

HOOVER OPPOSES MAKING RATIFICATION OF TREATY CAMPAIGN ISSUE FEDERAL RESERVE BOARD TO CONTROL CREDIT

WILL AID COMMERCE AND INDUSTRY IN RESTORING PRE-WAR EQUILIBRIUM

Board Is Prepared to Test Ability of System to Check Expansion and to Include Healthy Liquidation.

(By The Associated Press.) WASHINGTON, Feb. 23.—Determination of the federal reserve board to exert the full power of the reserve banking system in regulating and controlling the credit situation—a course designed to aid commerce and industry in restoring a pre-war equilibrium—was disclosed in the board's annual report, made public today.

With this as its annual peace-time policy, the board was prepared to "test the ability of the system to check expansion and to induce healthy liquidation." The board explained it was aware of the implied power to rectify the condition which confronts the country. This power necessarily followed the authority for and employment of an elastic system of reserve credit and not issue, it was added.

Recommendations also were made to congress for amendment of the reserve act which would permit reserve banks, with approval of the federal reserve board, to establish normal maximum lines of credit accommodation for member banks. An ascending scale of rates would be provided in event money was borrowed above the maximum line. This the board believed, would induce banks to hold their own large borrowers in check and thus work to the end that credit expansion on a large scale would be stopped.

Warning was given that the country must guard against too rapid deflation. While the board was in entire sympathy with measures to overcome this evil, it pointed out that remedies employed to correct inflation might create conditions worse than inflation itself.

"Deflation merely for the sake of deflation and a speedy return to 'normal' deflation, merely for the sake of restoring security values and commodity prices to their pre-war levels without regard for other consequences would be an insane proceeding in the existing posture of world affairs," the report said.

"It must never be forgotten that productive industry is profoundly affected by credit conditions. Modern business is done on credit. One of its life-giving principles is credit. . . . The ultimate test of a credit system must be found in what it does not promote and increase the production of goods. True in general, the truth of this observation deserves to be particularly emphasized in the present deranged state of world industry and trade when production is the crying need of the hour everywhere."

In explanation of its increase in discount rates, the board said that this had been the traditional method of credit control. Its use, however, presupposes normal conditions and these, it was pointed out, do not all exist at this time. While a high reserve bank rate was shown to act as a restraining influence upon borrowings, it may operate as well to attract supplies of credit from other centers. It is this condition, among others, that was said by the board to make imperative the use of its power in controlling credit and starting deflation.

In setting forces to work to check expansion, the board declared much depended upon co-operation of business and the community generally. "There is, however, no need for drastic or precipitate action," the report continued. "There need be no apprehension as to our ability to affect the transition from war-time to peace-time conditions if reasonable safeguards against the abuse of credit are respected. Our economic and position is, at the bottom, safe and sound. Extremes must be avoided, the processes of adjusting the volume of credit to a normal basis should be effected in an orderly manner, and its rapidity must be governed entirely by conditions and circumstances as they develop."

"Much will depend upon the co-operation of business. Without such co-operation from the general community, progress can be neither rapid nor substantial."

A plea was made, in this connection, for complete absorption by investors of outstanding portions of war securities issues. As these pass into the hands of permanent holders and the national debt is reduced by the operation of the sink-

ing fund, there gradually will come a proper balance between the "volume of credit and the volume of concrete things" the board explained.

The specific of greater production was urged as one of the methods by which the "proper balance" might be materially aided. But the board directed attention to dangers which lie in the path of great production unless that production is immediately followed by distribution and avoidance of wasteful consumption. It emphasized that hoarding must not be practiced or the stimulant of production will avail nothing.

"These are the fundamental economic processes upon which the proper functioning of the federal reserve banks must depend," the report said. "The federal reserve system can do much to assist these processes, but it cannot of itself alone compel them. Efficacious action along these lines involves the intelligent and earnest co-operation of business and the community generally."

