FINDS BANKS WILLING, BORROWERS CAUTIOUS

Prominent Writer Refutes Statements Bankers Are Refusing Sound Loans — Describes Reasons for Reduced Volume of Credit.

FIGURES supplied by typical, well-managed banks in different parts of the country show that a high proportion of all applications for loans have been granted in the past year or two, says Albert W. Atwood in a recent article in *The Saturday Evening Post* on "The Idle Dollar." Excerpts from Mr Atwood's article follow:

"Frequently banks state that as high as 90 per cent of all such applications are granted and for from 60 to 75 per cent of the amount asked for. Allowing that the bankers make these figures as favorable to their own case as possible, it seems strange that we are told again and again that banks are not lending at all.

"If we take into account the whole class of regular bank borrowers, the plain fact is very few want to borrow yet. For the word 'borrow' is merely another name for the word 'debt, and we face a great world-wide drive to get out of debt.

"An experienced small-city banker, asked if banks were lending freely enough, wisely replied: 'The really good borrower does not wish to borrow now. In fact, I think our customers are making a remarkably fine showing in paying off their loans, especially loans of long standing.

The Shrinkage of Credit

"Or if we think of business concerns rather than of individuals, it is conservative to say that those able to maintain high credit ratings have been mostly the ones able to maintain ample cash resources and, therefore, least in need of credit. As prices and costs fell, many concerns found themselves with plenty of cash because of the shrinkage in operations. Cash resources were still further swollen by reduced dividends and smaller inventories made bank borrowing still less necessary

"Expressed in another way, banks cannot expand credit, they cannot make loans, unless there is a demand for the same. Fundamentally, the business transaction makes the loan, the loan does not make the transaction. It is a mistake to try to force upon business organizations funds which they do not need. Under the circumstances the 'idle dollar' is a natural and proper enough phenomenon. A demand for credit is difficult to create artificially and there is always danger in so doing

"Banks must be liquid enough at all times to pay depositors. The idea of a commercial loan is that it represents a self-liquidating process in business. If the banker makes only those advances that are inherently sound, and selects his maturities wisely, he will have incoming funds to meet demands.

Government Lending

"As everbody knows, the Government has vast lending agencies, for home owners, farmers, and the like These have nothing to do with the subject of this article except that all such Government operations would be impossible if the banks did not lend the Government money for the purpose.

"No one can set a time when borrowing will be resumed. But it will come when men once more feel that conditions are sufficiently settled to warrant them in taking chances, in entering upon deals, and in trying to make money."

Mr. Atwood says that it may be that the banks are overcautious now, just as they were overconfident in 1929, but calls attention to the fact that until a little more than a year ago banks were failing "partly because they had loaned too freely, and were being criticized right and left for precisely that fault." He adds:

"Indeed the banks which had been cautious in their lending policy came through the crisis safely. Under such conditions it is utterly useless to criticize banks for not making loans. After the experience they had for several years, especially in 1932 and 1933, it is only natural that they should relax their requirements very slowly and gradually.

"Unfortunately, many of the applications for loans are not people who want temporary banking accommodation for three or six months and are quite able to meet their maturity dates, but are from those who really need permanent capital. They are busted and they want someone to stake them to a new start. What they really seek is a partner to furnish them with long term capital. But depositors insist upon being paid on demand, and, therefore, it is a grave question whether banks should tie up their funds for any [illegible] of time."

HOW ONE FARMER HELPED HIMSELF

A farmer accustomed to keeping records found that it cost $16.50 to produce an acre of corn. His average yield was 33 bushels, selling for 50 cents per bushel. On this basis he was producing without either profit or loss.

A study of his costs indicated means by which the yields might be increased without proportional expenses. By making use of facts discovered at the Experiment Stations, the farmer secured an increased yield of four and one-half bushels per acre (37½ bushels, instead of 33). By increasing the yield and holding down expenses, this farmer was able to make a profit of six cents per bushel.

"Performing today's duties will insure tomorrow's opportunities."

HI-WAYS TO HEALTH

by ADA R. MAYNE

OREGON DAIRY COUNCIL

SOME NEW YEAR'S RESOLUTIONS

A New Year's resolution is always in order after the rush of the Christmas is over. A good New Year's resolution could be made about foods, especially in their selection. Better standards of living, including better health for the world in general, depends largely upon a better selection of food as well as upon better incomes with which to buy.

