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 CHRIST FOR ALL-ALL FOR CHRIST
The Word of God
 THY KEEPER: The Lord is thy keeper; the Lord is thy shade upon thy right hand.—Psalm 121: 5.

"Passive Inflation" Going On In United States For Past Year To Bring On Cheaper Money

Read How Federal Reserve Banks Are "Making" Credit

(This is the fourteenth of a series of brief, easy-to-read sketches on problems facing the incoming president of the United States)

By LESLIE EICHEL

A "passive inflation" of the currency of the United States has been going on for the past year.

No less a person than Sir Arthur Salter, world-renowned British economist, has approved that policy in these words:
 "Your Federal Reserve system in the past year put an end to hoarding, and the withdrawal of foreign balances by deliberately making money cheaper and more plentiful. I hope you will persist in this policy and will aim not merely at stopping the fall of prices, but helping them up. After deflation, the world needs reflation."

How Has It Occurred?

Now, how has this Federal Reserve board "reflation" occurred?
 A financial publication—Bradstreet's—explains in the following words the "passive inflation" that has been taking place in the United States:
 "1. The increase in gold stocks and gold production. This country's monetary gold stocks have increased \$571,000,000, or 11.8 per cent, since the low point reached during the last week in July. One dollar of gold may serve as the ultimate base of \$11 in credit and currency. Gold production for the current year is estimated at \$468,000,000, equal to the record of 1912."
 "2. Normally a little less than one-half the annual production is consumed in manufacturing and for the arts. During the past two years non-monetary consumption of gold has declined more than 80 per cent, leaving a corresponding amount available as a base for money and credit.

India Disgorges

"3. India during the period 1914-1931 absorbed each year on an average \$79,000,000 of gold. During the year and a half from January, 1931, to July, 1932, she disgorged \$230,000,000 of her previous accumulations. If the world's stock of gold in 1929 was adequate for its monetary and credit needs, that stock in the light of these augmentations and reduced price levels and low business activity is now excessive.
 "4. The deficit of the Federal Reserve during the past two and a half years amounts to \$5,422,000,000. It has been financed through loans which have released to the banking community an equivalent volume of securities which in turn may be used as a basis for credit and currency expansion.

"5. A large part of the Federal Reserve under an amendment to the home loan act is eligible as security for national bank notes.
 "6. Every form of the debt is eligible for reflation."

submission of the eighteenth amendment, for there are dries who favor that (on the ground that the country is entitled to vote on it, if it wishes) although they intend to do their best to prevent the necessary 36 states from ratifying repeal.

However, no one can possibly examine his record carefully without arriving at the conclusion that the North Carolina senator is a repealist. And a repealist is a wet, according to all prohibition reckonings.
 I have carefully dodged quoting the senator. He insisted on it. But he did tell me I might quote him as concluding:
 "I am trying to diminish and if possible extirpate the evils of drink."
 And he added (as I interpret it, I am permitted to quote this also):
 "Mind, I do not say I am trying to extirpate drinking; I am trying to extirpate the evils of it."

substantially as a base for Federal Reserve notes up to 60 per cent of their volume.

Securities as Collateral

"7. The securities of the Federal Government qualify as collateral for member bank loans which may be used to increase reserves upon which



additional currency may be withdrawn or bank credit built.

"8. The resort of the government to the capital market to pay its bills taps comparatively stagnant capital and sends it into more active channels of circulation.

"9. The use of Federal funds by the Reconstruction Finance Corporation spurs new enterprise and arrests further deflation by preventing bank failures and keeping railroads out of receivership.

"10. The Federal Reserve banks hold \$1,857,000,000 government securities in their portfolios. Every time a Reserve bank buys \$1,000,000 of government securities, it places \$1,000,000 of reserve money at the disposal of the market.
 "This credit is at once lodged in banks and is used by them for one of three purposes. They may withdraw an equivalent amount of currency, reduce their debts to the Reserve banks or increase their own reserve accounts. In the first case it halts the deflationary pressure or fanned currency demands by depositors. In the second it relieves the banks of the sense of debt. In the third it provides a reserve credit base which the member bank may use in expending its own loans and deposits.
 "11. By keeping the rate on acceptances and the discount rate on member bank loans low the Reserve bank virtually controls the open market money rate. In this they are aided by the treasury, which floats its short-term loans on a basis consistent with the Federal Reserve money policy. These open-market rates are now and have been for some time at the lowest levels in history."
 And still business is stagnant because of lack of trade.
Next: Can Cheaper Money Help the Farmer?