"While the federal reserve board will always be mindful of the inter-dependence of credit and industry and the influence exerted on prices by the general volume of credit, the board, nevertheless, cannot assume to be an arbiter of prices. Its primary duty, as the guardian of the nation's ultimate banking reserve, is to see that the banks under its supervision function effectively and properly as reserve banks."

The granting of extensive credits to foreign trade and the resultant keen competition in our markets with the foreign buyer was charged by the board as being "one of the potent causes of high prices." It was shown that the demand for commodities from domestic as well as from foreign sources was so far in excess of the supply that the increased cost of credit can be and is absorbed in the price. Speculation, therefore, has not been effectively checked by advances in interest rates, because of the anticipated—and usually realized—large profits, according to the analysis.

The board took occasion to restate its opposition to the financing of exports which require long-term credits through banking operations as distinguished from appeals to the securities market. On America's balance of trade for the calendar year—\$4,017,745,000—approximately \$2,000,000,000, was declared to have fallen as credit transaction on the commercial banks. Treasury advances during the year amounted to \$1,757,989,000, but this was not regarded as sufficient to offset the corresponding measures of expansion necessitated by the carrying of the credit balance.

All of these credits arrangements, it was asserted, indirectly reflected back to the federal reserve system. Although none of the paper tendered by the foreign buyers was discountable at reserve banks because of legal restrictions, commercial banks which have received it were believed to have turned in other obligations for rediscounting which, otherwise, would not have been sent through that channel.

OHIO REPUBLICANS HAVE BIRTHDAY RALLY

(By The Associated Press) COLUMBUS, O., Feb. 23. — Plans for the national and state campaigns were sizzling here today at one of the most notable political meetings of recent years — the Washington's birthday rally of Ohio republicans.

Senator Warren G. Harding, candidate for the republican presidential nomination, and Chairman Will H. Hays of the republican national committee, were principals speakers.

Major General Loehard Wood, republican candidate for the presidency, had carried the fight into Ohio, Senator Harding's home state, today. The general yesterday filed with the secretary of state his declaration of candidacy for the presidential nomination and also a statement authorizing candidates for delegates to pledge themselves to his support at the republican national convention.

PARKS AND PLAYGROUNDS A MORAL ISSUE

Dr. J. H. Henderlite, Pastor of First Presbyterian Church Says That Public Playgrounds Are Necessary For Young Boys and Girls of This Generation — Strong Sermon on Relation of Father and Son.

"Public playgrounds may become more than a matter of municipal pride and present themselves as a real moral and religious question," declared Dr. J. H. Henderlite Sunday morning in his sermon, which was a strong plea for a closer understanding between father and son. He said that children nowadays had not the open free space for play that the fathers and mothers of the present generation enjoyed and that some form of playgrounds free from the danger of passing traffic ought to be provided. "Dr. Henderlite's sermon was a masterpiece of thought and is especially timely in this day of attractions and distractions that tend to lure the child from home."

February 22, was designated as Father and Son day in the churches of America, it being also the birthday of Washington, "the father of his country." Dr. Henderlite spoke from the words found in Psalm 45:16—"Instead of thy fathers shall be thy children," his sermon being in part as follows:—

The Psalmist suggests the changes that mark all human life, chanting the mournful elegy of the passing generations. As the seasons follow one another and the green leaves wither and fall, so the generations of men melt away. But the text reminds us that change is not destruction and the line of human life is not broken, "instead of thy fathers shall be thy children." A new generation replaces the old. The fathers yield to their sons and the boys and girls of yesterday are the men and women of tomorrow.

How shall the sons fit into their Father's shoes?

There are two who must answer that question, parents and children. The whole load cannot be laid on the fathers. Some good fathers do not have good sons, even such saints as Eli and Samuel. The best of them can furnish no certain guarantee of the future. Each life is individual and self determining. Parents lay the foundation and children what sort of a partner am I in this build thereon. Each son may well ask, firm of John Smith and Son? And when instead of the fathers shall be the sons, and John Smith, Jr. has become John Smith, Sr., what will be the situation in church and town and nation.

