

GOVERNMENT BANK UNSUITED TO U.S.

Would Serve Politics Rather Than
Business Needs, Says R. S.
Hecht, Citing Previous
Experiences.

QUOTES PRESIDENT JACKSON

Extent and Diversity of This Country
Presents Different Situation From
Europe and Makes Regional
Banking Necessary.

WASHINGTON, D. C.—A refutation of arguments in favor of a government-owned central bank system for the United States is presented in a statement by R. S. Hecht, President of the American Bankers Association, based on exhaustive studies of European central banks. He also points out the disastrous consequences of previous central bank experiments in the United States.

"Our present regional Federal Reserve System under private ownership is infinitely better for this country than would be a government-owned and controlled central bank," Mr. Hecht says. "If history teaches us anything, it is that it is almost certain that a central bank so owned would be run to meet the varying exigencies of the government in power rather than to serve the commercial needs of the country."

Central banking has been tried twice in the United States, but was finally abolished because the credit control which the central banks exercised became objectionable and unpopular, he goes on to say.

What Andrew Jackson Said

"The continued existence of the Second Bank finally became a bitter political issue and President Jackson succeeded in abolishing it," Mr. Hecht says. "Permit me to quote from his farewell address: 'The immense capital and peculiar privileges bestowed upon it enabled it to exercise despotic sway over the other banks in every part of the country. From its superior strength it could seriously injure, if not destroy, the business of any of them which might incur its resentment. . . . If you had not conquered, the government would have passed from the hands of the many to the hands of the few; and this organized money power, from its secret conclave, would have dictated the choice of your highest officers. . . . The forms of your government might, for a time, have remained, but its living spirit would have departed from it.'"

When the Wilson Administration considered banking reform it carefully kept away from vesting central banking powers in a single institution and instead introduced the regional idea by creating twelve reserve banks located in different economic and geographical sections of the country. Mr. Hecht says, a plan that has worked exceedingly well because the separate banks are under the guidance of men chosen on account of their intimate acquaintance with the problems and needs of their respective territories. He continues: "The great size and diversity of America tends to make a central bank undesirable. The central banks of Europe such as the Banks of England, France and Germany, cover areas not as large as some of our states. A central bank in the United States on the other hand would be called upon to administer the financial policies of an area larger than all of Europe, in which there are quite a number of central banks."

Subservient to Popular Demands

"Moreover, history has proven that any banking system entirely owned and dominated by the government usually demonstrates much greater ability in aiding expansion of credit than in putting on the brakes at the right time to prevent undue inflation by restraining and contracting credit. This is easy to understand because in times of depression everyone is urging the government to make money and credit easy and to encourage expansion."

"On the other hand, it always has been and always will be a difficult task for any government to call a halt in time of apparent prosperity because in the very nature of things the government would be very sensitive to public criticism and would hesitate to take any action which would tend to curtail business activity. It is such undue susceptibility to popular demands which makes government banking inherently weak."

"Our studies show that of all the central banks at present existing there are only four whose stock is owned by the government. The newest central bank is that of Canada, which opened its doors only a few months ago after a most exhaustive study had been made of the experience of all nations with the result that the stock of the Bank of Canada is privately owned."

The American Bankers Association, Mr. Hecht says, is convinced that a central bank would not be in the interest of the public or the banks. This position, he added, is "well understood by the President and the leaders in his Administration for we have been absolutely frank with them in all of our discussions and have missed no opportunity for emphasizing that in our opinion no banking system will, in the long run, be sound if it is dominated entirely by the ever-changing political administrations. We should do all we can to keep our banking mechanism as far removed from partisan politics as possible."

S-NOOZE FLASHES

Dots and Dashes and Red Hot
Flashes—and this is Miss Scandal
Tosser, tossing to you the newswest
news of the world!

FLASH!—Since Central Point Hi took to football, both necks and bells are rung.

FLASH!—Good neighbor, when you imagine you hear thunder raising thunder, be not alarmed, for in reality, if you will observe closely, you will discover that Mr. Leo Oben-chain has purchased for himself a two-wheeled automobile.

FLASH!—An orchid to Mr. Cum-

ings and Mr. Hedgepeth! One policeman and one policeman are two policemen. Two policemen and two policemen are too bad for the tough guys!

The two policemen wear two stars, My Stars!

FLASH!—The "hot-shot", home made race car drivers of yesterday would not be speedy enough to drive the hearses of today.

FLASH!—With mine neighbor's own eyes I saw three children riding on one bicycle to school yesterday.

Oh Mi! Second Hand Men! What a splendid opportunity to sell two slightly used bicycles.

Parent Teachers Lay Plans for Meet

Organization and preparation for the Oregon State Parent-Teachers association convention to be held in Medford October 22 to 25 inclusive is making progress among local organizations. The chief activity so far has been the membership drive, which is being entered into by all chapters in the state, and results of which will be tabulated this week.