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FIGHT ON BUDGET BUREAU IMMINENT

Kirkpatrick Would Abolish It and Put Authority In Treasurer

Daily Dispatch Bureau, in the Sir Walter Hotel, Raleigh, Jan. 17.—Senator Kirkpatrick, of Charlotte, announced candidate for governor in 1936 and architect of governmental bureaus, has drawn up a bill for early introduction which expressly forbids any department head from spending more than the legislature allocates him, but which is also designed to pave the way for abolition of the budget bureau, it was learned here today.

The Mecklenburg Senator's proposal, which he has submitted to Governor Ehringhaus for his consideration, is in line with the senator's announced policy of "putting the government back into the hands of its constitutional officers where it belongs," and would impose a heavy penalty on any department head who spends one penny more than the legislature appropriates to his department.

The proposed bill, in its present shape, would place all funds of the State under the "control supervision and direction" of the State treasurer for disbursement. After the legislature appropriates the money, no funds would be paid out except on a warrant signed by the head of the department making application and countersigned by the State treasurer.

This would eliminate the work of the budget commission and the operation of the 1925 Budget Act, which placed the power of apportioning appropriations in the hands of the Advisory Budget Commission, which is enabled at any time to scale allotments on the basis of incoming revenue, which in recent years has never been as large as the legislature hoped it would.

While Senator Kirkpatrick is known to hold no opposition to the principle of North Carolina's keeping within her income, he is unalterably opposed he said to the bureau today, to placing the job of treasury watchdog in the hands of a commission when the task could be performed as efficiently if it were placed in the hands of a constitutional officer of the State.

Senator Kirkpatrick's bill, as it has been tentatively drawn, makes no specific provision for the carrying out of the watchdog policy of the budget commission, but it would prevent any department from spending more money than should be allotted to it by the legislature. The plan

would work effectively, it has been pointed out, if the legislature should be able to predict accurately the State's income, and make its appropriations accordingly. But in the light of past experience, such a prediction would be guesswork.

It is not considered likely that Senator Kirkpatrick's proposed bill will have the endorsement of the present administration as Governor Ehringhaus is kindly disposed toward the budget bureau. It is understood that the budget act as the best piece of legislation enacted in North Carolina in a good many years. The budget system was introduced at the beginning of the McLean administration, and was credited by Governor Gardner with enabling the commission to step in and save the State millions of dollars by apportioning to the various departments only the amounts needed to carry on their work.

"THE QUILL"

Published by the Pupils of Epsom High School

Helen Gray Kearney, Editor-in-Chief
 Feeling that a few flowers scattered along life's pathway are preferable to a profusion when life is ended, on behalf of the Senior Class the writer desires in her feeble way to pay tribute to one of the best friends a class has ever had—Professor Julius A. Woodward. When he became principal of our school in 1926, upon the completion of our new building, he was the embodiment of our childish dreams. Handsome, intelligent, modest, a dunassuming, he soon won our hearts as no other principal had done, and that devotion has been strengthened with each passing year.

As our school days are drawing to a close we realize how fortunate we have been to have had such a never failing counselor and friend, one who has left his imprint upon our lives by example rather than precept. We have not been as studious, helpful, and appreciative as we might have been, but this failure on our part has been a error of the head rather than of the heart. Our sincere wish is that Professor Woodward will endeavor to forget our many shortcomings, and remember only what few good traits we may possess.

We cannot tell what the future holds for the eighteen members of our class, but we do know Professor Woodward will ever rejoice with us in an measure of success we may attain, and will sympathize with us in the disappointments that attend us on life's way.

We had planned to teach last Saturday to make up for one of the days lost following the Christmas holidays, but the snowfall of Friday caused a change of plans. From the merry twinkle in the eyes of some of the students they rather welcomed the snow, but when the warm days come and we get spring fever, no doubt we will all wish we had made up some of the lost time during the winter months.

