

## WOULD PROTECT BANKING FIELD IN RURAL AREAS

**American Bankers Association Announces Purpose to Combat Return of Excessive Number of Banks**

### CITES LAX CHARTER POLICIES IN THE PAST

**Finds a Chief Cause of Bank Failures Was Too Many Banks—Existing Sound Banks Serving Communities Well**

NEW YORK — Existing sound banks, especially the small banks in the rural districts which are serving their communities well, should be protected from any return of the over-banked local conditions caused by former lax chartering policies, which were mainly to blame for the unfavorable failure record of the past, says the Economic Policy Commission of the American Bankers Association. This is brought out in a report covering an investigation by the commission of bank failures and public policies in chartering banks.

"The Commission's study gives an impressive revelation of how great a part mistaken public policies in the chartering of banks played in creating the unsound banking structure which finally collapsed with the Bank Holiday in March 1933," Robert V. Fleming, president of the association, says in a foreword.

"Over-production of banks, literally by thousands, over many years in the face of insistent warnings not only from bankers and others who recognized the danger, but even more so from the mounting records of bank failures themselves, is clearly shown to have constituted as a whole one of the greatest single economic errors in the history of the Nation."

#### A Recurrence Feared

He refers to fears of a recurrence of over-banking recently expressed by Federal banking authorities, to the powers given the Federal Deposit Insurance Corporation by the provision of the Banking Act of 1935 over the admission of banks to membership in the insurance fund, to strengthened state laws and to the policies now being followed by both national and state supervisory authorities aimed to safeguard the nation against over-banking.

"But sound laws and conscientious officials are not of themselves always sufficient safeguard in any field of our complex national life unless they have the active support of public opinion," he adds. "It is the purpose of the American Bankers Association to aid in marshaling public opinion in support of both national and state supervisory authorities in their efforts to strengthen and protect the banking structure."

The Economic Policy Commission summarizes its findings in part as follows:

"The facts show a distinct causal relationship between the over-chartering of banks and the abnormal bank failure conditions that prevailed from 1920 to the bank holiday in 1933. It is desirable that studies be made on the basis of experience to develop standards governing the number of banks or the volume of bank capital which can be successfully operated.

"Such a study would embrace the question whether banking facilities can best be supplied to the rural districts by small unit banks or by branches from banks of substantial capital in larger centers. Existing sound banks, which are serving their communities well should be protected from any return of the over-banked local conditions caused in the past by lax chartering policies.

#### Banking Officials Queried

"An inquiry among state bank commissioners shows a preponderant opinion against increasing materially the number of banks, coupled with the fact that present laws give them sufficient discretion to prevent a repetition of the grave errors of the past.

"Under prevailing abnormal conditions, with the Federal Government extensively exercising loaning powers in competition with the banks, and with industry itself so largely supplied with funds as to render it to a great degree independent of normal bank borrowing, the banking structure even with its present reduced numbers, finds it difficult to support its existing capital investment and operating personnel.

"These are new factors, intensifying the need for highly prudent and restrictive chartering policies. We urge the retirement of the Federal Government from the banking business as rapidly as the return of normal business conditions warrant."

#### Conference on Banking

NEW YORK — An eastern states conference on banking, service will be held by the American Bankers Association in Philadelphia January 23 and 24 as a part of the organization's nationwide program on banking development. It has been announced.

Robert V. Fleming, president of the association, will preside over the meetings. It is stated that this conference will be the first of several to be held in various parts of the country presenting a program the details of which are now in the course of preparation.

The general topic of the conference will embrace the managerial, legislative and operative problems confronted by all classes of banks. An outstanding phase of the meetings will be the development of plans for promoting a general better public understanding in regard to bank functions and policies.

## Washington Snap Shots

Official Washington has not yet recovered from its surprise—in some cases, almost amazement—at the calmness with which the nation as a whole received news of the AAA's invalidation.

The calamity howlers, as usual, had forecast that in the event of an adverse decision there would be immediate demands from one and all that the Supreme Court and the Constitution be junked. Are these prophets' faces red now?

There was, naturally, a limited amount of hysteria like that which followed the demise of NRA. But that was only the first reaction. After folks had time to think things over, the general attitude was: "What of it? That doesn't ruin the country."

