

# The Santiam News.

Politically Independent.

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EDITOR AND PROPRIETOR.

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### GUARANTEED BANK DEPOSITS.

ONE WOULD BE SAFE in saying that there is not a bank depositor in the United States who does not wish to feel that any money he may deposit in a bank is absolutely safe and at his command, whenever he sees proper to withdraw it from the bank. He places his cash in the bank for one of three purposes; safe keeping; for checking account, or to draw the three or four per cent interest, which some banks pay for time deposits. But, in either case, he desires his money to be absolutely safe. What security has the depositor for the safe keeping of his funds other than the respectability of his banker? None. Hence, the average depositor, whenever there is a financial stringency, and danger of a financial crisis or panic, he, at once, withdraws or attempts to withdraw his cash from the bank. He feels that in times of financial stress or panic he, himself, is a safer custodian of his money than any banker, no matter how respectable. The old stocking is to him, at such times, a safer deposit than the strongest of bank vaults. The consequences of his and other depositors withdrawing their moneys from circulation, simply hastens and emphasizes the panic.

Those of us who were connected or associated with the business of the country during the panic of 1893, have a very vivid recollection of the distressing conditions which then prevailed. The financial sacrifices that men were then compelled to make, pauperized many business men in every field of financial endeavor. The panic that then existed, was due solely to the private hoarding of the money of the country. Men who could, in many instances, neglected to pay their debts. Banks in nearly every city and town were forced to close their doors; etc.

Now all of these distressing conditions could have been avoided, had there been a law by which the depositor was made to feel absolutely safe.

The depositor feeling that his money in the bank or banks would be provided for under any circumstances, all desire to take his money into hiding would have been dispelled. His cash would have been left in the channels of trade, to perform the functions for which money was intended—pay debts. And if men are enabled to pay their debts when due, a money panic is an impossibility.

Oklahoma, the youngest state of the nation, is pointing the way by which the financial conditions of 1893 cannot again occur. A depositor's guaranty law exists in that state, which makes all of the banks responsible in case of the failure of one or more of them. The law has been tried out and has proven equal to the emergency. A bank's doors were closed there a few weeks ago. It did not create the slightest disturbance among its depositors. The Banking Commissioners drew upon the guaranty fund for the necessary cash to pay the depositors in full. The entire matter was settled up in a very short time and without the slightest disturbance among depositors or in financial circles.

Mr. Bryan favors extending or nationalizing the Oklahoma plan. He thinks this would be a better plan than the organizing of national postal savings banks. For the reason, that guaranty banks would carry checking accounts—a necessity for business men; whereas the postal savings banks would simply be a place for the safe keeping of deposits and not subject to checking purposes.

Financial panics are a source of greatest injury to the business world. During such times the very best of commercial paper becomes worthless. Nothing but hard cash will adjust balances in the channels of trade. Confidence in the ability of banks and individuals to pay cash, is gone. Therefore, if some plan can be devised by which both confidence and cash is available at all times, a financial panic is an impossibility. Mr. Bryan offers a plan by which both confidence and cash can be maintained at the proper standard to insure ability and prevent money panics. The plan is not a yagary or untried theory. The successful experiment in the state of Oklahoma demonstrates that it is practical and not simply a theory.

The assertion that a guaranty deposits law would furnish greater opportunity for the dishonest banker, is untrue. Make it to the interest of bankers to maintain honest banking, and honest banking will be done. Make imprisonment a penalty for violating banking law, and every

honest banker would make it his business to see that the dishonest banker, or he who violates banking laws is placed behind prison bars. Instead of offering a premium for dishonest banking, a guaranty deposits law would enforce honest banking, destroy private hoarding of money and inspire a confidence in the business world hitherto unknown.

When the opposition to a guaranty deposits law is simmered down to the bottom, it will be found that its only opponents are bankers and financiers who reap a benefit from financial panics. No one, who has money to deposit, will or can object to having his money kept with absolutely safety. There are about 20,000 banks in the country while there are about 15,000,000 depositors. If the good of the greatest number is considered the 15,000,000 would surely win out.