The objective this year, as announced by Mrs. L. D. Courtright, chairman of the state membership committee is "Every Home in Membership." Membership in 1933 was 15,531, in 1934 19,082, in 1934, 23,947. The goal for 1935 is 30,000 members. The membership drive will be completed throughout the state before the convention, when results and gains of all associations will be presented before the delegates at a membership "Pow Wow" luncheon on Wednesday noon, October 23. Colored feathers will be awarded and worn, and the color worn will depend upon the increase of membership in each association.

The man bringing the most members to his association before the convention will be dubbed "Big Chief," and four Princesses will be chosen from the largest associations in the following groups: Elementary schools, high schools, rural schools, and union schools. Two conferences on membership will be held at the convention, one especially on awards.

An Object Lesson From Europe

By RAYMOND PITCAIRN
National Chairman
Sentinels of the Republic

"They that can give up essential liberty to obtain a little temporary safety deserve neither liberty nor safety."

So spoke Benjamin Franklin, sage of the Revolution and of our early Republic. His words ring as true today as they did a century and a half ago.

Turn to the news from modern Europe if you would see the evidence. What do we read?

Reports of government threatening to plunge its people into a war of conquest which statesmen fear may embroil all Europe.

Reports of government elevating religious and educational intolerance to the status of a national policy.

Reports of government sacrificing the freedom of its populace on the altars of Communism and regimentation.

Under what types of governments are these things happening? The answer is clear.

Under those whose people, for the sake of a promised—and unfulfilled—economic safety, have delivered their essential liberties into the hands of highly centralized authority—whether a dictatorship or a communized bureaucracy.

These are the dangers which the Founders of our nation knew and foresaw when they wrote a Constitution that denied despotic power to politicians and vested all ultimate authority in the people.

These are the tragic possibilities which men and women who love America seek to avert today when they fight efforts to weaken those guarantees of personal liberty and opportunity that are written into our Fundamental Law.

They know — from the lessons now apparent in Europe — that Franklin's warning could be rewritten to read:

"They that can give up essential liberty to obtain a little temporary safety lose both liberty and safety."

Don't let that happen to America.

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for

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You will also be delighted with the results of our
NEW RAY MACHINELESS WAVE
NO DISCOMFORT AND NO ELECTRICITY

Let our capable and experienced operators give you your next wave
41 SOUTH CENTRAL TELEPHONE 375

and various councils will present membership stunts.

One of the principal features of the principal feature of the convention will be a caravan trip to Crater lake.

Higher 1935 Income For Oregon Farms

Higher average prices and slightly better crop yields are expected to bring to the farmers of Oregon 5 million dollars more cash income from the crop and animal production of 1935 than received from that of 1934, and possibly 10 million more, says the September report on the agricultural situation just released by the O.S.C. agricultural extension service. It is also indicated that purchasing power of farm income per acre will be greater than in any of the previous four years.

Cash farm income from 1935 production is placed at 85 million dollars—possibly 90 millions, depending on price trends during the balance of the marketing season. At the higher figure 1935 cash farm income would approach 75 per cent of the estimated annual average of 124 million from 1926 to 1930. The lower figure, 85 million, is approximately 70 per cent of the 1926-1930 average, but is greater than in any year from 1931 to 1934, both in amount and purchasing power.

In 1934, Oregon cash income was approximately 80 million dollars 70 million in 1933, 58 million in 1932, and 74 million in 1931, according to data given in the circular which also gives the first estimate ever made of Oregon cash farm income in the 1910-1914 prewar "base period." This is placed at an average of 74 million dollars annually, or 60 per cent of the 1926-1930 average. The acreage of all land in Oregon farms from 1910 to 1914 was about 80 per cent of the 1926-1930 acreage and farm prices averaged about 75 per cent of the 1926-1930 level.

Economic Highlights

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

As the war guns spit in Ethiopia, the big political guns are being brought into play in the United States. Early October marked the real beginning of the great campaign of 1936. It was then, in the words of Time, that, "13 months before he was to defend his Presidential title against an as yet unnamed Republican challenger, Franklin Delano Roosevelt jogged out of Washington for a 3,000-mile stretch of political roadwork. Champion Roosevelt felt it was not too early for him to go through his paces for the benefit of some 50,000,000 voters who will turn thumbs up or down on him in 1936." Lesser lights had played their parts—it was time for the chief to lead his legions into battle.

The President's speeches on his trip constituted direct, non-apologetic defenses of what he and his administration have done. First ad-

dress, for example, was at Fremont, Nebraska, in the heart of the farm belt. There Mr. Roosevelt stood four-square for one of his most important legislative pets, the AAA. At Salt Lake City, he praised Philippine independence, one of the major acts of his Administration in the field of foreign affairs. At Boulder City, Nevada, he dedicated the great Boulder Dam—and spoke aggressively in defense of Federal Public Works spending, and government-in-the-power-business. Thus it went, in set and informal speeches made all along his route. It is significant that he said nothing concerning a new constitutional amendment, a much-debated issue. Most experts now think that he will continue to say nothing about it in the future—it is too dangerous and might become a boomerang.

