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Keep It Flying

COSTLY RIDDANCE

Advocates of government deficits without limit should now take a good look at their theories in action. The only limit on deficits is the speed with which borrowed money can be spent.

There is no use kidding ourselves. The country has been rocked back, on its heels, and it cannot all be blamed on the fact that most of productive effort is being shot away in the war. Skyrocketing public debt has wrecked normal laws of supply and demand and savings. The prospect of state socialism has been immeasurably increased as a result of the debt. Wasteful spenders have had their day.

—V—

THE RIDDLE

The master of the Oregon State Grange and the chairman of the National Grange Executive Committee have joined the national master of the Grange in strongly criticizing the price subsidy program on the ground that it "directly contributes to inflation by further increasing the purchasing power of the high-income group—a purchasing power which already is in excess of the amount of consumer goods available."

The reason given for the subsidy is to help hold down prices, thereby retarding inflation. But people must pay any subsidy through taxation, which in turn promotes inflation. The argument for a price subsidy does not ring true.

How can prices be stabilized unless the cost of production is stabilized? That is the riddle that has never yet been answered.

—V—

ROCKING CHAIR PATRIOTS

Freedom to us in this country, is our greatest heritage—likewise, its preservation is our gravest responsibility.

We have used the freedom our men are fighting to perpetuate, as an instrument to avoid discomfort. Some of us went on strike in a vital defense work because we did not get total wage increases demanded. Hundreds of thousands of us struck against government because we didn't think we were paid enough to dig coal with which to win the war. We actually have had the gall to wave the American flag over such acts, the same flag under which our troops are dying in every corner of the world.

Many of us, in our own selfishness, cheer at proposals for our government to run the show after the war, just like other governments have been running the show in Europe. We cheer because we think we can get more handouts from government. Apparently, after the war, we don't intend to stand up to wave Old Glory—we plan to do it sitting down in an easy chair.

This abuse of freedom must end somewhere, or there won't be any freedom to abuse. Men returning from war must be saved the right to go back to work under private employment as free citizens. Unless the right is retained, its corollary, representative government, cannot survive. Neither can survive unless the shameful attempts to use our freedom to avoid the hardships of war are put down effectively and soon.

—V—

A COMMON FALLACY

It is common fallacy to segregate industries into war and non-war classifications. Actually there can be no such segregation. The war industries could not operate without the support of the "non-war" industries.

Don't let anyone tell you that this or that industry is more essential than some other industry. All industry today is doing its part to win this war. All industry should share in the credit for victory—not just so-called "war plants" which would be helpless without the support of "non-war plants."

—V—

GIRL TIPS NAVY MAN

Hers was a window in the government bureau and he was a navy lad with a day ashore and lonesome. He slipped up to her with the question as to how he might find So and So. And wanting to talk, he kept her answering—she not being busy just then.

What came out of it we take from a letter the boy sent back later on. He wrote of how friendless he had felt there in the strange city when he spied the girl at the window. He must talk to someone and he let slip the whole story into her listening ear. It was the story of homesickness and the dread of the days out on the deep and the months away in far-off lands. He was a home boy; she must have seen that.

Then his letter went on to tell what the girl had answered him. She talked to him about her closest Friend. He, this Friend, was to her as one of the family but nearer than any. She poured into this boy's ears such as he had never heard. Her Friend had come to mean so much to her, that he, this lad, must take Him also. And, wrote the sailor—"I took Him to be my Friend also. Then I went sailing away to parts unknown. He has proved so close and true that the lonesome days are gone and I am not worried whether the ship stays up or sinks."

So said the lad's letter and we add that once again Christ has proved Himself to the one in need. It all brings back the words—I've found a Friend, O such a Friend; He loved me ere I knew Him. He drew me with the cords of love and thus He bound me to Him.

But—How can Christ take up with a man who has lived in sin? Even though He stands at every open grave to comfort the fatherless and the widow, how can He if they have scorned Him At the door of every cell in jail or penitentiary, He waits to give new life and strength. But how can He if they have lived in sin? Let the Bible answer. It says the sin question between you and God is settled forever., if you will but take God at his word. "Christ died for our sins." And—"He that spared not his own Son but delivered Him up for us all, how shall he not with Him freely give us all things?

