

THE FEDERAL RESERVE A NATIONAL PROBLEM

By WILLIAM E. KNOX
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The Federal Reserve situation is the paramount problem before American banking today. The time is approaching when it will be necessary for many demands to be considered in the question of rechartering the Federal Reserve Banks.

The Federal Reserve System must be preserved. It is one of the most scientific banking systems in the world. During the last ten years, through all the stress of war, inflation, depression and revival, it served this country as no country was ever served by a banking system. We know that without it our nation would have had a financial disaster far more devastating than any that ever assailed it.

While we have this great loyalty and obligation to the System, we must recognize that among its friends there has risen serious controversy over many matters of detail. There are many demands for change in the methods of its management and in details of its operation. Where these demands represent broadly the great good of the country, they should be supported. Where they represent merely narrow, diverse interests of one part of the country or one type of business or finance, they should be subordinated to the common good. We should meet on the great broad ground of the common welfare—first to preserve the system in general as it is now constructed, and secondly to bring it into modern and soundly, such changes as are required to adjust it to circumstances of today.

The task of considering, sitting, weighing and coordinating discussion and suggestions regarding the Federal Reserve System has been confided to the Economic Policy Commission of the American Bankers Association. It is hoped that thereby the Federal Reserve System will be given the best thought and the best support of banking. There is no greater service banking can render the nation than this. It goes right to the heart of good management of the public economy of America.

The Mint's Sidelines

The United States mints make other objects besides coins. All of the medals for the army and navy are turned out by the mints. Medals of all the Presidents, the Secretaries of the Treasury, the Directors of the Mints, have been designed and executed by the mints. Recently the mints inaugurated the practice of making medals of the Under Secretaries of the Treasury. Congress has authorized the mints to make 40,000 medals to commemorate the arrival of the first shipload of Norse immigrants on board the sloop *Restaur Advenen*, which is to be celebrated at the Norse-American Centennial in Minnesota next summer.

At the last session of Congress there was a flood of bills seeking to have commemorative half dollars minted. The prior session authorized the minting of the Hugenot half dollars and of 5,000,000 half dollars to signalize the start of work of the Stone Mountain carving, which will serve as a monument to the valor of the soldiers of the South. On the Federal coinage appear Generals Lee and Jackson, the two leaders of the Confederate forces in the Civil War.

A Flood of Coins
With the 150th anniversary of the great battles of the American revolution approaching, bills were passed last winter to issue coins commemorating the stand of the minutemen at Lexington and Concord and the battle of the Green Mountain patriots at Bennington in Vermont. Proposals were made to pay tribute in a similar way to the battle of Bunker Hill, the victory at Yorktown and other events in American history, such as the 200th anniversary of the founding of Stoughton, Mass., and the 50th anniversary of the admission of California to the Union.

Fearing that the growth of this practice would open the way to counterfeiting and make the protection of the integrity of the coins more difficult, Secretary Mellon openly opposed the creation of these special coins, but was not entirely successful in his efforts. He insisted that the practice introduced confusion into our system of coinage, brought about an unnecessary expense and satisfied a very limited demand because the public generally has never shown a special liking to the commemorative coins.

However, Congress felt that these great events were worthy of commemoration and authorized the coins—although of which are to be sold at a premium so that the promoters of these events may raise funds by this extra charge to defray part of the expense attached. The records of the Treasury show that the special coins, as a general rule, are seldom absorbed in circulation. The Morse coin issued on the dismal failure—217,000 of the 274,000 struck off were turned back to the Treasury for melting up. —Journal American Bankers Association.

STRAIGHT TALKS WITH AUNT EMMY ON EASY MONEY

"An awfully interesting man came to see me today, Aunt Emmy. He had a list of stocks and bonds that look very favorable to me, 'Emmy,' said Helen, handing me a little book. 'This stock is pretty good. The man said it would be quoted at 20 on the exchange a month after it is put out. I can buy shares now at two dollars. I would make eighteen dollars for every two dollars I invest and all inside of four weeks.' Helen paused for breath while Aunt Emmy looked at the folder.

"If I were to buy those Little Leghorn chickens of yours," remarked Aunt Emmy, "would you promise me their eggs will sell for one dollar and a half a dozen a month from now?"