Thus opened the campaign of the party-in-power. And, shortly after the President had gone to the sea on the cruiser Houston, it was met by the head of the party-out-of-power, Mr. Hoover, who apparently opened the Republican campaign of 1936 with a ringing speech at Oakland, California. This speech by the only living ex-president, was more than usually important—in it, for the first time since he went down to defeat in 1932, Mr. Hoover directly attacked, by name and by inference, definite acts and policies of the President. Even when he was campaigning in 1932, Mr. Hoover, if this writer's memory is correct, stuck to principles, steered clear of personalities, and on only one occasion in that bitter campaign spoke the name of Roosevelt.

Mr. Hoover said that the Roosevelt administration "is now clutched in the meshes of the gigantic spending bureaucracy it has created." He went on to say that unless the budget is balanced, "we shall see one of these three horsemen ravage the land—taxation, repudiation or inflation." He denounced the New Deal's relief program, and said that the last Republican administration (his own) had provided sound, economical relief for the needy, and that the Roosevelt administration had undone the good work achieved then. In effect, his speech was a clarion call to Republicans to join shoulder to shoulder in a fight to bring back into government the principles of their party.

These recent events have done much to clarify vagueness surrounding the political situation, are helping to bring the issues into bold relief. One news magazine has observed that the forthcoming battle will be the greatest since 1896, and that the main issue will be the same one that McKinley and Bryan fought over—sound money.

—O-O—

To quote the United States News, "Wages today are 2.2 per cent higher than in 1929. Wages today are 21.8 per cent lower than in 1929. Strangely enough, both these statements are true."

(The explanation of that apparent impossibility is that the average workman gets more per hour for his services now than he did in 1929. But he gets less at the end of the week—because he works fewer hours. In 1929 he worked more than 40 hours per week—now he works 37.2 hours, according to a tabulation of 25 major industries reporting to the National Industrial Conference Board.

In 1929 the average worker's

weekly pay envelope contained \$28.50. In 1930, it contained \$26.00. Now it stands at \$22.28.

Everyone wants to see that pay envelope restored to its 1929 level—or above it. But there is much discussion as to the proper way to do that. Some, for example, feel that each worker should put in more hours per week—others point out that this would tend to aggravate unemployment. Some believe that the only way out is to increase hourly wage rates further—others observe that depressed business couldn't foot the bill, and that more harm than good would result for all concerned.

Organized labor still wants the 30-hour working week, is seemingly interested less in increasing the individual worker's earnings than in increasing the total earned by all workers. Generally speaking, it wants to get more men to work before trying to better the income of those who already have jobs.

NOTICE OF FINAL HEARING IN THE COUNTY COURT OF THE STATE OF OREGON FOR JACKSON COUNTY.

In the matter of the Estate of INGA ERIKSEN, also known as Ingeberg Eriksen, deceased.

Notice is hereby given that the undersigned Administratrix of the above entitled estate has filed with the above entitled court her First and Final Account and Report as such Administratrix, and the Court has set November 18th, 1935, A. D., at 10:00 o'clock A. M., as the time, and the Courtroom of said Court in the Courthouse in Medford, Oregon, as the place for hearing objections, if any there be, why said First and Final Account and Report should not be approved, said Administratrix and her bondsmen discharged, and said estate closed. All persons are hereby notified to appear at said time and place and show cause, if any they have, why such relief should not be granted.

Dated and first published this 17th day of October, A. D. 1935.

IRENE POWELL,
Administratrix of the Estate of Inga Eriksen, also known as Ingeberg Eriksen, deceased.

O. H. BENTSON,
Attorney for Administratrix.
Oct. 17, 24, 31, Nov. 7

Walnut Market Pact in Effect

The strongly fought walnut marketing agreement went into effect in Oregon, Washington and California yesterday concurrently with an announcement from A. E. Wright, Portland, northwest representative of the walnut control board, that all provisions of the new code will be enforced rigidly.

The control measure was approved in Washington, D. C., late last week following a poll of growers which was expected to show that the majority of Oregon growers, at least, were opposed to renewal of the agreement.

Consensus at several state meetings in recent weeks was that the local growers would ignore a new code if it were put into effect.

In answer, Wright said he had received assurance from the farm administration that violators will be prosecuted promptly.

ROXY

Sat. Only
TIM MCCOY in
"Square Shooter"
Episode 5 "RED RIDER"

Sun., Mon.
"Ginger"
JANE WITHERS

Tues., Wed.
JACK HOLT in
"The Defense Rests"
Wed. Site Is Cash Site

Thurs., Fri.
EDMUND LOWE
in
"Mr. Dynamite"

"A MEMORY PICTURE"

... seeing in memory those
"LOST CHANCES" . . . just
because . . . I was not in a
position FINANCIALLY . . . to
grasp them . . . will you too
look backward . . . as I am
doing? . . . I'm wondering

... a live growing account at this bank ...

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the Genuine ESTATE HEATROLA . . . turns Waste into

Warmth, gives MORE HEAT with LESS FUEL!

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