But the parents must also answer the question, and on them lies the heavier responsibility. They occupy the seats of authority. It is a problem that calls for serious thought. For the chief function of a man who has children is not as citizen or business man but as a father. Even absorption in church work is not a valid excuse. Eli and Samuel were, perhaps, so busy ministering at the Divine altar as to neglect their sons, and they brought dishonor on religion and trouble to the nation.

We just want to realize today that this is a real and serious problem. It is one that every father recognizes as easier to preach about than to practice on successfully. There is nothing that God is more interested in than our homes, and His blessing is pledged to the efforts of faithful parents.

That means firm and intelligent discipline. Discipline is not beating or driving. It is training weak and wandering feet into the way of life and usefulness and success. It is putting the train on the right track and running according to schedule for a safe and prosperous trip.

Successful discipline demands an intelligent understanding of children, their nature, disposition. "Train up a child according to his bent," is the real meaning of the verse. Find the track along which the child was intended by gifts and disposition to run. The child-nature must be studied and understood. The world of a child is not that of an adult. Successful training and discipline require a recognition of this.

For instance, childhood is the age of play. It might be called a child's main business. With adults work becomes the business of life and play but a side issue. But play is a child's life. The Bible recognizes this. Paul says that parents provide for children, not children for parents. Children are free from the burden of making the living. The prophet Zechariah in describing the future glorious and perfect earthly kingdom of God says, "The streets of the city shall be full of boys and girls playing in the midst of the streets." "Christ looked with sympathetic eye on the children playing in the streets of Jerusalem and

REV. G. A. SPARROW DELIVERS STRONG ADDRESS

French Memorial Diplomas Presented Sunday to Relatives of 40 Gaston County Soldiers Who Died in France — Beautiful Service.

In a wonderfully impressive and beautiful service held Sunday afternoon at the First Presbyterian church under the auspices of Gaston Post, American Legion, beautifully engraved memorial diplomas were presented to relatives of 40 Gaston county men who died on French soil in the service of their country.

The exercises of the afternoon were in charge of Post Commander Stephen B. Dolley. Assisting were Dr. J. H. Henderlite and Rev. W. C. Barrett. The principal feature of the program was an address by Rev. G. A. Sparrow, pastor of Olney and Union Presbyterian churches in this county. Rev. Mr. Sparrow was introduced by Mr. Dolley as "a lawyer, scholar, minister, soldier and the father of soldiers." His address on this occasion was one of the most impressive ever heard in Gaston county. To years of experience in bar and pulpit, Rev. Mr. Sparrow has added a wealth of education and information from reading and study, and his address was a wonderful presentation of history, eulogy and praise of the American soldier.

"Of the soldiery who went from Gaston county," Mr. Sparrow said in substance, "a majority have returned, but of the gallant soldiers who went from this county, 40 paid the supreme sacrifice and we are assembled here today to do honor to their memory, and to present to their respective families certificates of appreciation and expression of gratitude from the French republic, signed by the hand of its president."

"These boys on the banks of the Marne lifted the old 'rebel yell,' and to the geography of freedom they have added the Argonne forest, St. Mihiel, Chateau Thierry, Ypres and Bellecour. They matched on Europe's fields the paladins of Charlemagne and the legions of the Caesars. By their sacrifices the world has been advanced in honor."

"They have not died in vain. As a result of their sacrifices a new day has dawned upon the world. France is avenged, her ancient wrongs are righted. The prayers of a bleeding world are answered. And that is not all. Constantinople has seen the last of the sultans, Armenian massacres will become a thing of the past, Palestine is already England's. The 20th century has crowned the crusaders, has planted the cross upon the holy hills; and England will keep it there."