Washington students of the public mind offered two explanations: First, that the AAA, like the NRA did, was waning in popularity; second, that the people believed the American government structure to be one of checks and balances, each of which must be kept in its place or the whole edifice would fall.

The final analysis was that a year ago circumstances called the attention of the people to the Supreme Court and the Constitution and they decided then, as they did again this year, that the protection offered by the two should be maintained.

Some significant facts emphasized in Capital corridor and office talks were these: The country's forefathers established a three-way division of power—legislative, executive and judicial. They gave the executive as much power as two thirds of the legislature, through the veto. And they set up the Supreme Court to prevent misuse of both legislative and executive powers.

They made the court free from political influence by giving the justices appointive instead of elective office, and by putting no time limit upon their services.

And they gave the court no power to invade the citizens' rights. The court, for example, may not burden the individual with taxes nor reward him with appropriations it has no patronage to dispense; it cannot call out the army and navy for its protection. All it can do is interpret the laws and rule out those which invade the sacred rights of others. In sum and substance, the courts have power to protect others, but not themselves.

There was some talk, too, about the divided AAA opinion. Historians reminded, however, of the court's attitude in the past. It ruled, 5 to 4, that Congress could not forbid the shipment in interstate commerce of any goods, agriculture or industrial, in the production of which persons under 16 had a hand. A few weeks later, it accepted its own verdict and held, 8 to 1, that Congress could not tax out of existence those who did ship such goods.

Such seemed the court's attitude on AAA. It held first, 6 to 3, that the AAA was unconstitutional; then

## She Tells Them How to Park



Dallas, site of the Texas Centennial Exposition next year, has installed parking meters on its main downtown streets. For a nickel in the slot, motorists may leave their car beside the meter for periods from 20 minutes to one hour, according to the time marked on each meter. An additional nickel extends the period.

Clarice Mollenkamp of the Exposition Rangerettes is shown above as she tours the streets. The Exposition's ambassador of good-will, to explain to out-of-town motorists just how the meters work.

A meter, indicated by the arrow, can be seen directly behind the horse, which, incidentally, is Texas, famous "yellow pony" owned by Captain Leonard Pack, head of the Exposition's Texas Ranger squad.

at Butte Falls, Friday night between Butte Falls and Sams Valley. Mr. Walter Grant recently sold four of his heifers to a California buyer.

Mrs. J. B. Rush and Elaine are expected to return home soon from California where they have been visiting.

Mr. Seigmiller visited his daughter and son-in-law, Mr. and Mrs. E. D. Stallings Sunday afternoon.

Mrs. Walter Grant is again busy with the Grange Play, "Mamma's Baby Boy," which she is directing. The cast are going to put the play on again in Gold Hill, having shown it recently at Sams Valley.

## Record of Farm Ownership Praised

Oregon has a noteworthy record in respect to changes in farm ownership, according to L. R. Breithaupt, agricultural extension economist at Oregon State college. Government statistics show that for more than two years Oregon has led all states

in the Union in percentage of voluntary transfers and has had the lowest percentage of forced transfers of any northwest state, Breithaupt says.

Figures show that during the year ending March 1, 1935, 5.28 per cent of the farms in Oregon changed hands—2.84 per cent being voluntary sales and trades and 2.44 per cent owing to tax, mortgage and related defaults. The number of voluntary transfers has increased steadily during the past three years, while forced transfers have decreased rapidly.

Commenting on the reasons for these trends, Mr. Breithaupt said that the increase in farm price from the 1932 level of 46 per cent of the 1926-1930 average to 55 in 1933, 60 in 1934 and 68 per cent in 1935, had a good deal to do with improving the farm situation. He also attributed much of the enviable record in regard to farm ownership changes, however, to the very effective work of the voluntary farm debt adjustment committee appointed by the governor for the purpose of assisting farm debtors and their creditors in making debt adjustment and refinancing arrangements.

"Led by O. M. Plummer as chairman of the state committee, and with the assistance of the county agricultural agents, these county committees have been quietly at work for more than three years giving advice and help to all who asked for their aid," Breithaupt said. "Without compensation, they have rendered a service of greater importance than is generally realized."