SPORTS
 Old man weather seems to have it in for the Epsom basketball teams. So far we have only played two games, due to the weather. We were confident of winning victories over the Youngville teams last Friday, but we realize that sometimes "pride comes before the fall," and perhaps the snow saved our pride.

SENIOR CLASS
 Of course like all seniors, we are naturally fond of each other, but now we are especially proud of one of our members, Helen Gray Kearney, who won first place in the essay contest entitled "The Effect That Voting off the Extended School Term Would Have on Franklin County" sponsored by the American Legion.

Helen Gray is also editor-in-chief of the school paper and those who read "The Quill" can judge how talented she is in this work. Besides her receiving a medal, for this honor our school will receive the cup for one year. This souvenir we will leave to spur the juniors onward!

P. T. A. REPORT
 The P. T. A. of Epsom high school met on Thursday night, Jan-

Marriage Veteran



Mrs. Lucy Flittner
 With seven husbands to her credit, 39-year-old Lucy Flittner of Evansville, Ind., believes she is well qualified to teach the new matrimonial course at Butler University, Indianapolis. Mrs. Flittner now is enjoying her seventh honeymoon, having divorced her first half dozen mates. "There's a lot to this marriage business that these smart college fellows don't know about," Mrs. Flittner asserts. She has filed her application with Dean Albert Bailey of Butler university.

"To the Victors Belong the Spoils!"



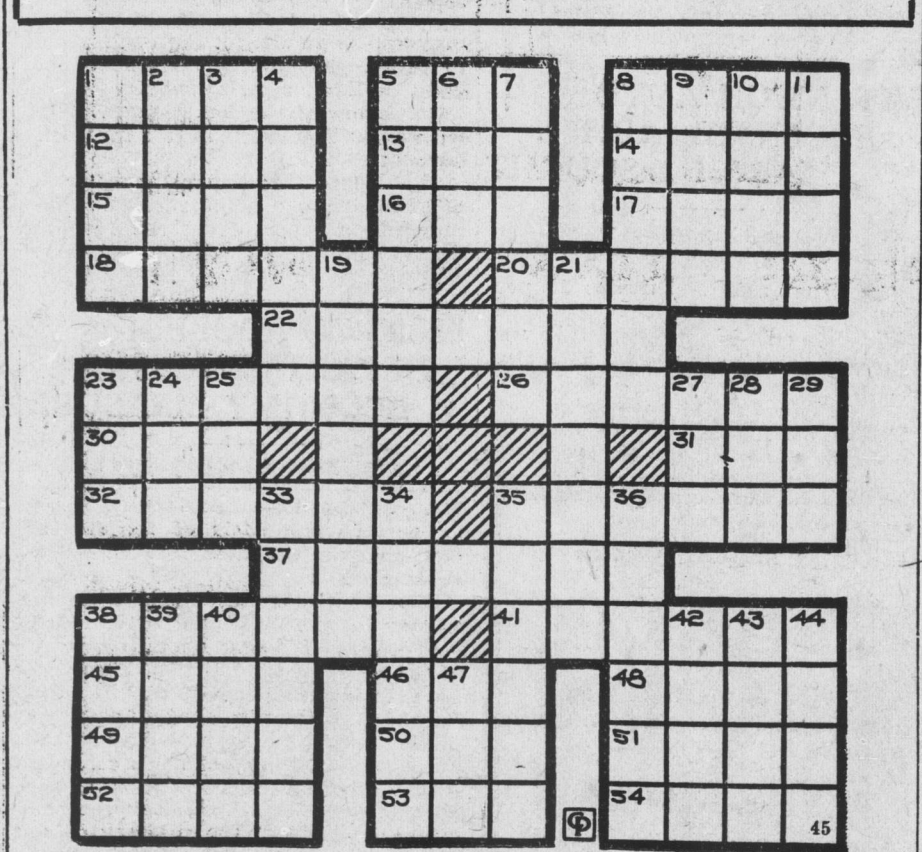
uary 12, 1933. Due to the fact that there is much sickness in the community, our attendance was not as large as it was at the last meeting.