Other features of the service were the reading of Edwin Markham's poem, "Our Dead Overseas" by Mr. Emory B. Denny and the singing of the French national anthem "Marseillaise," by Miss Ruth Mason. Miss Mason's beautiful voice never showed to better effect than in the rendering of this fiery, thrilling war-song of the French Republic. At the conclusion of Rev. Mr. Sparrow's address, Miss Mary Ramsey played "The Star-Spangled Banner."

Following this Mr. Everett Jones and Miss Mabel Potts representing the "service" delivered from Mr. Dolley the diplomas to the relatives present.

These diplomas represent a group placed on a cenotaph on which is engraved in French a dedication above the signature of the President of France, Raymond Poincare.

draw a parable from their games. Repress the natural and wholesome instinct for play, and the child's life is either dwarfed and weakened or perhaps its energies misdirected and perverted to evil. In the training of children provision must be made for their sports and games. The situation is different now from what it was in the childhood of the present parents. Then there was plenty of room, and nature provided liberally in most places, such things as swimming holes and fishing and woods and fields for nutting and berry picking, where the teeming energies of childhood and youth could find a safe and wholesome outlet. Public playgrounds may become more than a matter of municipal pride and present themselves as a real moral and religious question. On account of whizzing automobiles as well as for other considerations it is not as safe for children to play in the streets of Gastonia as in those of the New Jerusalem which the prophet saw.

The music at the services was especially beautiful. A trio "Lead, Gently, Lord, Lead Us," by Mesdames Holland and H. Rutter and Miss Marian Harvey was particularly impressive.

Brasil soon will be added to the list of countries maintaining aerial mail services.

SUCH ACTION WOULD OBSCURE PRESSING DOMESTIC ISSUES IN THIS COUNTRY

Herbert Hoover In Address at Johns Hopkins University Declares That Introduction of League Fight Will Obscure Greater Questions Before American People.

(By Associated Press.) BALTIMORE, MD., Feb. 23. — Herbert C. Hoover, former food administrator, declared today in an address at Johns Hopkins University his opposition to making the ratification of the treaty with Germany an issue of the presidential campaign. He insisted the injection of the arguments for and against reservation would "obscure our pressing domestic issues by conflict over a question in which the country already has made up its mind" and added, "it is my impression that there is no party credit in this position."

Hope for the immediate ratification of the treaty rested, he said, in the acceptance by the "lesser reservationists" of the proposals of the "mild reservationists." The two combined, he said, could secure ratification. "It also appears to us," he continued, "that even from the point of view of the 'lesser reservationists' they will have secured all of the major functions and values of the league. If it be put into being and if it prove its living value in the world, no one can doubt that any necessary changes will be granted to it by common consent as the years go on. For my part, if the league cannot prove its value under the latest proposals of the 'mild reservationists' it will never prove them under the proposals of the 'lesser reservationists.'"

The present danger Europe is facing, Mr. Hoover said, is not so much a revolutionary cataclysm as the "steady degeneration of the standard of living and the slow decay of the forces of stability." Restored productivity, he insisted, is essential if the allies are to receive the maximum reparation. "Until the we shall not have real peace," he said. "It will be delayed as long as we hang the treaty in the air, for we are part of it."

"I do not believe the adherence of the American people to the league requires any demonstration," he continued. "It has been under discussion for eight months. It has been given able debate and consideration in its every complexion. I believe that the majority of our people are convinced of the necessity of reservations with the league. Both parties to the conflict appear to concede this. The conflicting groups over the character of the reservation had gradually abandoned their extreme ground and have come closer and closer to a common mind. It would appear to an outsider that both sides were in agreement on all the great major ideas of the league and the major ideas of reservations, but that they are in disagreement mostly over secondary questions in the reservations. In the meantime, the world is held in suspense. Infinite misery goes on accumulating. Forces are set in motion that may yield new conflicts. Already the distrust and undermining of confidence and credit in the world has crippled our export market."