In last Saturday's Oregonian a leading editorial is devoted to what it terms "Compulsory insurance of bank deposits." Its conclusions are not born out by the workings of the law in Oklahoma. Indeed just the reverse of what the Oregonian attempts to portray, is true. Instead of opening a field for exploitation to dishonest, plunging bankers, the tendency is to remove such men from the banking business. In the case above referred to, the privilege of conducting a banking institution was taken from both president and cashier for violating the banking law. It is presumed that should either of these men ever again attempt to secure a charter to conduct a bank in Oklahoma, it would be refused them.

The Oregonian also says "But the government supposes private individuals may be able to look after their own business and their own interests." That is just what the people of Oklahoma have been doing. They have made it impossible for the dishonest banker to rob his depositors. They have placed the burden of losses through dishonest plunging bankers upon the banks themselves, instead of upon the people, as it is in Oregon. They have made honest bankers interested in weeding out the dishonest.

Compulsory bank insurance is sure to, in time, become the policy of every state in the Union as well as the Union itself. And the source from whence springs the bitter attack of the Oregonian against the guaranty deposits plan is attributable to its hatred of Mr. Bryan rather than to the plan itself. It knows the guaranty principle is right and, when fairly understood will be overwhelmingly adopted by the people. The Oregonian will do well to get out of the way of the steam roller of Progress.

### OUR LATE FAIR.

THE SECOND ANNUAL Linn County Fair is now a matter of past history. All purses and premiums, as well as all bills against the association have been paid and the books have been balanced. That a comfortable balance has been left over with which to pay the premiums of 1909 fair, is a fact of much satisfaction to the management.

Last Saturday a meeting of the board of directors was held at the office of the president, Dr. Prill. After auditing all bills and adopting the reports of the president and secretary, the board decided on a date for the fair of next year—1909. After debating the subject at some length it was the general opinion that the first week of September was the most convenient time for the greatest number of people. Accordingly, Wednesday, Thursday and Friday of that week was fixed upon. It was also decided to admit competition for premiums to the citizens of other counties as well as Linn. Considerable enthusiasm was manifested by the officers and directors as well as the citizens in general, in all matters relating to the fair.

There was not the slightest indication that the idea of removing the fair to Albany, would be entertained. The favorable mention given the late fair by the Portland and Salem papers, particularly "The Rural Spirit" and "The Pacific Homestead" was highly satisfactory to the board. Each of these high class agricultural journals had representatives at the fair and which was duly appreciated by the management. Other newspapers, which were represented, either by owners or representative, speak of the fair either favorably or not at all. Stayton people were so favorably impressed with our effort, that they are now endeavoring to form a fair association of their own. The Albany papers have had but little to say, except to misrepresent the sentiment of the Scio people in saying they favored the removal of the fair to Albany. Of course the wish is father of the thought with Albany people. They would like to have the Linn County Fair over there. Realizing that one county is hardly big enough for two agricultural fairs, they think their only chance to get it is to kill the Scio fair. The NEWS can propose a better plan. Divide the county. Cut the Forks of the Santiam from the face of the earth. This section is a sort of an upstart any way, to jump in and organize and give a fair. It has assumed one of prerogatives which belong solely to Albany. At least this is the feeling which Albany has lately manifested. Perhaps this is the proper spirit in which to encourage enterprise in other parts of the county. We shall see. But for the benefit of Albany fair boomers in that city the NEWS will say the Scio fair is very much alive. It has money on hand and the people in the Forks are just patriotic enough to raise another \$1000 for next year's fair if necessary.

### HOW THEY SQUIRM

It is amusing, tinged with a slight color of tragedy, to notice the frantic efforts the political bosses, professional and ring politicians are resorting to, to stem the tide that is drifting towards the peoples rule in political matters. The people have gained a foothold in every state wherein they have forced the adoption of the direct primary. Because of the people's recovering political power, the Down and Out club is making a growth so rapid, that it is a source of gratification to the people and of terror to its numerous victims. Men of the Fulton, Goer, Ankeny and numerous other Down and Outers can not understand why or how the people dare to vote for other and less known public men than themselves. Even when the vote is counted and they find themselves a few hundred or thousand votes short, they are dumfounded. They think some great mistake has been made. They talk as if their defeat means peril to the state and nation. They imagine that legislatures, congress and other features of public political life will suffer an irreparable loss without their valuable advice and wisdom in deliberations.