Christ who proved His love by dying for your sins, waits to come in and prove Himself the Friend that sticketh closer than a brother.

Stan Taylor
Cloverdale, Oregon

This space paid for by an Oregon businessman.

SAVE, SERVE, CONSERVE.

STILL FISHING

Babson Sees Changes in Commercial Banking Policies

New York City, July 2—Inflation is witnessed by rising prices and an increased shortage of consumers goods. We have been in an inflationary period for some time. Signs point to further inflation. Inflation will affect all types of business and all individuals in varying degrees. In thinking, however, of one business with which nearly all of us are connected, I have felt that some explanation of what inflation might mean to the banks would be of interest to all. Hence, today I will hit some of the highspots in the banking picture.

Bank Deal in Dollars

I am more concerned with the smaller banks than I am with the larger financial institutions of our great cities. Our large commercial institutions will benefit from any increase in money rates although these may be some time in rising. Of course, the entire banking business has changed vastly since I was a young man. Today there is little glory or profit in being a bank director or even in being a stockholder.

Banks have no inventory, buy no raw materials and manufacture no finished products. They have nothing to sell except service and, most important of all ,they deal solely in dollars. Hence, theoretically, it makes no difference to the bank what the dollar is worth. It is worth 59 cents today; but if it goes down to 20 cents the banks would still be open, would function as usual,, continue to receive dollar deposits and pay out dollars.

Deposits are Safe

As all Federal Reserve Member Banks and most other banks are also members of the Federal Deposit Insurance Corporation, deposits up to $5000 have, for some time, been insured by our government. Depositors are thus well-protected and bank failures for years have been at a minimum. I look for no increase in bank failures. However, some banks may consolidate or liquidate and go out of business. In some instances this would be a sensible thing for them to do. The larger a bank is the more valuable its stock should be.

Bank customers will continue to receive much the same type of service as they have always had from their banks, but they must expect to pay more and more for it. Banks will be obliged to meet increased living and operating expenses occasioned by inflation just as manufecturers and other business houses will be. They are faced with declining mortgage income; their returns on commercial paper, municipals and corporation bonds are also extremely low. It looks as though they might be largely dependent upon their service charges and safe deposit box rentals.

Investment Policies for Banks

The banking fraternity is today carrying too much of the Government debt in the form of bonds. There should be proportionately more in the hands of the public than in the hands of the banks. However, while the rate of intersest on Government holdings is extremely small,, banks can be certain that their holdings due within the next ten years—will be paid at par upon maturity. Furthermore, I do not look for any extreme fluctuations in their prices immediately after the War as was true of the Liberty Bonds of World War I.

Unlike individual investors or businessmen, banks cannot protect themselves against innflation through the purchase of tangible goods and property. Yet, like merchandizing groups, they must have an inventory with which to do business. Therefore, inasmuch as they deal in dollars, they must have a large store of dollars on hand.

Dollars to be Plentiful

Forward-looking bankers, therefore, will gradually depend less on normal investment income and educate the depositors to heavier service charges. These will be permitted by the Government, even looked upon with favor. Unless Washington wishes to take over the actual operation of the banks, they must make it possible for banks to have sufficient income from sources other than through normal investments.

As mortgages are paid off in cheap dollars, income from this source will also decline. But dollars will be extremely plentiful.. Money in circulation per capita today is the highest in the history of our country. It will continue to rise. For every Government Bond sold our credit resources are multiplied six or seven times. I forecast that dollars will be far more plentiful than certain commodities.

What About Bank Stocks

What I have outlined is far from an ideal domestic banking economy. It is no real way for banks to function, but it is the only way they can survive. But I would not dump my bank stocks. They may be as good as anything else to hold. In some ways perhaps a little better in the case of the larger banks. At least their real estate constitutes real property. But I would not be surprised to see many banking quarters turned into funeral parlors!