"Of course not, Auntie," laughed Helen. "The price of eggs depends entirely on the supply and demand in the market."

"Well, how about stocks? Why can this man promise you this stock will be selling for twenty dollars a month from now?"

"Well, I don't know exactly, but the listings on the stock exchange are different, aren't they?"

"The prices of stocks quoted on the stock exchange are influenced by supply and demand like the prices of eggs. No one can honestly guarantee the future price of any stock. A promoter who urges you to buy stock on any such guarantee is misinforming you. A stock salesman who could trust would never make such a statement. If you are going to listen to him, you talk over better put your money in the savings bank."

"But I wouldn't make so much on it," objected Helen.

"Big profits mean big risks, and you can't just go taking risks," said Aunt Emmy. "The house that gets out this booklet is unknown to you. Why don't you find out who you are dealing with?"

"How Federal I find out about the thousands of stock houses in the United States?"

"Well," said Aunt Emmy, "if you insist on considering making investments, you ought to at least take the trouble to go to your bank and find out about the people you are dealing with."

"I didn't know banks would bother with anything but actual banking," Helen said.

"They are glad to," Aunt Emmy said. "The more people that save and invest money the better it is for the banks."—A. B. Ayres, Jr.

RESTRICTING LOANS ON UNECONOMIC FARM

Bankers in many of the rural sections of the country are realizing more before they they cannot afford to loan money for the conduct of failing enterprises where the odds are against that enterprise ever becoming a success. The risk is too great, and what is more it is doing the borrower an injury to encourage him in any unwarranted venture.

Some farmers may resent the idea of being questioned in regard to the use they expect to make of borrowed money. A false idea of independence may lead them to feel that they can do as they please and follow any system of farming they desire; that it is nobody else's business whether that system is economic or not.

Experiences in certain sections during the past few years demonstrate the folly of such a position. The banker is loaning other people's money, and he is duty bound to safeguard what has been entrusted to him. Further, the law holds him responsible. With this obligation resting on the shoulders of the banker, it is his duty to see that the one-crop system or any other particular type of farming is unsound and is likely to be uneconomic, he is doing an injury to the borrower as well as the depositor to loan the farmer the money.

Best results will accrue when both the lender and the borrower recognize that the enterprise is a partnership and if the advantages and the dangers are frankly and carefully discussed the possibilities of success are greatly enhanced.—Banker-Farmer.

A Few Good "Don'ts"

Don't buy securities that are handled by irresponsible persons or unknown firms.

Don't buy mortgage notes on dirt land property.

Don't buy stock in new enterprises.

Don't try to work the stock market. It is the public's right to know that operators would soon shut up shop and quit.

Too Many Words Are Given New Meanings

One wonders where language will bring up one of these days. Every new dictionary is thicker than the last, for it is that there are too many new words, or is it that people are using words in so many various ways that note has to be taken of all of them?

There are a few newspapers that are still sticklers for the use of words. One of them, for instance, will not permit any of its writers to use the word "secure" for "obtain." The newspaper is right and yet it seems to be slipping back the way with a teaspoon as against the flood of use. More people, more newspapers appear to be using "secure" where they mean "obtain" than otherwise. The laxer makers have resorted to use and they have listed "secure" as meaning "obtain." So it goes, many more words are being used in their figurative sense until the usage becomes matter of course.

So one may ask, where is our language tendency finally to bring up? The final effect may be that we shall cultivate the use of so many words that the presence of one of them so far from their original meaning that obscurity rather than clarity will result.—Lansing State Journal.

"Rocking Stones" Are Credited to Glaciers

How did the Boulder stone in Borrowdale get to its present position? How did the many "perched boulders" and "rocking stones" hundreds of tons in weight, yet poised so lightly that a human hand can move them, get into these peculiar positions?

They were gently deposited by melting ice, as gently as ever mother laid her baby to rest in its cradle. For ice is the king of depositors, and the former presence of glaciers accounts for all the erratic boulders in the world, says London Answers.

Some of these curious rocks are of tremendous size. The biggest in England is the Boulder stone, but there is one in Switzerland, for example, from any present-day glacier, which weighs 3,000 tons and contains 10,000 cubic feet of rock.