To be fair to ourselves, we need to know and to keep in mind certain principles of diet. To satisfy the needs of the human body we need foods to build the structure, to give it warmth and energy and to keep it in good order. To get enough of the food substances that serve those purposes we draw upon at least five classes of foods: Milk for one, vegetables and fruits for another; bread and cereals for a third; meat, fish, eggs or cheese; and finally, fats and sugars. Because there is little danger of our neglecting bread or meat nutritionists advise us to make sure first of all of the "protective" foods—milk, vegetables and fruits and, when you can afford them, eggs also. These foods will give you good value in minerals and vitamins and proteins—will "protect" your diet, as they say. But they will leave you short in calories and wanting such mainstays as bread and meat and potatoes—which you then should add to make up your calorie quota.

In actual amounts, protective foods should be served in these amounts daily: one quart of milk for children and at least one pint for adults; two generous servings of fruit, one to be of citrus variety or tomatoes; two servings of vegetables besides potato, one to be of green or yellow color; and eggs at least three or four times a week.

A family food guide to low cost balanced diets recommended by the Bureau of Home Economics, U. S. Department of Agriculture, is as follows: Every meal—Milk for children, bread for all.

Every day—Cereal in porridge or pudding; Potatoes; Tomatoes (or orange for children; A green or yellow vegetable; Milk for all.

Two to four times a week—Tomatoes for all; Dried beans and peas or peanuts; Eggs (especially for children); Lean meat, fish, or poultry or cheese.

Economic Highlights

Happenings That Affect the Dinner Pails, Dividend Checks and Tax Bills of Every Individual. National and International Problems Inseparable from Local Welfare

How are business conditions today, as compared with a year ago? The answer to that varies with geographical location.

If you live in Colorado, Oklahoma Alabama, Missouri, Illinois, Minnesota, North Dakota, Pennsylvania, Maine, New Hampshire, Massachusetts, Connecticut or Rhode Island, the chances are that your business has gone down-hill during the past twelve months.

If you live in California, Texas South Carolina or Kentucky, the chances are that it has undergone little or no change.

If you live in any of the remaining 31 states, your business should be doing better.

These are the results of a survey made by the United States News. Improvement—or lack of it—was measured by changes in actual purchasing power. Allowance was made for the fact that wholesale prices advanved some ten per cent during the year in question, so that a dollar, in the light of a year ago, can buy only about ninety cents worth of goods today. This obviously gives a much truer picture of conditions than does a survey made on dollar volume alone. For example, every state except Colorado showed an advance in dollar transference during the year—but when the ten per cent deduction was made, but 31 states actually showed substantial improvement.

Analysis of the survey, as the News points out, produces some very interesting facts. In the improved group are included the bulk of the great agricultural states—Iowa, Kansas, Nebraska, etc. This was due to two diverse factors: One the drought, which increased prices to where they more than offset the loss in production second, the government's payment of hard cash to farmers who agreed to retire acreage.

On the other hand, except for New York—which is an important agricultural as well as industrial commonwealth and so is difficult to classify—but two of the great manufacturing states, Ohio, and Michigan, fall within the favored group. And these two, the News says, got in by somewhat narrow margins. As a consequence, the logical inference is that during the past year the farmer has done considerably better than the urban worker.

Most economists lean to the opinion that the rise in the farmer's income will, in the near future, result in a heavy demand for manufactured goods. So far, the additional cash the farmer has taken in has largely gone to meeting old debts, leaving him little with which to buy the commodities that keep factory wheels turning. Once he gets a surplus, however, he will begin to spend in the open market—and when that happens, better times will reach the industrial communities, employment will grow, pay rolls will mount, and long-starved investors will have a chance to see what dividend checks look like once more.

December 8th may go down in history as one of the most important dates of the last ten years, so far as the peace of the world is concerned. On that day, the crucial Yugoslavian-Hungarian dispute, almost fanned to flame by the assassination of Alexander, definitely came to a head, and the result was that Europe split into three bitterly opposed camps.

