

## Complex Economic Tools Set Up For Handling Money

**Editor's Note:** All that most of us know about money is that we work for it, spend it, try to save it and never seem to have enough of it. But the subject isn't even as simple as all that. How does your bank manage to have enough money on hand to cash all the checks presented to it? How does the federal government determine how much money should be in circulation? What about inflation? Deflation? Credit? Following is the first of six dispatches explaining in everyday terms the mysteries of high finance as they affect our daily lives.

By CLYDE H. FARNSWORTH  
NEW YORK (UPI)—One morning recently, a white canvas sack arrived by registered mail at the post office in Oreana, N.Y. It looked like a bag of flour, but closer examination showed there were red letters on it announcing that the sack had come from the Federal Reserve Bank at New York. And inside was \$38,500 in denominations running from \$1 to \$100.

The post office phoned Bill Johnson, a vice president of the First National Bank of Oreana, telling him the sack had arrived. Johnson enlisted a bank guard, drove to the post office, signed for

the money and returned to the bank with it.  
Pulling out the neatly wrapped bills, he handed the money to a teller to count saying: "Give us we have enough now to handle the weekend withdrawals."  
Filling that sack is just one of the jobs of the nation's super bank, the Federal Reserve System, which sees to it that money is at the right place at the right time and has a lot to say on the ability of your bank to give you a loan.  
It's a big job. Your bank might deal in millions of dollars. The Federal Reserve handles billions.  
Actually, 12 super banks, each responsible for a certain geographic area, make up the system. The New York bank, for example, takes from the New York City financial district over money and credit matters in an area encompassing New York State, southern Connecticut and northern New Jersey.

The other super banks are located in Boston, Philadelphia, Cleveland, Richmond, Va., Atlanta, Dallas, St. Louis, Chicago, Minneapolis, Kansas City, Mo., and San Francisco.  
Assets of these 12 banks—made up largely of government bonds and certificates representing gold buried mainly at Fort Knox—are nearly \$52 billion—triple the assets of the nation's biggest corporation.  
Without Federal Reserve controls, there might be too much money chasing too few goods and

services like cars and shoe shiners, or too little money chasing too many cars and shiners.  
With too much money around prices tend to rise and you've got inflation. Too little money brings recession.  
There wasn't always this control. Before the Federal Reserve was born in 1913, the nation was plagued by panics caused largely by too much or too little money around.

A particularly severe panic led a fed-up Congress in 1907 to appoint a commission to update the nation's financial machinery. From this grew the Federal Reserve.  
Now you can be sure when a holiday comes your bank will have plenty of cash that you can draw on for gas or a weekend in the country. Or, if you're a farmer, your bank can lend you enough to ship crops to market.  
You also can be sure when you

see prices starting to rise all around you that the Federal Reserve is trying to check their advance by restricting the supply of money.  
It's true there have continued to be inflations, recessions and even

a depression despite the Federal Reserve. But this shows not that the super banks aren't doing a good job, but that the problems are immense when it comes to preventing wide fluctuations in the world's most complex economy.

## Yreka Program Draws Educators

YREKA—Approximately 200 educators, future teachers and guests attended the teachers' recruitment program of the Future Teachers of America at the Siskiyou County Conference held at the Jackson Street School in Yreka recently.  
Theme for the conference was "Teachers Wanted: Only the Best Need Apply," and the all-day session was sponsored by the Gamma Nu Chapter of Delta Kappa Gamma Society, Siskiyou County Teachers Association, and the superintendent of Siskiyou County schools' office.

High points of the program presented included talks and panel discussions by representatives of Chico State College, Southern Oregon College, Yreka High School and the superintendent's office.

Mrs. Betty Lou Dunlop, associate professor of education at SOC, spoke at a regular meeting for members of Delta Kappa Gamma, held at 12:30 p.m., with Atlanta Adams, president, conducting. Florence Allan, adviser, Student Oregon Association of Southern Oregon College, also gave a brief talk.

Members of the society attending included besides Miss Adams, Emily Bigelow, Leona Bryan, Rose Burton, Reita Campbell, Josephine Caldwell, Elsie DeAvilla, Elsie Edlington, Marian Fowler, Mary Hebard, Leona Luedloff, Alice Newton, Audrey Prothero, Helen Sherman, Mary Smith and Ruth Van Hoosen.

## Toastmistresses Hear Groom Tips

Presentation and acceptance speeches were made by members of the Ewauna Toastmistress Club during the dessert meeting held November 10 at the Willard Hotel.

President Virginia Morey extended a welcome to the guests attending. First time visitors were Florence LaGrande, Gertrude McFadden, Helen Blanes, Ninon Nybeck.

Rose Putnam's personal grooming tips were "Hair Styles and Hats." Toastmistress Mary Howell carried the political theme past the polls with representatives Virginia Morey, Vicki Edge and Jan McClellan giving scheduled speeches.

"An Orange" was the title of the talk given by Margaret Davies. The orange was shown as a food, decoration, vase, the world, even a prop for a piano teacher.

Ramona Smith gave a contest speech entitled "Mail Box."

Each guest and member gave a short personal history of family and avocation.

### DANCE!

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It's the music of "THE MAN WHO PLAYS THE SWEETEST TRUMPET IN THE WORLD"

## CHARLIE SPIVAK

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featuring LOVELY SONG STYLIST HOLLY WINTERS and PAUL O'CONNOR (Small Paul)

Klamath Falls AUDITORIUM SAT., NOV. 22 \$1.75 PER PERSON (tax inc.) DANCING 9 till 1

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1 <sup>47</sup>	2 <sup>29</sup>	2 <sup>98</sup>

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2 <sup>29</sup>	2 <sup>98</sup>	3 <sup>69</sup>

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Flat or Fitted	

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