



# Your Money's Worth

By SYLVIA PORTER  
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### WHAT IS A CENTRAL BANK?

(Second in a series of two columns on Central Banking)  
Will Rogers is reported to have said it long ago. "There have been three great inventions since the beginning of time: fire, the wheel, and central banking." It's a nonsensical sequence, of course, but at times, when the world's central bankers have been operating aggressively to create business booms or to put the brakes on their economies, informed observers have not been so sure it's nonsense.

Just this month, for instance, in a speech before the Economic Club of Detroit, John Exter, senior vice president of the First National Bank of New York, declared that while the U.S. government's policies on wages, prices, taxes, trade, the debt "are important," they are important "only to the extent that they affect monetary policy. In the end, it is what the Federal Reserve does that counts." The Federal Reserve System is the central bank of the United States.

In Monday's column, I reported that the top central bankers of Europe and the U.S., among the most powerful men in the world, have just completed a four-day, closed-door conference in Rome devoted primarily to discussing ways to stem the outflow of gold from the U.S. and to protect the U.S. dollar's value.

Today's column continues the primer on what a central bank is and why central bankers are so powerful.

A central bank is, first, a bankers' bank. In brief, the Federal Reserve System performs the same basic functions for the commercial bank on your corner that your bank performs for you. It holds the reserves of commercial banks. It clears and collects checks. It distributes currency and coins to the banks. It makes short-term loans to banks under certain conditions. It is the "lender of last resort" when necessary.

For this function alone, the central bank would deserve tribute paid to it by the Federal Reserve Bank of Richmond in a timely analysis last month as "one of the most useful institutions modern man has developed to help him manage his collective financial affairs."

A central bank is, second, the banker for the federal government. In its capacity as fiscal agent, the Federal Reserve System holds, transfers and pays out the funds of the U.S. government. In its role as the government's banker, it handles the securities transactions of the U.S. Treasury—takes subscriptions to the Treasury's new securities, allots the securities to buyers, makes exchanges, redeems interest coupons and, under certain circumstances, makes short-term loans to the government too.

In this capacity also, the Federal Reserve is the government's principal financial consultant. While in past periods the Treasury and Federal Reserve have bitterly opposed each other's policies, today they are working together in harmony for common aims. In our country, the central bank and the U.S. Treasury are deliberately separated by law.

A central bank is, third, the manager of the nation's money and credit system and this, as the Richmond Federal Reserve Bank says, is its "most distinguishing function" as well as a power of awesome magnitude. In its capacity as a bankers' bank and manager of our nation's money and credit system, the Federal Reserve System can and does create money. When, for example, the Federal Reserve buys U.S. government securities in the open market, it creates money which fuels the entire economy. For this money is "high-powered"—meaning banks use it as reserves on the basis of which they can make loans many times the total of the amount of money created by the Central Bank. When the Federal Reserve sells U.S. government securities in the open market, it mops up credit, puts the brakes on the economy. When loans are easy to get and cheap, it is the Federal Reserve which is primarily responsible; when they are tough to get and expensive, it is the central bank which is making this so.

Even this primer indicates the degree of power the men who met at Rome have to influence the economies of all the nations of the free world. The story is that, while we neither asked nor did they give formal commitments, Europe's central bankers did come to a "closer degree of understanding" of the U.S. dollar problem and discussed what they might do to help solve it. That's progress.

### Ziegler Committee Reports Expenses

Salem — Supporters of day. Of that, \$247 came out of Ziegler's own pocket. The primary election campaign expense report of the man who beat him—State Sen. Walter Leth (R-Salem)—was't immediately available in the State Elections Divisions here.

### Dennis the Menace



"WHEN THE HANDS ARE LIKE THIS, WHAT TIME A CLOCK IS IT?"

### The Medical Roundup

by *Walter Alvarez*  
Emeritus Consultant in Medicine  
Mayo Clinic  
Mayo Clinic  
Register and Tribune Syndicate,  
1962

#### How to Avoid Cancer

Recently, 1,400 physicians were asked what they thought of some 40 possible measures that might be taken to prevent cancer. Most agreed that it would be wise to avoid unnecessary exposure to x-rays and radioactive isotopes. This does not mean that a person should object to having his teeth or his stomach or his bowel x-rayed once a year. But I would not blame him for objecting if, when he just came from a great clinic, carrying an envelope full of good films, his home physician were to insist on having them made all over again. This is a common fault of us doctors today.

Many of the physicians questioned agreed with those surgeons who, when they take out a woman's womb, think they should remove also her ovaries because if they are left in, they might later become cancerous. Some teachers of surgery object to this, but much depends on the age of the woman. If she is young, her ovaries out to be left, if possible; but if she is over 50 and has had the menopause, it may not be so important to leave her ovaries.

