Lake Shore News
and Times
(Formerly Silver Creek News-Times)

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THURSDAY, OCTOBER 10, 1946

THE INFLATION OUTLOOK

Economic dopesters are all unanimous in expressing the opinion that the period of post-war inflation has about run its course and that there will be a substantial reaction in real estate values in the not distant future.

The public is being told in the press and over the radio that the buyers can check inflation and hold the dollar at its present value.. as compared with values of services and commodities.

This writer does not share in the views of the dopesters, nor of various columnists and radio broadcasters. They all, with one accord, seem to overlook just one little thing in their calculations and that little thing is the Government Printing Office. If anyone knew how many additional dollars the Government Printing Office is going to turn out to be "pumped" into circulation, that person would be in position to make a reliable forecast as to how far inflation is going to run. That is the key to the whole proposition.

What has really been going on ever since the end of the war and even before the end of the war has been the devaluation of our dollars. Our dollars will continue to depreciate in buying power until the devaluation process has run its course.

The devaluation of our dollars is not likely to be completed until dollars get cheap enough so that it will be possible to pay off the national debt. We doubt if anyone in authority has yet formed an accurate and reliable estimate as to just how cheap our dollars have to be in order to insure the payment of the national debt.

Strikes by labor unions and profiteering by certain interests tend to confuse the situation, but they do not alter any of the basic facts. These outward disturbances are only the symptoms of what is actually going on and not the real cause.

We print below the amount of currency in circulation in this country for a number of years back. These figures represent the per-capita circulation:

1900	$ 27.28
1915	32.96
1920	51.38
1925	42.20
1930	37.31
1935	43.78
1940	59.48
1941	72.16
1942	91.88
1943	127.64
1944	162.96
1945	191.86
1946	220.76*

*—Treasury figures not available for 1946. This is only an estimate.

You hear many people talk glibely about the "law of supply and demand." We wonder if it ever occurred to any of these good people that the so-called "law of supply and demand" also effects the value of our dollars.

It is of course recognized that the amount of money placed in circulation by the government is not the only factor that regulates the value of dollars. The amount of credits available is also a factor. Credits are a difficult item to estimate, but we wonder if anyone now living can recall a time when credits were "easier" than they are right at the present moment. Our guess is that credits have increased in about the same proportion as our circulating medium. What do these things add up to? Why merely this: that the devaluation of our dollar has not yet run anywhere near its course. If the amount of money in circulation is held permanently at the 1945 figure and credits continue as "easy" as at present this will still be true.

When you understand the background of our whole financial structure, you will perhaps understand why our government offers no strenuous objections to the demands of labor unions for higher pay and also why the government has softened its policy toward holding the line on price ceilings.

When it comes to a proposition of getting increased wages, the unions are always found "raring to go." If the unions want to take the onus of forcing inflation, that achieves the purpose of devaluating the dollar and if anyone kicks about the program the politicians can point to the unions and say "now see what you've done." This is one way of shifting responsibility from the politicians to the labor unions.

The series of major strikes ushered in with the beginning of the year 1946 did incalculable damage to our economic system without achieving any useful purpose to the strikers or anyone else.

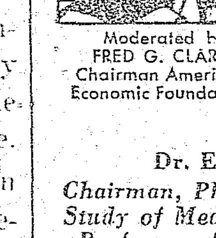
In resisting higher prices the government is simply passing the buck and the whole scheme of price and wage control is simply delaying the devaluation of our dollars at a time when all well-informed people know that further devaluation of the dollar is necessary.

While the United Auto Workers (C. I. O.) are planning another demand for a 21 percent raise in wages, President Walter P. Reuther of the union has renewed his appeal to the auto manufacturers to petition President Truman to call another labor-management conference to formulate plans for heading off another depression. The first labor-management conference was barren of all results, but was premature anyway. No one who attended that first conference had sufficient knowledge of our post-war economic problems to formulate any constructive plan for meeting post-war problems. Now that our post-war problems are taking tangible shape and that we can see the pattern of an approaching depression, it is possible that such a conference as Mr. Reuther is so earnestly requesting might do a lot of good.