And visitors to the Alps can see the same processes at work today, as huge rocks, which no traction engine could haul, are borne along very slowly but nevertheless very surely on the surface of the glaciers.

Removing Temptation

A friend tells me that he attended church the other night when the pastor delivered an interesting lecture which was illustrated by stereopticon slides in the darkened auditorium. At a certain point in the lecture the collector received the offering, the room still quite dark. The collector reached him—after having been handed blank by fifty or sixty persons—it had only about 10 cents in it, and he held back the silver dollar which he had expected to give and fished out a nickel for the plate. He said: "If forty or fifty folks, after listening to that splendid lecture, couldn't contribute more than 15 or 20 cents, my silver dollar might tempt some one to steal it from the plate, so I chipped in a nickel and played safe."—Pitt-Danville in Howard Courant.

Introduction of Straw Hats

The recent hat introduces the subject of straw hats and straw-hat sales. In 1790 a chancellor of the exchequer imposed a duty on hats. All headgear made of "felt or wool or beaver or any leather or janned hat," came within the scope of the tax. But an Edinburgh merchant insisted enough to observe that straw was not included in the legal enumeration of materials used, introduced straw hats to Scotland for the first time, early in the summer of 1798. Unfortunately for the enterprising hat-maker, an amendment to the act, within a few weeks, rendered the popular tax-evading novelty liable to payment. The act, which remained in force until 1811, allowed exemption to nightcaps.

Beat Everything in Sight

Here is a good one about a little lad who was given his first watch the other day as a gift on his ninth birthday. His aunt tells the story.

Although he seemed pleased," she said, "he first opened the box his enthusiasm was quite restrained. But he dashed into the house on his return from school that day, and exclaimed jubilantly.

"My, but I've got a dandy watch!"

"I'm glad you like it," said his mother, duly pleased at his pleasure.

"Yes," he said, "it's half an hour ahead of Jim's watch, and it's a whole hour ahead of the clock in the drug store. Gee, it beats them all!"—St. Paul Dispatch.

Wax Effigies of the Dead

It was once the curious custom in England to carry wax effigies of the dead—they were distinguished enough—in their funeral processions. It was customary to leave the effigies near the grave for some time thereafter, and the mourning friends of the deceased used to compose elegiac, rhymed laments and similar productions, which they would write out on paper and pin to the clothing of the effigies. A number of the quaint old effigies are still preserved at Westminster Abbey, where they are stored in the chapel chapel, and one at least, that of Francis, duke of Richmond, is still kept in his bedside grave in Henry VIII's chapel.—Family Herald.

Branded in the Valley

By MARTHA PIERCE
WNU Service

As the day died, three horsemen rode down from the mountain and struck into the trail that leads across the mesa. They rode in silence, save once when the leader half turned in his saddle and spoke to the rider nearest him.

"How far is it, Jim?"

"Jim lifted his bridle reins, and his horse sprang alongside the big gray of the leader.

"'Boot thirty miles yet," he said briefly, "we'll make it by nine o'clock."

The moon climbed up over a high bluff and looked down upon a little valley where a small, swift stream ran through green meadows. In the midst of the valley one tree stood like a sentinel near a low log house set a stone's throw from the brink of the stream.

A fire that leaped upon the hearth and flung its ruddy light through the small windows served to light the rude interior, its uncertain gleams half revealing, half concealing the rough uncouthness of a man who sat before a fireplace holding a child upon his knee.

"Now tell me," he was saying, "why you didn't go home with Mrs. Potter today when she rode half the way over here on purpose to see Mrs. Potter's right about it, but too lonesome for you to stay here when I'm out in the hills. It is mighty lonesome for a little girl like you. You better let me take you over tomorrow. She shall hear her own misty half flow out like an oracle."

"Who'd keep house for you?" she asked, as if that question settled the whole matter.

"I couldn't keep house," she said, "I'm too old and fat. You'd take pretty good care of your old dad, don't you? And you're all the housekeeper he's had for a good spell now."

"Since ma went to heaven," said the child gravely.

He started and looked at her curiously.

"Who told you that?" he said, almost roughly.

"Told me what?"