Hungary and Yugoslavia are physically speaking, as close together as Canada and the United States—and mentally, emotionally and psychologically, they are as far apart as Moscow and Bueoos Aires. Ambitious Central European nations have attempted to make use of this disagreement to force a realignment of European boundary lines — something Hungary wants and Yugoslavia doesn't. That effort came out into the open when French Foreign Minister Laval told the League of Nations bluntly that if it were continued war would result. Yugoslavia thus found herself with a powerful ally.

On the other side of the fence, up stepped Italy, also potent, also feared. Taking Hungary's side, her spokesman, Baron Aldisi, declared that Italy stood for "peaceful revision" of the post-war treaties through which territory once belonging to Hungary, Austria and Germany was given to the Little Entente.

Soviet Russia, proud possessor of what many say is the world's largest and best-equipped army—she doesn't give out figures as do other powers—at once sprang to the side of France, where she was joined by Czechoslovakia, which would seem to put her on the side of Hungary. That, of course, is the side on which Germany also stands—more than anything else she wants to see the hated post-war treates abrogated.

England alone of the great European nations was neutral. She pled vaguely for caution and moderation.

The new developments are extremely menacing—they have unquestionably amplified the chance of war in Europe. But the situation is better clarified than at any time in the past, and that gies neutral powers, such an England and this country, a better opportunity to get in some sorely-needed work in the cause of international amity.

Expansion of S. P. Air Conditioning Program Revealed

Expansion of its recenlty announced $2,000,000 air-conditioning program by the addition of another transcontinental train and the installation of the new temperature-control equipment in a large number of coaches and chair cars was made public today by the Southern Pacific Company.

The Pacific Limited, in daily service between San Francisco and Chicago, is to be air-conditioned throughout in the manner of the Overland Limited Golden State Limted, Sunset Llimted and Cascade, already provided for, it was stated. This new improvement, together with work to be done in re-building and modernizing coach equipment, will add approximately $300,000 to the expenditures, according to the company.

Coaches included in the air-conditioning program are to be fitted with the latest type reclining seats, developed especially for Southern Pacific, and will have rubber tile floors. Plans also call for large dressing rooms of the Pullman type, with the newsst porcelain fittings, and supplied both with hot and cold water. The car interiors will be finished in light colors.

All of the new air-conditioned equipment will be ready for use at the opening of the summer tourist season and will provide the greatest measure of travel comfort in the history of railroading, the announcement stated. Air-conditiotoning, it was pointed out, maintains an even temperature in the car at all times and under all conditions, while minimizing noise and keeping out dust and dirt.

"Girl of Limberlost" Coming to Roxy

Seldom has a local picture opening been awaited with such local interest as that of "A Girl of the Limberlost," which comes to the Roxy Theatre next Tuesday for a run of four days.

The reason for the enthusiasm is the great popularity of Gene Straton Porter's novel, and the fact that the coming screenplay is adapted from one of the best sellers. More than 1,750,000 copies of the novel have been sold since it was first published in 1910, and it is estimated that it has been read by more than 12,000,000 persons.

Another reason which forecasts a successful local run for the picture, is the excellent cast assembled by Monogram studio executives. Playing the dramatic role of the mother is Louise Dresser, one of the screen's leading portrayers of mother roles, who will be remembered for her sterling performances in "The Goose Woman" and "Mother Knows Best." Ralph Morgan plays the sympathetic role of Wesley Sinton, while Marian Marsh portrays the title role. Others in the cast are Helen Jerome Eddy, Henry B. Walthall, Eddie Nugent, Barbara Bedford, Betty Blythe and GiGi Parrish, Wampas baby star.

The novel was adapted by Adele Comandini who also adapted the famous Bronte classic, "Jane Eyre," while Christy Cabanne handled the direction.

Copco Pays Last Quarter Tax Bill

The California Oregon Power Company paid its last quarter tax payment last Saturday amounting to $31,612.38, which is one of the largest tax payments to be received by the tax collection department of the oCunty Sheriff's office. The to-the County Sheriff's office. The to-power company in Jackson County this year amounted to $126449.67, which is the largest tax in the entire county. The $126,449.67 paid by The California Oregon Power Company in 934 covers only the State, County, School and other District property taxes levied against Copco in Jackson County and does not include various other forms of State and Federal taxes.

The total of property taxes alone paid by The California Oregon Power Company in the State of Oregon this year amounted to $358,21 according to local officials.