MANY GAME LAWS FILLING HOPPERS
 Daily Dispatch Bureau, in the Sir Walter Hotel, Raleigh, Jan. 18.—A multiplicity of bills affecting North Carolina's game laws are finding their way into the hoppers of both the House and Senate, but many of them pertain only to several counties. Bills have been offered in the Senate repealing the resident license tax on hunting and fishing, while another bill would abolish the office of State game warden and transfer his duties to the department of conservation and development.

In a new book titled "Dangerous Corner" one of the characters is made to say "Telling the truth is about as healthy as skidding around the corner at 60."

esting speaker is expected. Don't fail to see!
 Miss Pattie B. Lamm, Reporter.

CROSS WORD PUZZLE



- ACROSS**
 1—Former chief justice
 5—Half type measures
 8—Bedouin
 12—An Arctic base
 13—River mouth
 14—Girl's name
 15—Distribute
 16—Entire
 17—A fratricide
 18—Separates
 20—Musical dramas
 22—American general
 23—Covered 26—Ensnare
 30—Atmosphere
 31—Fuss
 32—Folds in strips
 35—Child's light boot
 37—Describes
 38—The whole
 41—Stem of the genus Calamus
 46—Understands
 46—Mother of mankind
 48—Cripple
 49—Not at all
 50—Hebrew month
 51—French sword
 52—Terminates
 53—Devour
 54—Tear
- DOWN**
 1—Spreads loosely for drying
 2—On top of
 3—Descend
 4—Not a pagan
 5—Elided
 6—Nothing
 7—Daughter of Herodias
 8—Render emphatic
 9—Bellow
- 10—Elaborate solo
 11—Formal announcements
 19—Playhouse
 21—Wife of Epimetheus
 23—Head covering
 24—Lubricant
 25—Form of to be
 27—Rodent
 28—American humorist
 29—American poet
 32—Ascends
 34—Drive air audibly through the nose
 35—Deprived
 36—Groom
 38—Anglo Saxon slave
 39—Newly discovered element
 40—Conduce
 42—Ti
 43—Word at the end of a prayer
 44—Want
 47—By way of

Answer to Previous Puzzle
 REST ACTS
 HART HEAR
 LODGES MARMOT
 OVI REGOR POI
 NEUTER AGNATE
 G MUSE SEEN R
 S
 S OKRA SAVE I
 TINSSEL PLEADS
 ALA NEXUS SOL
 BEGETS RACEME
 XEMA COLE
 RULE WEBS

JAMES C. COOPER
 REAL INSURANCE SERVICE
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 HENDERSON, N. C.

SUMMONS IN THE SUPERIOR COURT STATE OF NORTH CAROLINA: COUNTY OF VANCE

Gertrude Ward Hunt
 Vs
 Booker T. Hunt
 The defendant Booker T. Hunt will take notice that an action entitled as above has been commenced in the Superior Court of Vance County, North Carolina, to obtain an absolute divorce on grounds of five years separation and also to gain permanent custody of the children of the marriage; and the defendant will further take notice that he is required to appear at the office of the Clerk of the Superior Court of Vance County, in the courthouse in Henderson, N. C., on the 4th day of February, 1933, and answer or demur to the complaint in said action; or the plaintiff will apply to the Court for the relief demanded in said complaint.
 This 4th day of January, 1933.
 HENRY PERRY
 Clerk of the Superior Court, Vance Co. Gholson & Gholson, Atty. for Plaintiff.

NOTICE
 Default having been made in the payment of those bonds secured by that deed of trust dated the 7th day of January, 1924, recorded in Book 117 at page 440 in the office of the Register of deeds for Vance County, N. C., executed by Daisy Brame, and at the request of the holder thereof, the undersigned Trustee will offer for sale and sell to the highest bidder for cash at the Courthouse door in Henderson, N. C., on Wednesday, January 25, 1933 at 12 o'clock midday, the following described real estate:

Begin at a pin in Henderson road, Harris' corner, along the road N. 67 E. 7.30 chains to a private road along said private road S. 13 E. 1.45 S. 15 E. 3.60 S. 33 E. 1.80 S. 4 E. chains S. 9 1-4 W. 1.25 S. 5 E. 3.45 2.20 S. 2 1-2 W. 3.20 S. 8 1-4 W. 13.09 chains to a white oak in Grove; thence along another road N. 84 W. 3.65 N. 89 1-2 W. 4.50 chains to a pin, Harris' corner; thence N. 2 E. 27.30 chains to the beginning, containing 24 3-4 acres.