If we are to avoid another paralyzing depression, we must have intelligent and courageous leadership at Washington. And one of the first fundamentals that has to be hammered into the souls of both labor and management is that the nation is infinitely poorer in material wealth than it was before the war and that every American must become reconciled to the idea of having less of this world's goods than he or she could command before the war. The late President Roosevelt preached the very foolish doctrine that wages could be increased without increasing production costs and that the cost of living could be held down by various bureaucratic controls. Events have proven the fallacy of this mistaken philosophy and if our economic system is to survive we have to start from scratch and learn all over again that prosperity and high standards of living cannot be sustained simply by printing up more paper dollars.

Senator Taft criticises the verdict of the Nuremberg court which condemned eleven Nazi leaders to death by hanging, and calls attention to the fact that under our constitution no law can be made retroactive. From a purely legalistic standpoint the Ohio Senator is undoubtedly standing on solid ground. The trial and convictions of leaders responsible for wars is definitely a new departure in international affairs. But the average person is not interested too much in legalistic formula. The law of God supercedes even the constitution of the United States. These eleven convicted Nazi leaders played key rolls in wars which resulted in the death of untold millions of innocent and unoffending people and under the laws of God and common justice they richly deserve the sentences meted out to them—constitution or no constitution.

"WAKE UP, AMERICA!"



Moderated by
FRED G. CLARK
Chairman American Economic Foundation

Should We Socialize Medicine?

As debated by

Dr. Ernst P. Boas
Chairman, Physicians Forum for Study of Medical Care; Assistant Professor of Clinical Medicine, Columbia University

Dr. Morris Fishbein
Editor, Journal, American Medical Association, and Hygeia, the Health Magazine

DR. BOAS OPENS: The proposal is not to socialize medicine, but to spread its benefits democratically to all; to view the profession of medicine as a social instrument rather than a private enterprise run for the benefit of doctors and other purveyors of medical care. The practice of medicine cannot be conducted in an ivory tower isolated from society. It must constantly adapt itself to changes in social structure and ideology, to wit: the tremendous increase in the number of wage earners—the disappearance of the self-employed. Recurrent unemployment and depressions are a great hazard to the wage earner and the nation, and society has sought to provide some measure of security through social insurance. Experience shows the insurance principle can be successfully applied to payment for medical service; that voluntary insurance has limited scope and cannot solve the nation's needs. Scientific-technological advances have made good medical care too expensive for many. The answer is national compulsory health insurance. This will not revolutionize the practice of medicine, but will tend to preserve the status quo, and retard the trend to state medicine manifested today by the many hospitals and medical services set up by government. The Wagner-Murray-Dingell Bill will make possible adequate medical care for 100 million people within the framework of present medical traditions, and can serve as a basis for a more perfected scheme of meeting one of the great needs of this nation.

DR. FISHBEIN CHALLENGES: This is the first time that anyone has ever had the effrontery to insinuate that medical practice is conducted primarily for the benefit of the doctors. The people of the United States are the best insured people in the world for life insurance; already almost 25,000,000 are covered with voluntary sickness insurance. That technique is growing rapidly and should be given a thorough trial before it is scrapped in behalf of a state-controlled system. It is quibbling with words to insinuate that federal compulsory sickness insurance is not state medicine; those who hold the purse control the activities.

DR. BOAS REPLIES: It must be our aim to provide adequate medical service to all. Repeated surveys during the past ten years have shown that fully half of our population, unaided, cannot afford to buy such service, and that actually they do not receive it. Voluntary health insurance cannot supply this need, for complete medical coverage is too expensive for most wage earners. The plans Dr. Fishbein discusses are very incomplete and inadequate. The only alternative to compulsory health insurance with contributory payments by employee and employer is a rapid extension of tax-supported medical services, which leads directly to state medicine.

DR. FISHBEIN OPENS: The weakness of American medicine is the extent of its distribution. Any service that means so much to every human being ought to be available in large measure to all the people. Under our system of free enterprise many plans for providing adequate medical care are being developed without paying the price of governmental control and socialized medicine. These include group prepayment, hospital insurance plans, Blue Cross plans—developed under principles approved by the medical profession. More than 15 million people are now covered by the hospitalization plan, additional millions are being insured against various phases of medical catastrophe. None of the socialized plans do as much for the indigent as is now done in the United States. Socialization of medicine inhibits progress and lowers the quality of medical service. It builds bureaucracy and introduces political patronage. It interferes in the confidential relationship of doctor and patient. It depreciates medical education, training, and research. The willingness of the medical profession to assume leadership in further experimentation toward an evolution of medical practice that would widely extend the services makes unnecessary governmental control. The danger of such security, as offered by the Wagner-Murray-Dingell Bill, is for the sake of an apparent immediate benefit. People surrender control over their lives to a federal agency—compelling obedience and servility to the bureaucracy in power.