She was looking at the fire intently, and had a half-absorbed expression. "That ma went to heaven. Oh, she told me herself, before she went, and she made me promise I'd come, too. She told me all about the angels and God and everything. She said the angels were all around, every place, and since she died I know it's true, 'cause I've seen 'em. There's one 'cause there in the air now. I've been seeing them with my wings spread out to fly. See, pa? Right there, in the middle of the brightest—see?"

"No," said the man, slowly, "I can't quite make it out." Suddenly he started.

"What's that?"

He opened the door and looked out. Three men on horseback confronted him. He was covered instantly.

"We're onto you," said one laconically, "say your prayers."

He grew pale beneath the bronze, but he faced them resolutely, and stood a trifle straighter.

"What do you mean, men?" he said.

"What have I done?"

The leader laughed grimly.

"When a man's too handy with his brandin' irons he's apt to run up against trouble some day. You've got about two minutes to make your last will and testament!"

"At last, after a minute as long as years, he spoke stammering, as if words of entreaty came hardy to his lips.

"You have homes, men, and little ones, maybe. Think of the child, and have mercy." He caught her up suddenly and held her before them.

Startled by the sudden movement, the big gray reared and pawed the air. There was a sharp report and a shrill scream through the stillness of the valley; then the father stood looking stupidly at the limp and senseless thing he held in his arms, and the swift red stream that dyed his shirt sleeve.

The big gray had bolted, and after a moment of horrified waiting the two men were left wheeling their horses and rode away through the night leaving the outcast alone with his dead.

The sun climbed up over the high bluff and looked down on the green valley where the one tree stood by the stream. Under the tree a man was stooping over a little mound by the side of a long one, patting it softly and babbling to himself about his baby, and the little angel in the fire.

After awhile he heaved a heavy heave and walked toward the mountain, hatless and coatless toward the mountain.

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No one lives in the house in the valley. They say that when the moon is full the strange things upon the hillside and through the ruddy glow through the windows, and who he listens may presently hear the shrill scream of a child, and the clatter of fleeing horsemen across the mesa. But others say it is a myth, and one can see nothing but the moonlight reflected from the windows, and hear nothing save the "dismal" and long-drawn cry of a coyote.

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Reggie's Funny Remark

"Father, I want you to hear some of Reggie's good things; he's full of humor."

"I heard the funniest of them the other night," he asked me to be his father-in-law!"

FORDSON TRACTORS AT SMALL INITIAL COST

As a means of assisting farmers to modernize their farms, a new financing plan has been developed through which farmers may procure a Fordson tractor and other necessary equipment with only a small initial outlay and conveniently timed deferred payments.

The heretofore heavy initial expense of motorizing the American farm, according to the United States Department of Agriculture, has retarded to a large degree the development of agriculture. The new finance plan circumvents this obstacle and puts motorized equipment within the easy reach of every farmer, and permits him to operate his farm along the modern lines of efficiency as the modern factory, a thing which Secretary of Agriculture Jardine urges upon the farmers of the country.

Although agreeing that the tractor is a means towards greater crop returns, the lack of sufficient capital to meet the initial cost has for years prevented many farmers from taking the step toward modern methods. This situation is relieved through the new arrangement and the farmer, without embarrassing himself financially, can begin at once to enjoy the advantages of Fordson powered farm equipment.

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WHY THE LAKES ARE LOW

Speaking of lowering lake levels State Geologist Smith says there is not much to worry about. Levels of inland lakes, like other and fall, he says, and this, coupled with the extreme dry summer, has tended to lower the levels of most of Michigan's inland lakes this year. The rainfall this year has been more than six inches below normal, Mr. Smith points out, and that coupled with the evaporation of the water during the warm days, lowers the levels to a great extent.

The extent of evaporation of water from a lake is not generally realized. Houghton lake is the largest body of inland water in Michigan. It is the feeder of the Muskegon river, which has now several large water power developments upon it. Years back when the interests which developed the Muskegon had their project under consideration, they sent engineers to Houghton lake to make a study of this body of water with a view of determining whether it would pay the company to buy up the shore line of the lake, and keep it as a reservoir for its dam projects. The engineers made a long study of the lake and reported that more water evaporates from the lake than could be stored there. In those days the shore line of Houghton lake could be bought for in some instances less than one dollar an acre. Today, resort lots on the same lake are selling for as high as \$25 a front foot for 40-foot lots.—Michigan Investor.

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