successfully and profitably carried on unless farming is successfully and profitably operated. The two are interdependent—each one dependent upon the other. There is no longer any question that the time has arrived for these interdependent businesses to reach a common ground of understanding of the requirements that both must meet for their mutual welfare.

There is no doubt but what the future prosperity of the farmer and the basis of co-operation between banker and farmer is the intelligent diversification of crops. It is necessary, however, to have the right conception of diversification.

The mistake that many farmers have made in attempting to diversify has been to invest too much money, time and land in a new and untried crop—sometimes a hazardous crop, or one for which no immediate market has been developed, resulting in a loss of the initial effort and discouragement of future efforts on a more conservative basis.

Disregarding the primary and essential principle of farming—namely, increasing earnings by decreasing the cost of production through the practice of building up soil by crop rotation and intensive cultivation, is responsible for a large share of the farmer's trouble today.

Clearinghouse associations among banks in city, county or district groups undoubtedly constitute the chief line of defense against bad banking practices. They have demonstrated that they are the principal factor in bringing about reform in banking regulations, improvements in banking methods and the observance of sound banking principles.

For many years the primary purpose of a clearinghouse association was the clearance of checks, but today it is the clearance of banking ideas and the solution of banking problems. Clearinghouses supply the local machinery essential for setting up and putting in practice necessary standards and uniformities. There are now 435 clearinghouse associations in cities, towns, counties and groups of counties in the United States.

Men today are more intelligently group-minded than ever before. Banking is combining the best elements of competition with sound group action. By virtue of this combination, individual thought has much wider possibilities of expression. In general, group action has not stifled but has stimulated individual thinking and initiative. Better inter-bank organization and relationships afforded by clearing and clearinghouse associations have saved many institutions that have suffered failure in the past. The clearinghouse activities of the American Bankers Association are conducted for the purpose of encouraging ever widening cooperation along fundamental principles and practices among banks.

There never was a time when successful bankers were so alert to the value of team work for putting the entire banking structure in prime condition. Sound bank management is the order of the day. Constructive cooperation is more than a sentiment. It is an economic necessity, a matter of self-interest, and successful bankers more and more are utilizing the agency of constructive group action in developing and establishing necessary standards and uniformities in banking practices. Each year banking is becoming more of a science and attaining higher professional standards.

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MACDONALD TO COME

ASKS FOR \$6,250,000
FOR NEW U. S. JAILS

Washington.—Spurred by the shocking overcrowding of federal prisons, and recent rioting that was one of its symptoms, Attorney General Mitchell has recommended a \$6,250,000 program of new prison construction.

An additional penitentiary, a new industrial reformatory and three federal jails would be built under Mitchell's plan to house prisoners now "doubled up" in federal penitentiaries and spilling over into state and county institutions. The new buildings would accommodate about 4,500.

Meanwhile, President Hoover announced, the army will vacate its military prison at Fort Leavenworth, Kan., to make room for federal civil prisoners until new buildings are provided. The military prison was described as a good one, capable of receiving about 1,500 men.

This number will be transferred from Atlanta and from the civil prison at Leavenworth, which is distinct from the military prison there.

The 600 army prisoners now at Leavenworth will be transferred to Blackwell's Island, N. Y., Alcatraz, Calif., and army post prisons. The number of army prisoners may also be reduced by paroles.

The building program, worked out by the department's prison bureau, under leadership of Sanford Bates, the new superintendent, has been submitted by Mitchell to the budget bureau and if approved will go to congress this winter. The construction would be spread over five or six years.

BANKING FINDS THE WAY TO SAFER ERA

By FRANK W. SIMMONDS,
American Bankers Association

In considering the banking situation throughout the country, the fact should be kept in mind that while one bank in ten failed during the past eight years, it is far more important that nine banks out of ten, operating in the same general field, serving the same communities and meeting almost identically the same problems, successfully overcame the economic storm of readjustment successfully. This achievement cannot be ascribed to any element of luck, but rather to consistent adherence to sound banking principles and profitable practices. Through worthy and efficient management they met the issues and problems confronting them, squarely and successfully.

Banking is regarded as the keystone of our entire business structure, hence bank failures are rightly regarded as intolerable public calamities that must absolutely be prevented. The three major objectives of all inter-bank organizations, whether local, county, district, state or national, are to make banking safer for all concerned and, through increased efficiency in bank management and supervision, to lessen and eliminate all forms of losses so that greater rewards may accrue to the public and better service be rendered to the country of a strong and growing spirit of cooperation among bankers and banking organizations, which is resulting more and more in strengthening the work of all.