#### Well To Remove Polyps

All physicians will doubtless agree that it is well to remove polyps from the lower end of the bowel and from the urinary bladder. All will agree that it is well to remove large ovarian cysts (bags full

of fluid) and also all solid growth (hard tumors) in the ovaries. Most physicians would agree that a woman with any obvious disease of the neck of her womb should have a careful study made of it. A biopsy (removal of a little bit of tissue for microscopic examination) should be made. Most physicians would agree that a Papanicolaou test should be made (a microscopic study of the cells found in the mucus coming away from the neck of the womb.) Since cancer of the neck of the womb can show up in women of 30, women should early start having this test made, perhaps at yearly intervals.

Some physicians would agree that any nodule or small tumor in the thyroid gland (a little goiter) should be removed because one in 20 contains cancer cells. All surgeons should agree that whenever they remove a surgical specimen which might possibly contain cancer cells, the tissues should immediately be examined under the microscope by an expert.

If he finds cancer, the removal of the tissue should be more widespread. Most physicians agree that areas of leukoplakia (a thick white patch of tissue in perhaps the mouth or on a lip or on the skin of the crotch) had best be removed.

#### Would Remove Tissue

Physicians also will want to have removed one or more lumps which have appeared in the breast or breasts of an adult woman. If such lumps keep returning, all of the breast tissue may have to be removed, leaving the skin, fat under it, and the nipple. Most stomach specialists would agree that an ulcer in the stomach should either be promptly removed or should be looked at with the x-ray at frequent intervals. If it doesn't heal quickly and stay healed under medical treatment, it should be removed surgically.

Most skin specialists agree that the modern fad of getting the skin well-browned by exposure to the sun is not good for the skin, and makes it more easy for skin cancers to grow. It always is wise to have an undescended testicle brought down into the sac. Left in the abdomen it can become cancerous. All rough, pre-cancerous patches or little ulcers on the skin of the face should quickly be burnt off. The man who would prefer not to have a cancer of the lung should not smoke two or three packages of cigarettes a day. People with a black mole will do well to have it removed surgically.

For details on symptoms of and treatments of cancer, read Dr. Alvarez's booklet, "What We Know About Cancer." To obtain it, send 25 cents and a stamped self-addressed envelope with your request to Dr. Walter C. Alvarez, Dept. MMT, The Register and Tribune Syndicate, Box 957, Des Moines 4, Iowa.

#### AWARDS

Bobby J. Gee, son of Mr. and Mrs. John J. Gee, 2618 Syringa dr., was one of the few Army ROTC cadets at Washington State university, Pullman, to receive more than one award when the 1,200 men in the program held their annual review and inspection.

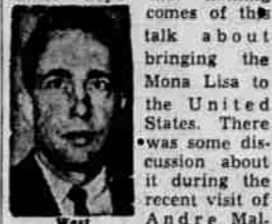
He received the Pullman Junior Chamber of Commerce medal for being an outstanding company commander and won the Pullman-Moscow Flying Service award for being the outstanding cadet in the aviation program. Gee is a pre-law senior who will graduate June 3.

### Why the Smile?

## West Opposes Proposal To Bring Painting of Mona Lisa to States

By DICK WEST

Washington — I may be a minority of one, but I rather hope that nothing comes of the talk about bringing the Mona Lisa to the United States. There was some discussion about it during the recent visit of Andre Malraux, French minister of culture.



Someone said it would be nice if the French loaned the painting to the National Gallery of Art here so that Americans would have a chance to view the famous lady's charms. Malraux agreed. Without making any commitments, he expressed hope that some such arrangement could be made.

Before the negotiations go any further, I think we should stop and consider what the consequences might be.

For one thing, it would be certain to involve us in the centuries-old controversy over what the woman in the portrait is smiling about.

It seems to me that we have enough flaky behavior in this country already without getting into that. That the Mona Lisa smile

has an unsettling effect upon those who view it can be readily seen in a recent release by the National Geographic Society.

According to the Geographic, a distinguished British physician studied the painting for 30 years seeking to divine the mood or emotion behind the smile.

He finally concluded that the model was pregnant.

Another doctor, however, came up with a different diagnosis. He contended that she was suffering from asthma.

Such notions prove that persons exposed to the Mona Lisa tend to become irrational. No artist, even one as great as Leonardo da

Vinci, could put a smile on the face of an asthmatic expectant mother.

A more logical theory, advanced by some dentists, is that she smiled with her mouth closed because she had bad teeth.

It's easy to foresee what will happen if the Mona Lisa goes on display here. Television commercials will soon be claiming that she smiled with her mouth closed because of bad breath.

All in all, I feel that the national interest will be better served if the painting remains in Paris.

Before we join the dispute

over why Mona Lisa is smiling, we should first settle the question of what Whistler's mother is staring at.

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### Oregon Ranks Well In Educated Adults

Portland — An Oregon Education Association study shows Oregon ranks well among states in educated adults.

The study says 8.5 per cent of Oregon's adults 25 and older have completed four years of college, ranking Oregon 13th.