This the 23rd day of December, 1932
 J. P. & J. H. ZOLLICOFFER, Atty's.
 A. A. ZOLLICOFFER, Trustee

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 Nashville, Tennessee

Firestone Converted



Russell Firestone
 One of the newest converts to Buchmanism, First Century Christian Fellowship movement, is Russell Firestone, son of Harvey Firestone, Akron, O., rubber magnate. Firestone, at one of the group's public confessionals in New York, said, when he was a student at Princeton, he thought the chief aim of life was to have a good time. Now the movement has brought him peace and happiness and a new kind of life, he says.

TODAY

TODAY'S ANNIVERSARIES

1779—Peter M. Roget, English physician author of the notable "Thesaurus of English Words and Phrases," born. Died Sept. 12, 1889.
 1872—Daniel Webster, famed Massachusetts senator, cabinet officer, orator and lawyer, born at Franklin, N. H. Died at Marshfield, Mass., Oct. 24, 1852.
 1813—George R. Graham, a noted American magazine publisher of his day, born in Philadelphia. Died at Orange, N. J., July 13, 1894.
 1850—Seth Low, Columbia University president, New York City mayor, born in Brooklyn, N. Y. Died Sept. 17, 1916.
 1856—Willis L. Moore, noted meteorologist, Chief of the U. S. Weather Bureau, born at Scranton, Pa. Died at Pasadena, Cal., Dec. 18, 1927.
 1857—William Burgess, pottery man, U. S. tariff commissioner, born in Brooklyn, N. Y. Died Nov. 21, 1929.
 1875—Albert H. Vestal, noted Indiana congressman, born in Madison Co., Ind. Died in Washington, D. C., April 1, 1932.

TODAY IN HISTORY

1535—Lima, Peru, founded by Pizarro.
 1802—Detroit incorporated as a town.
 1871—German Reich founded.
 1912—Capt. Robert F. Scott of England the second to reach the South Pole—a month after Amundsen of Norway.

TODAY'S BIRTHDAYS

Thomas A. Buckner, president of the New York Life Insurance Co., born at Bloomington, Ill., 68 years ago.
 Dr. William T. Foster, director of the Pollak Foundation for Economic Research, Boston, born there, 54 years ago.
 George M. Putnam, New Hampshire's noted Farm Bureau Federation director, born at Hopkinton, N. H., 69 years ago.
 Thomas E. Campbell, ex-governor of Arizona, president of the U. S. Civil Service Commission, born at Prescott, Ariz., 55 years ago.
 Judge Charles F. Parsons, associate justice of the Supreme Court of Hawaii, born at Mankato, Minn., 61 years ago.
 A. A. Milne, celebrated English juvenile writer, playwright and novelist, born 51 years ago.

TODAY'S HOROSCOPE

Here is a life of success, if there is a proper leading. It may be lost in contemplation or absorbed in ambition. With education and a right life, there is great strength; without it only mediocre success due principally to definiteness of action.

Senator Bailey Says He Battles Evils of Drink By Fighting for Repeal

(Continued from Page One.)

viously stated, to go in for statewide prohibition. Thereupon Editor Bailey wished his associates well—but he resigned, and within three months a paid secretary was working to put those remaining 168 saloons out of commission, not by virtue of majority sentiment in the towns where they were operating, but by mandate of the voters elsewhere.

True, Editor Bailey himself voted for statewide prohibition (he admits that the instinct of loyalty is strong in him, even though he may not wholly approve of his own party's policy) but there is no mistaking his view that communities of much less than statewide proportions should do their voting separately on such questions as the wet-and-dry issue.

Thus far it seems reasonable to catalogue Senator Bailey among the dries.

It does not follow, either, that he is a wet merely because he favors re-