Regarding the part the United States will take in the rehabilitation of Europe, Mr. Hoover counseled moderation. "We have two extreme views among our people," he said, "upon the policies we should adopt in all these matters. One contends that the ideal is isolation — leave Europe to herself; the other contends for at least moral domination as a mission of international justice. Many of us want neither extreme."

Assuming that the treaty would be ratified "some day" in "some form" he expressed a hope that it might serve to bring about a reduction of armament and the "development of engines of conciliation, of arbitration and codes and courts of international justice."

"We hope for its influence in the destruction of the economic barriers set up before and after the war," he continued, "which stifle the recuperation of and the free entry of our own commerce over the world. Some of us hope the league will not interpose in international differences except in the last stage necessary to mitigate the growth of conflict. Some of us have no liking for mandates of any European state, for we would thus plunge ourselves territorially into Europe itself with a long train of dangers. Most of us have no ambitions to moral or other domination."

Except where the interests of the United States are vitally concerned, Mr. Hoover declared, himself as opposed to American membership on the various mission provided for in the treaty for the settlement of questions raised by the war. The loaning of money except to alleviate

distress was also opposed. "Our best assistance in healing Europe's economic wounds lies in the promotion of the great processes of private commerce," he said, "not in loans from our government." Mr. Hoover's reference to the peace treaty and its ratification was preceded by the presentation of statistics calculated to indicate what he called the "heart breaking underpayment" of school teachers. There are, he said, 100,000 teaching positions in the public schools that now are vacant or filled by teachers below standard. The number of teachers receiving less than \$450 a year, he placed at 120,000. Salary increases had been granted in some cases, he said, but these ranged from ten to twenty five per cent, while the cost of living had increased from eighty to eighty five per cent. "There is not a university in the United States," he said, "that is not losing month by month some of its best ability by the competition of commerce."

MR. W. F. MICHAEL GOES WITH KENNEDY'S

Effective today Mr. W. F. Michael, for the past 18 years with the Torrence Drug Company and for the past five years manager of the drug store, becomes associated with J. H. Kennedy & Co. Mr. J. F. Hoffman, of High Point, will also join Kennedy's force of prescriptionists some time this week. Mr. Hoffman is a registered pharmacist.

The interest of the late Mr. A. Meek Barnett in Kennedy's drug store has been taken over by Messrs. Ed C. Adams and J. H. Kennedy.

Messrs. Leon Smith and S. E. McNeely are with the Torrence Drug Company following this change.

GASTONIA IS TO HAVE WET WASH LAUNDRY

Gastonia is soon to have a wet wash laundry and many housewives in the city will greatly rejoice at the partial solution of the laundry question which has been a bane to the existence of many good women of the town.

The Rankin-Adams Ice and Coal Company announces that within 60 day they expect to have in operation a modernly equipped and up-to-date wet wash laundry, an establishment which takes the laundry and washes it and returns it to the house-keeper unironed. The plant will be operated in connection with the ice-plant, as a great deal of the machinery, boilers, etc., is already in use. It is the expectation of the promoters to have the laundry in operation within a very short time.

RAILROAD BILL GIVEN RIGHT OF WAY IN SENATE

WASHINGTON, Feb. 23. — With its supporters predicting a speedy enactment, the compromise railroad bill, as passed in the house Saturday by a substantial majority, today was given the right of way in the senate. The peace treaty and all other measures were laid aside temporarily.

Despite statements that union labor forces would carry their fight into the senate regardless of their defeat in the house and the bare possibility of a filibuster that might delay passage of the bill before March 1, the date the roads are to revert to private control, senate leaders expressed the belief there would be little debate and a vote would come quickly.

Coincident with senate consideration of railroad legislation the general committee of the railway labor organizations assembled here to discuss President Wilson's proposal for disposing of pending wage demands. The president's plan was presented to representatives of the employees at a white house conference last week.

Born. To Mr. and Mrs. Marshall Dilling on Monday, February 23, 1920, a daughter.