DR. BOAS CHALLENGES: It is comforting that Dr. Fishbein has discovered that the distribution of medical care is inadequate; that medical care should be available to all. His advocacy of the various voluntary insurance plans shows his education has just begun. Voluntary plans cover about 10% of the population and with few exceptions provide very incomplete medical care. To say alteration in method of payment for medical care will cause deterioration of medical practice intimates doctors work for profit only. The medical profession has not assumed leadership—it has been pushed into unwilling experimentation with voluntary health insurance, and is still trying to defeat a thorough reorientation of medical practice to the needs of today.

DR. FISHBEIN REPLIES: Actually most of the more recent surveys indicate that at least 30% of America's workers are now covered by hospitalization insurance, and more than 20 million others by voluntary surgical and other sickness plans. Who can say bureaucratic governmental care would be better than that provided by voluntary sickness insurance? Has bureaucracy ever demonstrated the efficiency that is inherently associated with private initiative? Dr. Boas' proposals merely mean more political jobs and more political controls. The constant fear of loss of benefits already paid for, I repeat, would compel obedience and servility to the bureaucracy in power.

Rising Exports Aid Farmer And Business

United States exports have been climbing this year toward a record peace-time annual total of about $10,000,000,000.

This recovery in foreign trade, and prospects of further gains as the supply of goods increases, is one of the strongest props for a high level of production and employment. Exports of farm products, particularly, are holding at high figures.

Favoring a continued high level of exports is the $30,000,000,000 in foreign exchange already available or in sight for needy countries from such sources as the United States credit of $3,750,000,000 to England, loans from the Export-Import Bank of Washington and the funds turned over by the United States and other countries to the International Monetary Fund and the International Bank for Reconstruction and Development.

During the four war years 1942-45 United States merchandise exports reached the unprecedented total of $45,000,000,000, reports the Chamber of Commerce of the United States. That total was equal to the combined value of exports in the previous 14 years.

Nation Near Goal Of Sixty Millon Job

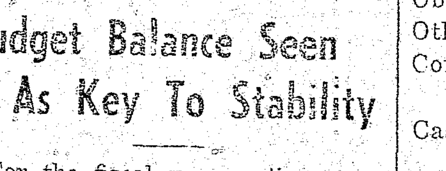
Those sixty million jobs ar[e] here!

More people are at work in th[e] United States now than ever be[-]fore in peace-time.

Census bureau figures show ci[-]vilian employment approaching th[e] celebrated 60,000,000 mark, used b[y] Secretary of Commerce Wallac[e] and others as a slogan for post war full employment.

Since the end of the war, ap[-]proximately 10,000,000 veteran[s] and 15,000,000 released from wa[r] work have returned to peace-tim[e] pursuits. Yet unemployment ha[s] held at the lowest peace-time fig[-]ures in many years.

Moreover, the "help wanted" sign is out on the gates of man[y] plants as American enterpris[e] reaches for new high levels of pro[-]duction and employment.



Budget Balance Seen As Key To Stability

For the fiscal year ending next June, the Federal government expects to spend $41,500,000,000—more than four times total expenditures in the pre-war year 1938-39.

Treasury receipts for the current fiscal year are estimated at nearly $2,000,000,000 less than expenditures.

Thus in the first full peace-time fiscal year, with national income holding close to the war-time peaks, the government is still operating in the red.

As a result, business men and economists are urging more strongly than ever the achievement of a balanced budget to aid the return of the nation to economic stability.

The unbalanced budget is regarded by economists as one of the main sources of the inflationary rise in prices.

The Chamber of Commerce of the United States, representing business views in the nation's capital, calls the 1946-47 budget "disappointingly high" and urges cuts in Federal spending as the key to financial stability.

Not Fiddle, But Bagpipe, Played by Nero in Rome

Nero may have played the bagpipe instead of the fiddle while Rome burned. The oldest of all musical instruments is probably the drum. King Nebuchadnezzar's dancers whirled and dipped to the whining strains of the inbubu, today known as the oboe.