It is very evident that men of this class place a higher estimate upon their wisdom in state and national council than the people do. And strange to say the state and nation seem to be getting on quite well without their valuable(?) services. These men, that now hold their hands up in holy horror, at the thought of Republican Oregon electing a Democrat to the United States senate, cannot yet understand how it was done. They continue to misjudge the temper of the people. They cannot realize the fact that, though a man may be a Democrat, he may be honest and true to the peoples interest. Men of the Cannon, Aldrich, Depew, and others of their class have pandered so long to the wishes of corporations that they cannot comprehend a man that will consider the interests of the masses of the people before that of corporations. It is a feature of modern political growth with which they have failed to keep in touch.

But sooner or later, the fact will be driven into their obtuseness that the American people are the supreme power; that they are greater than constitution; greater than courts or congresses, and that these various functions of government derive their power by and with the consent of the governed; that the people have power to change, even the form of government, if they deem the change advisable. They are learning, to their chagrin, that they cannot fool all of the people all of the time.

The people have entrusted the guidance of the Ship of State to hands that have steered the old craft into dangerous waters. They see shoals and dangerous reefs on the right, on the left and in the front. It is not a matter of whether the Cannons, the Aldriches, the Elkinces and the Fultons can guide the old ship into safe waters again. They have blundered in allowing her to drift into the dangerous waters and for this reason the people have determined to change pilots. Nor does it concern them greatly whether the new pilots are labeled Democrat or Republican. The chief consideration is, are they safe?

The people quickly grasp the fact that the Direct Primary, the Initiative and Referendum and Recall, places power in their hands by which the entire crew of the old Ship can be changed if necessary. If courts pronounce these new methods of the people's power unconstitutional then, if necessary the courts and constitutions will be changed.

It may as well be admitted that we, the people, are the source of all power. We desire to wield that power with justice and reason. But we do wish to establish the fact, once for all, that the people cannot establish anything either at the hand of Republicanism or Democracy, that the people cannot destroy. No feature of the government is so sacred, that when it is found subversive to the liberties of the people, that it cannot be changed.

Of course the people will always make mistakes, for none are perfect. But then the Cannons, the Aldriches, the Elkinces and the Fultons, in their conduct of the affairs of government have made mistakes and very grave ones too. The people through the Direct Primary, cannot do worse than they have done and may do infinitely better. At all events they will know that we, the people, rule and that we are willing to abide the consequences, be they good or bad.

Both Phones 81 European Plan

### HOTEL ROYAL

(Formerly ROYAL RESTAURANT)

### OPEN DAY AND NIGHT

Owing to the action of the city council closing all restaurants at 12 o'clock midnight, the above change was made necessary.

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Z. H. RUDD, Manager.  
Office corner Third and Broadbain Sts. ALBANY, OREGON

ADMINISTRATOR'S NOTICE.  
Notice is hereby given that the undersigned Administrator of the estate of George Christie Johnston, deceased has filed his final account with the Clerk of the County Court, for Linn County, Oregon, and the Judge of the above entitled Court has fixed the 14th day of September, 1908, at the hour of 1 o'clock p. m. for the hearing of objections to said account and the settlement of said estate.  
Dated this 14th day of August, 1908.  
RILEY SHELTON, Administrator.

ADMINISTRATOR'S NOTICE.  
Notice is hereby given that the undersigned has been duly appointed Administrator of the estate of Maria Schaefer, deceased, late of Linn County, Oregon. All persons having claims against said estate are hereby notified to present the same to the undersigned duly verified as by law required within six months from this date. Dated this 22nd day of August, 1908.  
CHARLES SCHAEFER, Administrator.  
Weatherford & Wyatt, Attorneys for Administrator.