

RESERVE BANK POWERS.

Principal Functions of the New Regional Institutions.

Sec. 13 Any federal reserve bank may receive from any of its member banks and from the United States deposits of current funds in lawful money, national bank notes, federal reserve notes or checks and drafts upon member banks, payable upon presentation or solely for exchange purposes may receive from other federal reserve banks deposits of current funds in lawful money, national bank notes or checks and drafts upon solvent member or other federal reserve banks payable upon presentation.

Upon the indorsement of any of its member banks, with a waiver of demand notice and protest by such bank, any federal reserve bank may discount notes, drafts and bills of exchange arising out of actual commercial transactions—that is, notes, drafts and bills of exchange issued or drawn for agricultural, industrial or commercial purposes or the proceeds of which have been used or are to be used for such purposes, the federal reserve board to have the right to determine or define the character of the paper thus eligible for discount within the meaning of this act. Nothing in this act contained shall be construed to prohibit such notes, drafts and bills of exchange secured by staple agricultural products or other goods, wares or merchandise from being eligible for such discount, but such definition shall not include notes, drafts or bills covering merely investments or issued or drawn for the purpose of carrying or trading in stocks, bonds or other investment securities except bonds and notes of the government of the United States. Notes, drafts and bills admitted to discount under the terms of this paragraph must have a maturity at the time of discount of not more than ninety days, provided that notes, drafts and bills drawn or issued for agricultural purposes or based on livestock and having a maturity not exceeding six months may be discounted in an amount to be limited to a percentage of the capital of the federal reserve bank, to be ascertained and fixed by the federal reserve board.

Discounting Acceptances.

Any federal reserve bank may discount acceptances which are based on the importation or exportation or domestic shipment of goods and which have a maturity at time of discount of not more than three months and indorsed by at least one member bank. The amount of acceptances so discounted shall at no time exceed one-half the paid up capital stock and surplus of the bank for which the discounts are made.

The aggregate of such notes and bills bearing the signature or indorsement of any one person, company or firm or corporation discounted for any one bank shall at no time exceed 10 per centum of the unimpaired capital and surplus of said bank, but this restriction shall not apply to the discount of bills of exchange drawn in good faith against actually existing values.

Any member bank may accept drafts or bills of exchange drawn upon it and growing out of transactions involving the importation or exportation of goods having not more than six months to run, but no bank shall accept such bills to an amount equal at any time in the aggregate to more than one-half of its paid up capital stock and surplus.

Open Market Operations.

Sec. 14 Any federal reserve bank may, under rules and regulations prescribed by the federal reserve board, purchase and sell in the open market at home or abroad, either from or to domestic or foreign banks, firms, corporations or individuals, cable transfers and bankers' acceptances and bills of exchange of the kinds and maturities by this act made eligible for discount with or without the indorsement of a member bank.

Every federal reserve bank shall have power:

(a) To deal in gold coin and bullion at home or abroad, to make loans thereon, exchange federal reserve notes for gold, gold coin or gold certificates and to contract for loans of gold coin or bullion, giving therefor, when necessary, acceptable security, including the hypothecation of United States bonds or other securities which federal reserve banks are authorized to hold;

(b) To buy and sell at home or abroad bonds and notes of the United States and bills, notes, revenue bonds and warrants with a maturity from date of purchasing of not exceeding six months, issued in anticipation of the collection of taxes or in anticipation of the receipt of assured revenues by any state, county, district, political subdivision or municipality in the continental United States, including irrigation, drainage and reclamation districts, such purchases to be made in accordance with rules and regulations prescribed by the federal reserve board;

(c) To purchase from member banks and to sell, with or without its indorsement, bills of exchange arising out of commercial transactions as hereinbefore defined;

(d) To establish from time to time, subject to review and determination of the federal reserve board, rates of discount to be charged by the federal reserve bank for each class of paper, which shall be fixed with a view of accommodating commerce and business;

(e) To establish accounts with other federal reserve banks for exchange purposes and, with the consent of the federal reserve board, to open and maintain banking accounts in foreign countries, appoint correspondents and establish agencies in such countries

whenever it may deem best for the purpose of purchasing, selling and collecting bills of exchange, and to buy and sell with or without its indorsement through such correspondents or agencies, bills of exchange arising out of actual commercial transactions which have not more than ninety days to run and which bear the signature of two or more responsible parties.

Section 15 provides that moneys held in the general fund of the United States treasury, except the 5 per centum fund for the redemption of outstanding national bank notes and the funds provided in the act for the redemption of federal reserve notes, may be deposited in federal reserve banks which shall act as fiscal agents and that the funds of the Philippine Islands, the postal savings and any other government funds must be deposited in federal reserve banks.