These and many other little-known facts about 25 common musical instruments are revealed in a booklet entitled "Grace Notes," compiled recently by the Electrical Research Products Division of Western Electric Company, manufacturing organization of the Bell System.

The violin was not developed in its present form until about the 16th century. But history records that the bagpipe, or double oboe with a leather bag, was played by the Roman emperor to celebrate his victories. The bagpipe first appeared in Ireland in the fifth century.

Among the oldest instruments is the clarinet, developed in Egypt some 5,000 years ago, while the harp is traced in Babylon history to some 4,000 years ago. America had a share in developing the modern piano, the first upright one being made in Philadelphia in 1800. The banjo is an outgrowth of the "bania" brought to America by West African slaves.

Farmers May Organize

Harold Cowles, executive committee chairman of the Chautauqua County Farm Bureau, in a letter to Farm Bureau chairmen and committeemen throughout the county, praised the proposal of the dairy committee to sponsor a mass meeting of all farmers to form a Chautauqua County Marketing Cooperative.

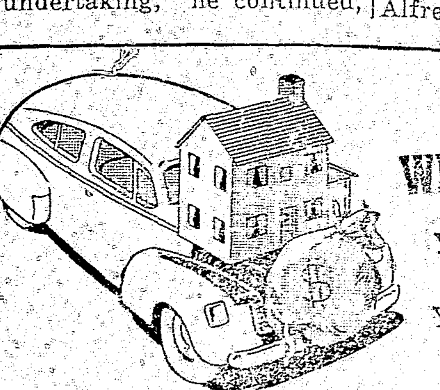
"I believe," Mr. Cowles stated, "that this new venture has great possibilities, which may be far-reaching in their effects in the future. It is a big but worth-while undertaking," he continued, as he enlisted all committee[men's] help in making the mass mee[ting] in the Falconer high school Monday evening, October [..] success.

—o—

The Genesee Gorge in [..] York State vies with the Colo[rado] Canyon in natural beauty, [at]tracting thousands of [..] tourists, according to "Guide [to] Central and Western New York" published by the New York S[tate] Department of Commerce.

—o—

Early American pottery [and] Indian artifacts are studied [by] experts at the Steinham Mus[eum,] Alfred University, Alfred, N[. Y.]



When You Drive—
YOUR HOME, YOUR SAVINGS, YOUR EARNINGS FOR YEARS TO COME RIDE WITH YOU

That's the reason why "full-coverage" automobile insurance protection is a necessity. Without full protection, one automobile accident may take everything you own and your earnings for years to come. Don't take a chance—insure today with a "full-coverage" policy offered by the Farm Bureau Mutual Automobile Insurance Company. It's the economical way to prevent financial loss.

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Vincent O. Train
12 Rumsey St. Phone 39 Silver Creek
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Farm Bureau Mutual Automobile Insurance Company has always returned 25 per cent dividend on earned auto premium in New York State.

CHARTER NO. 10258 RESERVE DISTRICT NO. [..]

REPORT OF CONDITION OF

The Silver Creek National Bank

OF SILVER CREEK IN THE STATE OF NEW YORK
AT THE CLOSE OF BUSINESS ON SEPTEMBER 30, 1946
(Published in response to call made by Comptroller of the Currency under Section 5211, U. S. Revised Statutes.)