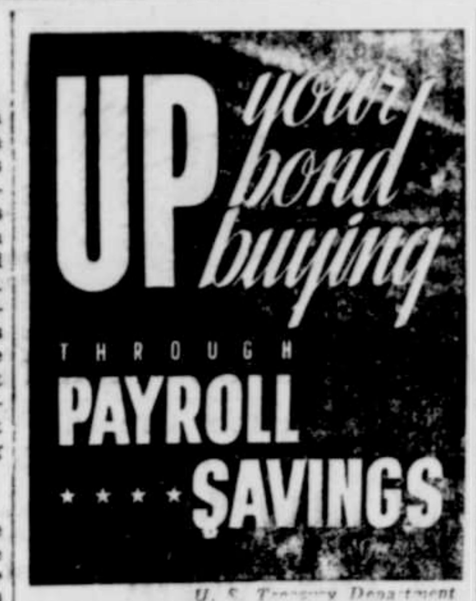
—V—

Oregon motorists were urged to cooperate with army authorities in preventing accidents in the vicinity of military establishments in Oregon in a statement issued today by Secretary of State Bob Farrell.

"Traffic accidents in the vicinity of army camps threaten the maintenence, of efficient transportation of military supplies, equipment and personnel," Farrell declared. "In these areas, military vehicles are constantly on the move and at any time, considerable numbers of these vehicles may be encountered.

—V—

Steel is being lost to the war effort. Coal is being lost to the war effort. But Mr. Roosevelt fiddles on, still hoping that some sort of solution will come along the road of opportunism and save the day. That's the kind of executive "leadership" America has today on the home front.—David Lawrence.



When You Write to Men In the Service

Give Them the Sort of News They Prefer to Read

Men in the armed service would rather read about what their families are donig, in the letters they get from home, than any other kind of news, the Office of War Information said after a survey among men in the service at home and overseas and in cooperation with the special division of the army service forces.

Men back from fighting fronts in Africa and Southwest Pacific reported how mail from home—the right kind of mail—is one of the most vital factors in building and sustaining morale.

At one station overseas, 111 men, representative of enlisted men in the station were asked "What kind of things do you like to read about in your letters from home". An examination of answers showed:

(A) Soldiers like to receive letters about their families, including information concerning the following:

1. How the family is getting along economically.
2. That the family is doing everything possible to aid the war effort.
3. That the family is anxious for the boy's return.
4. That the family is "okay and busy."

(B Soldiers like to hear news about their friends, especially those in the service. Information in this category includes:

1. Girls he knows (if they are single).
2. News about friends at home.
3. Changes in social relations (who is marrying whom.)
4. Past events, places he used to go, and the community's "night life".

—V—

Watch Out for Barn and Grass Fires

As well known, the number of barn and grass fires during the summer months is much larger than at any other season of the year. Many of these barn fires says the National Grange, are due to spontaneous combustion. When wet or improperly cured hay is stored in a mow it frequently heats and under certain conditions this results in spontaneous combustion.

While it is always important to guard against such fires, the Grange emphasizes the point that under prevailing conditions greater care than ever should be exercised.

—V—

Half-Million Dollar Airport Unused

At Ada, Okla., a town of a few thousand people, $500,000 of Federal funds was recently put into an airport on which not a single airplane, except a bomber off-course, has been reported to land.

Steel Helmet Blitz

Indianapolis, Indiana, has been blitzed by steel helmets.

City fire officials had suggested to the Office of Civilian Defense that 7,740 helmets would be sufficent for city needs. A shipment of 8,340 arrived last August. Later came another shipment of 7,740. Last February an additional 3,200 arrived. Recently 250 more were received. Grand total 19,530. And incidently Indianapolis has held only one test blackout.

CAPETOWN—South Africa is considering a proposal that the present army medical services form a basis for a government medical service after the war.

—V—

BIRKENHEAD — Because children as well as adults want to see fire fighting apparatus, glass panels have been set low down in fire station doors in Birkenhead, England.

—V—

WASHINGTON—Napoleon III was called "the man of Sedan" because he surrendered his sword to the King of Prussia after the battle of Sedan in 1870.

—V—

Tribute to the New Deal: Never before have so many done so little for so much.

Corn Flakes and Soy Beans Used in Making Candy

Corn Flakes are being substituted for cocoanut, and soy bean flour for cocoanut and soy bean flour for evaporated milk in the candy industry's search for substitute raw materials. The needs of confectioners are relatively small in comparison with other branches of the food trade. However, their supply problem in sugar, chocolate, fats, fruits and dairy products has been a contínous headache for the past few months. Rationing has made it more acute.