It says 48.4 per cent have at least finished high school, for a seventh place ranking among states.

Oregon ranks third among states in adults who at least finished fifth grade—96.7 per cent.

The study says high school drop outs in Oregon dropped 9.5 per cent from 1955-60 while high school and college graduates increased.

It says only 5.7 per cent of Oregon's selective service registrants fail the mental test, ranking Oregon fourth. The national average is 21.7 per cent.

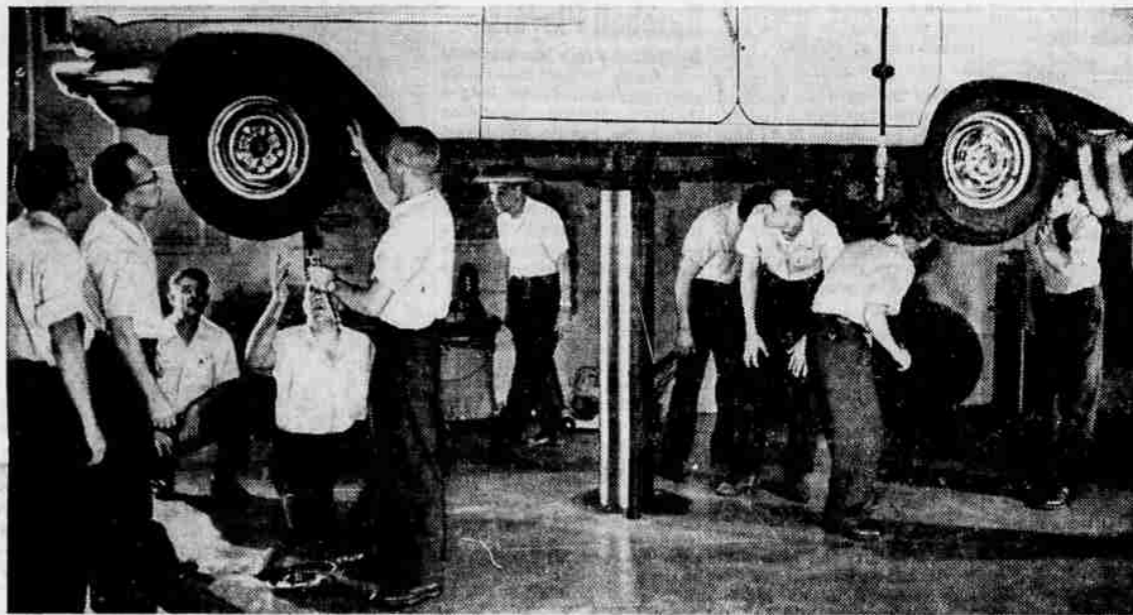
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Instructor Billy Reynolds (turning front wheel) and Shell dealers check out a car at one of Shell's 123 training centers.

## Shell instructor Billy Reynolds offers 10 clues that may help you spot trouble before it starts



Billy Reynolds

OVER 12,000 Shell dealers go to Shell training centers every year. There, they learn how to spot trouble quickly.

Here are 10 trouble signals that Billy Reynolds, one of Shell's chief instructors, always stresses. If you notice any of them in your car, tell your Shell dealer. His advice might head off a big repair bill later on.

- 1. Mushy brakes.** When your car is standing still, push the brake pedal down with a firm, steady pressure. If it feels soft and sinks to the floor, you've got trouble that should be fixed right away.
- 2. Wandering wheels.** If your front tires show more wear on one side of the tread than the other, your wheel alignment is probably at fault. Out-of-line wheels can increase tire wear up to 50 percent.
- 3. Jiggly front end.** Shove down hard on either bumper with your foot. If the car bobs up and down for a long time before coming to a rest, ask your Shell dealer to check your shock absorbers.
- 4. Decrepit tail pipe.** If your muffler or tail pipe is rusted through in spots, it's a good idea to replace it.
- 5. "Bloated" radiator hoses.** Inspect all

of the rubber hoses that interconnect your cooling system. If they're cracked or swollen, they can fail at any time and cause your engine to overheat.

**6. Marred windshield.** If your windshield is scarred or streaked, it's probably due to faulty windshield wipers. Have your Shell dealer check and replace them if necessary.

**7. Strange noises.** Listen for any odd noises from your car. They can be warnings of trouble on the way.

**8. Under-the-hood clues.** You can learn a lot by looking at your engine. Watch for oil, fuel and water leaks. Also, loose wires and worn insulation.

**9. Sluggish battery.** If your engine turns over more slowly than usual when you start up, a weak battery is probably the trouble. But it could be something else. Better check it.

**10. Oil-streaked sidewalls.** Check the sides of your tires you seldom see—the sides facing in. Look for signs of leaking fluid on the tire walls. Could be a leaking brake cylinder, or faulty oil seals on the rear wheels. Both can be serious.

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  - Gum preventive**—to help keep carburetors clean inside.
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