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Washington.—Navy reduction negotiations between the United States and Great Britain are rapidly reaching the point where representatives of the two nations will be able to inform the public as to whether a conference will be held this year.

Discussions at the White House that Prime Minister Ramsay MacDonald is expected to arrive in Washington early in October for a conference on the naval situation with President Hoover, was interpreted by official Washington as strong indication that a naval parity will be held in December and that it will have a good chance of being successful.

Another British warship visit was widely expected and how much would consume within a very few years.

It is well known of the modern ship was not the young in Colonial times. Imagine Patrick Henry getting up and shouting, "Give me liberty, or what have you?"

Fallows, says an observer, no longer so in much for fattening. We always said it can't be awkward, hunting up new swifthearts with the same name as one's first love.

The granddaughter of the postmistress who read all the postal cards that were in on the party—live Times change, but the possibility to eavesdrop apparently doesn't.

Konopelsky's plans to take the Boston Symphony orchestra abroad will give these foremost American musicians a good chance to visit the scenes of their childhood.

"Oregon State"



A National and State College maintained, as described by Senator Morrill founder of the Land - Grant Colleges, "to offer opportunity . . . for a liberal and practical education . . . for the world's business, for the industrial pursuits and professions of life."

Oregon's Land - Grant College, now in its 62d year, affords training in 10 degree-granting schools and departments.

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Agricultural Economics, Agricultural Education, Animal Husbandry, Dairy Husbandry, Farm Crops, Farm Management, Horticulture (Pomology, Vegetable Gardening), Poultry Husbandry, Soils, Agricultural Products, Landscape Architecture, Sciences Basic to Agriculture (6 majors).

CHEMICAL ENGINEERING (B. S., M. S. degrees)
Commerce (B. S. degree; M. S. in Agricultural Economics, Rural Sociology)
Accounting and Management, Advertising and Selling, Banking and Finance, General Business, Real Estate, Secretarial Training, Marketing, etc.

ENGINEERING (B. S., M. S. degrees)
Civil (Structural, Highway, Sanitary, Hydraulic, Railroad, Construction); Electrical (Power, Railways, Lighting, High Voltage, Telephony); Mechanical (Machine Design, Heat, Power, Ventilation, Heating, Gas, Refrigeration, etc.).

MILITARY SCIENCE AND TACTICS (B. S. degree)
Field Artillery, Engineers, Infantry.

MINES (B. S., M. S. degrees)
Geology, Mining, Engineering, Metallurgy.

PHARMACY (Ph. C., B. S., M. S. degrees)
Pharmacology, Pharmaceutical Analysis, Pharmacognosy.

VOCATIONAL EDUCATION (B. S., M. S. degrees)
Administration, Supervision, and Teaching of Agriculture, Commerce, Home Economics, Industrial Arts.

The Schol of Basic Arts and Sciences, Industrial Journalism, Library Practice, Physical Education, and Music — service departments not leading to degrees — together with a privately supported department of Religion, afford additional training supplementary to the major curricula.

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FOR CATALOGUE AND OTHER INFORMATION ADDRESS
THE REGISTRAR
OREGON STATE AGRICULTURAL COLLEGE
Corvallis, Oregon
(Authorized by the State Board of Higher Education)

ASKS FOR \$6,250,000 FOR NEW U. S. JAILS

To Transfer Army Prisoners to
Afford More Room.

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Five American Tourists Are Drowned in Canada

Montreal, Que.—Five American tourists were drowned in the Soulanges canal, near Cascade Pout, 39 miles from Montreal, when the sedan in which they were being piloted plunged into the canal after being sideswiped by another car.

The dead are: Mr. and Mrs. Cecil Chubb and Elizabeth Chubb of Westchester, Pa., and Mr. and Mrs. George A. Dale of Cochraneville, Pa.

Four Killed in Auto Crash
Montevideo, Minn.—August Flygare and three of his sons were killed and his wife and another son seriously injured in a collision of two automobiles at a highway intersection 17 miles north of here.

Advertising is the oil that lubricates the machinery of business.

OIL

STOP - LOOK - READ - HEAR -

W. J. Graham, V. C. Carter
ON THE

"Oil Possibilities in the
Clarno Basin"

Monday evening Sept. 2nd

Eight p.m.

Hotel Moro Club Room

These men are Oil Men of experience. Mr. Graham brought in the first oil well in Bakersfield, Calif. He comes with 40 years of experience in the oil business back of him.

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Everybody Welcome Come!!