## Legal Notices

020215

**NOTICE FOR PUBLICATION**  
Department of the Interior  
U. S. Land Office at Roseburg, Oregon, January 14, 1936.

NOTICE is hereby given that Earl H. Hart, of Central Point, Oregon, who, on June 14th, 1932, made Homestead entry, Serial, No. 020215 for Lot 10, Section 15, Township 36 S., Range 2 W., Willamette Meridian, has filed notice of intention to make final three year Proof, to establish claim to the land above described, before Victor A. Tengwald, U. S. Commissioner, at Medford, Ore., on the 26th day of February, 1936.

Claimant names as witnesses: John Mace, of Central Point, Oregon; John Holst, of Gold Hill, Oregon; Joa Collins, of Central Point, Oregon; William Penniger, of Central Point, Oregon.  
GEORGE FINLEY, Register.

Jan. 16, 23, 30, Feb. 6, 13.

## SUMMONS

IN THE JUSTICE COURT FOR THE STATE OF OREGON, DISTRICT OF MEDFORD, COUNTY OF JACKSON.

VIOLA S. DETOURS, Plaintiff,  
vs.  
JOHN SPEARS, Defendant.

To John Spears the above named Defendant,  
IN THE NAME OF THE STATE OF OREGON: You are hereby summoned and required to appear in the above entitled Court and cause and answer the complaint of the

plaintiff on file herein within four (4) weeks from 2nd day of January 1936, the date of the first publication of this summons.

You are further notified that if you fail to answer the complaint within said time that plaintiff will apply to the Court for the relief demanded in said complaint, a succinct statement of which is as follows: Adjudging that there is due the plaintiff from the defendant the sum of Thirty-five (\$35.00) Dollars, together with the costs and disbursements to be taxed in said action, and that the monies belonging to you and now in the hands of the Sheriff of Jackson County under a garnishment issued out of this cause by the plaintiff be paid over to the plaintiff by said Sheriff in partial satisfaction of said judgment.

The date of the order for the service of this summons by publication is the 31st day of December, 1935.  
Date of first Publication: 2nd day of January 1936.

NEFF & FROHNMAYER  
Attorneys for Plaintiff  
Cooley-Theatre Building,  
Medford, Oregon.

019400

**NOTICE FOR PUBLICATION**  
Department of the Interior  
U. S. Land Office at Roseburg, Oregon, January 10, 1936.

NOTICE is hereby given that Lee Thomas Totten of Butte Falls, Oregon, who, on February 28, 1931, made Homestead Entry, Serial, No. 019490, for the SE 1/4 of SW 1/4 of Section 31, Township 34S., Range 2E., Willamette Meridian, has filed notice of intention to make Final Three-year Proof, to establish claim to the land above described, before J. S. Smith, Town Recorder, at Butte Falls, Oregon, on the 20th day of February, 1936.

Claimant names as witnesses: N. B. Stoddard, of Butte Falls, Oregon; E. A. Hildreth, of Butte Falls, Oregon; John Cadzow, of Butte Falls, Oregon; James E. Hughes of Butte Falls, Oregon.

GEORGE FINLEY Register.  
Jan. 16, 23, 30, Feb. 6, 13.

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THE PILGRIMS DID NOT SET ASIDE THE LAST THURSDAY IN NOVEMBER AS THANKSGIVING!

(See Answer Next Week)

The trimmings for your table are as important as the trimmings for the roast . . .

Don't risk a yellowed, dingy table cloth. Send your finest linens to us for careful, painstaking service . . .

**OUR DAMP WASH SERVICE**  
52c for a 13-lb. bundle

Each additional pound 4c  
Every piece sweet and clean—ready to iron

Ans. to last week—Pink snow fell in Durango, Colo., Jan. 13, 1932  
—(Strange As It Seems, page 19.)

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Don't let your child read or study in poor light. It causes eye-strain, headaches, and near-sightedness. You owe it to your child and to every member of the family to have your lighting checked. Let one of our lighting experts call on you with a sight meter and tell you just how much light you should have.



The California Oregon Power Company