Section 16 provides for the issuance of federal reserve notes to federal reserve banks, redeemable in gold on demand at the treasury department or in gold or lawful money at any federal reserve bank. The collateral security shall be notes and bills accepted for rediscount under section 13. Federal reserve banks shall have a gold reserve of 40 per cent of their federal reserve notes and shall maintain in the United States treasury in gold a reserve of not less than 5 per cent of the federal reserve notes for their redemption.

Section 17 repeals laws requiring national banks to deposit government bonds with the United States treasurer.

Section 18 provides a plan for retiring the 2 per cent bonds on which the present currency is based. Under the plan \$25,000,000 worth of these bonds will be purchased each year, beginning two years after the system is placed in operation, by the new regional banks from member banks. On one-half of its holdings each regional bank may issue currency. The remainder will be refunded in 3 per cent thirty year bonds or 4 per cent one year treasury notes, which the banks must agree to renew each year for thirty years.

Section 19 describes how member banks shall establish and maintain reserves.

Section 21 provides for the examination of each member bank by the comptroller of the currency at least twice a year, for a special examination of member banks when desired by federal reserve banks and for a special examination of any federal reserve bank upon the application of ten member banks.

PENALTY FOR DISHONESTY.

Tampering With Bank Examiners Made Criminal Offense.

Sec. 22 No member bank or any officer, director or employee thereof shall hereafter make any loan or grant any gratuity to any bank examiner. Any bank officer, director or employee violating this provision shall be deemed guilty of a misdemeanor and shall be imprisoned not exceeding one year or fined not more than \$5,000, or both, may be fined a further sum equal to the money so loaned or gratuity given. Any examiner accepting a loan or gratuity from any bank examined by him or from an officer, director or employee thereof shall be deemed guilty of a misdemeanor and shall be imprisoned not exceeding one year or fined not more than \$5,000, or both.

Section 23 provides that national bank stockholders shall be responsible for all contracts, debts and engagements of their banks to the amount of their stock at par value in addition to the amount invested in such stock. If they transfer their stock within sixty days before the failure of their banks they shall be liable to the same extent in case the transferee fails to meet such liability.

Loans on Farm Lands.

Sec. 24 Any national banking association not situated in a central reserve city may make loans secured by improved and unencumbered farm land situated within its federal reserve district, but no such loan shall be made for a longer time than five years nor for an amount exceeding 50 per centum of the actual value of the property offered as security. Any such bank may make such loans in an aggregate sum equal to 25 per centum of its capital and surplus or to one-third of its time deposits, and such banks may continue hereafter, as heretofore, to receive time deposits and pay interest on the same.

The federal reserve board shall have power from time to time to add to the list of cities in which national banks shall not be permitted to make loans secured upon real estate in the manner described in this section.

Section 25 authorizes national banking associations possessing a capital and surplus of \$1,000,000 or more to establish foreign branches under the direction of the federal reserve board.

Section 26 authorizes the secretary of the treasury to strengthen the gold reserve by borrowing gold on United States bonds or by selling them.

Section 27 extends from June 30, 1914, until June 30, 1915, the life of an act authorizing national currency associations, the issuance of additional national bank circulation and the creation of a national monetary commission. It re-enacts certain United States banking statutes amended by an act of May 30, 1908, subject to such amendments or modifications as are contained in the new currency law. It amends the May 30, 1908, act in regard to the taxation of circulating notes held by national banking associations and secured otherwise than by United States bonds.

Section 29 provides that if any part of the act is declared invalid by a court the judgment shall not affect the remainder of the act.

TALK NUMBER TWO SELECTIONS NOW FOR HOME BUILDING

The Best
In
The West

The Best
In
The East

ARE YOU A HOME OWNER OR ARE YOU A HOME RENTER?

WHICH CLASS DO YOU BELONG TO?

Why Not Own Your Home in Tillamook and Help Build the town?

Look at the following lines, What line do you represent?

(From the Twelfth United States Census, Vol II, P. XCVII, 1900)

There was under the above report: 16,006,437 of homes in the United States. The general standing of these homes as to ownership was as follows:

2,180,229 of Homes Mortgaged

4,739,914 of Homes Owned Free

8,246,747 of Homes Rented

WHY KEEP PAYING TRIBUTE TO THE LANDLORD? WHY NOT MAKE A START TODAY TO OWN YOUR OWN HOME?

Let us close you today on a Contract to a CHOICE HOME LOT in either KING or GOODSPEED Addition. Make a start and get away from the Eight million of renters in the United States.

Terms are Easy Prices are Reasonable The Values There

KING ADDITION

Is very choice Westside property, adjoins the "Stillwell Park"—School Childrens Play Ground—is just 3 blocks from the New High School. Every lot has 6 foot sidewalk. Nine new homes have been built in this tract this year. Why not yours, be the Next?