ASSETS	
Loans and discounts (including $.09 overdrafts)	$ 742,06[illegible]
United States Government obligations, direct and guaranteed	1,615,951[illegible]
Obigations of States and political subdivisions	2,56[illegible]
Other bonds, notes, and debentures	3[illegible]
Corporate stocks (including $5,550.00 stock of Federal Reserve bank)	5,55[illegible]
Cash, balances with other banks, including reserve balance, and cash items in process of collection	342,575[illegible]
Bank premises owned $55,358.00, furniture and fixtures $1,806.00	57,164[illegible]
(Bank premises owned are subject to (no) liens not assumed by bank)	
Other assets	12[illegible]
TOTAL ASSETS	$2,765,881[illegible]
LIABILITIES	
Demand deposits of individuals, partnerships, and corporations	783,348[illegible]
Time deposits of individuals, partnerships, and corporations	1,530,935[illegible]
Deposits of United States Government (including postal savings)	107,875[illegible]
Deposits of States and political subdivisions	78,039[illegible]
Other deposits (certified and cashier's checks, etc.)	16,473[illegible]
TOTAL DEPOSITS $2,516,670.98	
Bills payable, rediscounts, and other liabilities for borrowed money	50,000[illegible]
Other liabilities	296[illegible]
TOTAL LIABILITIES	$2,516,967[illegible]
CAPITAL ACCOUNTS	
Capital stock: (a) Class A preferred, total par $50,000.00, retirable value $50,000.00 (Rate of dividends on retirable value is 3%) (b) Class B preferred, total par $25,000.00, retirable value $25,000.00. (Rate of dividends on retirable value 5%) (c) Common stock, total par $75,000.00.	150,000[illegible]
Surplus	35,000[illegible]
Undivided profits	36,824[illegible]
Reserves (and retirement account for preferred stock)	27,090[illegible]
TOTAL CAPITAL ACCOUNTS	248,914[illegible]
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	$2,765,881[illegible]
MEMORANDA	
Pledged assets (and securities loaned) (book value):	
(a) United States Government obligations, direct and guaranteed, pledged to secure deposits and other liabilities	$ 315,720.00
(c) Assets pledged to qualify for exercise of fiduciary or corporate powers, and for purposes other than to secure liabilities	20,000.00
(e) TOTAL	$ 335,720.00
Secured liabilities:	
(a) Deposits secured by pledged assets pursuant to requirements of law	$ 163,988.69
(b) Borrowings secured by pledged assets (including rediscounts and repurchase agreements)	50,000.00
(d) TOTAL	$ 213,988.69

STATE OF NEW YORK, COUNTY OF CHAUTAUQUA, ss:
I, A. G. Stoltz, cashier of the above-named bank, do solemnly swear that the above statement is true to the best of my knowledge and belief.

A. G. STOLTZ, Cashier

Sworn to and subscribed before me this 7th day of October, 1946.
F. G. ANDERSON, Notary Public

Correct—Attest:
L. Harold Clement
A. W. Holmes
Arthur W. Guest
Directors.

Irving News

[S]T. ANDREWS CHURCH, Irv[ing]
Rev. Glenn B. Coykendall
Sunday School—9:00 a. m.
Regular Service—7:30 p. m.
Last Sunday of each mo[nth]
Communion Service will be [..]
9:00 a. m.

CHURCH OF THE GOOD SHEPHERD
Irving, New York
Rev. Glenn B. Coykendal[l]
Church Services—4:30 p. [m.]

Mr. and Mrs. Granger Sa[..] [l]eft Monday for a few w[eeks] [v]isit with their daughter,

WE KNOW HOW
Keep
New app[..] future. Make [..] appliances are [..] ued usefulness. [..] service men ca[..] order of your [..]
FOR SE[..]
PATTON
PHONE 100

CHARTER NO. 10159
REPO[RT]
THE FIR[ST]
OF SILVER CREE[K]
AT THE CLOSE OF
(Published in response to [..] under Section

Loans and discounts (in[..]
United States Governme[nt] guaranteed
Obligations of States an[d]
Other bonds, notes, and
Corporate stocks (includ[..] Federal Reserve ba[nk]
Cash, balanees with oth[..] balance, and cash i[..]
Bank premises owned $[..] fixtures (None)
Other assets
TOTAL ASSETS
Demand deposits of in[..] and corporations
Time deposits of indiv[..] and corporations
Deposits of United Sta[tes] postal savings)
Deposits of States and
Other deposits (certifie[d]
TOTAL DEPOSI[TS]
TOTAL LIABILI[TIES]
Capital stock:
(a) Class A prefe[..] retirable value [..] dends on retira[..]
(c) Common stoc[k]
Surplus
Undivided profits
Reserves (and retirem[..]
TOTAL CAPITA[L]
TOTAL LIABIL[..]
Pledged assets (and
(a) United Stat[es] and guaran[..] and other
TOTAL
Secured liabilities:
(a) Deposits s[..] to require[..]
TOTAL
STATE OF NEW Y[ORK]
I, B. W. Campb[ell] swear that the abov[e] and belief.
Sworn to and sub[..] 5th day of October,
WILBUR J. B[..]