GOODSPEED ADDITION

Is very choice Eastside property, in fact there is none better in Tillamook City. This new platting, is in that tract of land on the East of PARK STREET to "Lovers Lane" all of which lays North of the County Road and Third Street. Every lot offered just cannot be out-classed in the City at the prevailing price and terms.

We have a number of prospective buyers in this property. Don't delay in making your selections early. Come to this office and we will be pleased to give you further information as to prices and terms.

A small deposit will secure your lot reservation. Contracts or Deeds will be made for you February 2nd 1913. Don't wait, look after your choice of lots before the Choice are Gone forever.

Free, Absolutely Without Cost, Your Money is Second Consideration.

To every lot purchaser, either in King or Goodspeeds Additions, who take contracts or deed, the Architect—Mr. J. F. Stranahan—connected with this office, will draw you your plans and specifications for a home if you wish to build; these plans and specifications to be of your own idea and choosing from the many handsome plans that he has for your consideration. This opportunity is offered to every and all purchasers from now until April 1st, 1914. This in itself is a special inducement to those desiring to build and this service alone is worth a great deal for which we absolutely make no charge, it is free.

ALL LOTS PRICED. TERMS: 10 per cent cash. Installments: \$10:00 per month

ROLLIE W. WATSON, Tillamook's Leading Sub-Division Agent.

Office in Todd Hotel, Ground Floor, Both Phones, Open Every Day and Evenings Until 10:00 O'clock
Fire Insurance in Conflagration Proof Companies. Building and Mortgage Loans on City Property.
Rentals and Collections. Taxes paid for Non-Residents.

THE GIRL FROM THE GOLDEN WEST

The Star Theatre was again packed last night to witness the performance by the Dramatic Club of "The Girl From the Golden West." This play is so different from all others, it holds you interested, expecting, hoping, until the end and then you wonder why a play could hold you so spellbound.

The players are the same as before and seem to enter with more spirit into their parts. Jim Hiner and Ann Haldeman sang a duet, and rendered it very well indeed, their voices blending in harmony. Not only Mr. McCowell, but all the members of the Club should feel very proud of the success they won in this play, and it is hoped they will continue in the good work. This play will be repeated tonight for the last time. Do not deny yourself the opportunity of seeing it, if you have not already done so.

Masonic Brethren, Attention!

REGULAR COMMUNICATION EVERY THIRD SATURDAY
A full attendance is requested and all visiting brothers are cordially invited.

R. T. BOAL, W. M.
C. E. TROMBLEY, Secretary.

RUN-DOWN WOMEN

Find Health in a Simple Tonic.

How many women do you know who are perfectly well, strong and healthy as a woman should be? They may not be sick enough to lie in bed—but they are run-down, thin, nervous, tired and devitalized.

Women are so active nowadays, and so much is expected of them, that they constantly overdo and suffer from headache, backache, nervousness and kindred ills.

Such women need Vinol, our delicious cod liver and iron tonic without oil which will create an appetite, tone up the digestive organs, make pure blood and create strength.

Mrs. Walter Price, Biloxi, Miss., says: "I was in a run-down condition for months, I had taken several medicines but they seemed to do me no good. Finally Vinol was recommended, and from the first bottle I began to improve until I am strong and well as ever."

Try a bottle of Vinol with the understanding that your money will be returned if it does not help you.

P. S.—For pimples and blotches try our Sazo Salve. We guarantee it.

Chas. I. Clough, Druggist.

ManZan Reaches the Spot Stops pain instantly. The Great Pile Remedy. Put up in tubes with rectal nozzle.

Subscribe for the Herald. It comes twice a week.

Lumbago-Sciatica Sprains



"The directions says, its good for lumbago too,—Sloan's cured my rheumatism; I've used it and I know." Do you use Sloan's?

Here's Proof.
"I had my back hurt in the Boer War and two years ago I was hit by a street car. I tried all kinds of dope without success. I saw your Liniment in a drug store and got a bottle to try. The first application caused instant relief, and now except for a little stiffness, I am almost well."—Fletcher Norman, W. Hester, Calif.

Instant Relief from Sciatica
"I was kept in bed with sciatica since the first of February, but I had almost instant relief when I tried your Liniment."—W. H. Hawkins, Frankfort, Ky.

Sprained Ankle
"As a user of your Liniment for the last 15 years, I can say it is one of the best on the market. Fifteen years ago I sprained my ankle and had to use crutches, and the doctors said I would always be lame. A friend advised me to try your Liniment and after using it night and morning for three months I could walk without a cane and run as good as any of the other fellows in my department. I have never been without a bottle since that time."—Mr. William H. Brisson, Central Islip, N. Y.

SLOAN'S LINIMENT

At all Dealers. Price 25c, 50c, and \$1.00
Sloan's Instructive Book on horses, cattle, poultry and hogs, sent free.
Address, DR. EARL S. SLOAN, Inc., BOSTON, MASS.