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We Serve Swift's
Premium Ham
Short Orders, Meals,
CHICKEN DINNER
Every Sunday

Ice Cream—5c cones for the kiddies

Dew Drop Inn
Confectionery—Restaurant
Mrs. Lester Center of Town

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You Have a
Patronize Home
Work equals any outside work.
We are at your service.
VERNONIA LAUNDRY
Weaver Clark

Stop at the
VERNONIA HOTEL
Hot and Cold Water
Electric Lights
Baths Free to Guests
RATES REASONABLE
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Vernonia, Oregon

PLUMBING
and ELECTRICAL WORK
House Wiring and Supplies,
Plans and Estimates Furnished
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When You Want It. Order from
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Mill 2 Miles South of Vernonia
Rough and Dressed.
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Flooring, Ceiling,
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Only 28 miles; good auto road to
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Dining Room in Connection.
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Genuine Kangaroo
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What Does it Mean?
Kangaroo leather has in superior
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for making better fine shoes. As to
tensile strength, Kangaroo is 17 per
cent better leather than any shoe
made, and soft as a glove.

We have Them in Stock. Various Other Makes
AN ALL-SHOE STORE
Call in this week.
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Horseshoe Counter
Next to Eagle Office
Best Place to Eat

All Kinds of Pastry for Sale
Orders taken for Birthday and Wed-
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Meals at All Hours,
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Don't Let
Your Battery
Die of Thirst.
FREE
Distilled Water and
INSPECTION
Vernonia Battery Service
Vernonia Brazing and Machine
Works, on Rose Ave.

THE HIGH COST OF CHEAP MONEY

Widows and Orphans Among
Chief Losers From Unsound
Currency.

E. E. AGGER CITES EXPERIENCE

Speculators Rather Than Inves-
tors and Producers Win From
Currency Depreciation.

The losses and costs borne by the
government and the people of the
United States from unsound money
experiments, from colonial times
down, doubtless total more than our
staggering World War appropri-
ations, it is declared by E. E. Agger,
an authority on economics, in the
Journal of the American Bankers' As-
sociation. "Cheap money," he says,
is very costly, since frenzied finance,
speculation and business disaster
have invariably followed in the wake
of unsound currency. He cites his
historical experience showing that wid-
ows and orphans were among the
chief sufferers.

"New generations of adults, like
children, have to learn over and over
again that, when playing with fire,
one runs the risk of being burned,"
Mr. Agger says. "Indulging curren-
cy heresies constitutes such an adult
playing-with-fire. A glance over our
own historical experience would dem-
onstrate this to the most ardent 'easy
money' advocate, but such advocates
are usually those to whom history is
'bunk.'"

Soft Money Advocates Seek Profit.
"Unfortunately those who are will-
ing to kindle the kind of conflagra-
tion involved in 'soft-money' experi-
mentation are not the only ones hurt.
Indeed, they may extort an advan-
tage for themselves. But the record
is all too clear concerning the mass
of people. Heavy losses, injustice,
disorganized production and numer-
ous other evils are inevitable.

"Unsound money projects impose
heavy costs on the government itself.
The first effect of cheap money is to
raise prices. Mounting prices mean
that, to meet its needs, the govern-
ment must appropriate always larger
sums. Again, dallying with unsound
money weakens the government's
credit. Prospective bond buyers be-
come hesitant when currency depre-
ciation is threatened, because there is
danger of agitation toward the pay-
ment of government obligations in the
cheaper money rather than in specie.
Any such weakening of government
credit means lower prices received for
bonds, consequently greater burdens
on the Treasury. Assuming that, in
the end, sound principles triumph, the
indulgences of the unsound currency
days leave further costs to be met.
If paper money has been issued it
must be redeemed. If a government
be unwilling to stoop to repudiation
it must raise much more in taxes to
pay for the paper money than it re-
ceived at the time of issue."

The total effect of paper issues in
increasing the cost of the Civil War is
estimated at about \$330,000,000. Mr.
Agger says, continuing:

"Much more serious than the costs
of unsound currency to the govern-
ment are the heavy direct and indi-
rect costs imposed upon the people.
Our productive system is controlled
through prices, and the upset of prices,
caused by a depreciating currency, in-
terferes with the proper harmonizing
of the different lines of production.
Price changes are not instantaneous
or uniformly effected throughout the
whole system. The result of an in-
flationary movement is a stimulation
of speculation and over-investment in
some lines, with inadequate develop-
ment in other lines. The period of
speculation seems a period of prosper-
ity, but how false and unsound is such
prosperity is disclosed in the stress
and agony of the inevitable period of
liquidation which, Nemesis-like, fol-
lows on the heels of the boom."

Wealth Unfairly Re-distributed
Mr. Agger then describes "the dis-
tressing effects of an unsound money
on the distribution of wealth among
classes and individuals. Cheapening
money through inflationary expedi-
ents is a gigantic fraud upon the cred-
itor classes as against debtors. All
those dependent on fixed incomes, or
receiving specified sums in terms of
money, are penalized when the pur-
chasing power of money is depressed.
In like manner the stockholder profits
at the expense of the bondholder—a
fact which implies a reward to the
more speculatively inclined at the ex-
pense of the conservative.

"Advancing prices cause discontent
and give rise to agitation and unrest
among those whose incomes cannot
promptly be adjusted to meet higher
living costs. Strikes are fomented
and production is curtailed. Every-
body shares in these burdens. Lack
of stability in money also undermines
and weakens habits of thrift. A cor-
rosion of the moral integrity of the
people is inevitable. Dishonesty is
stimulated and a desire to gain by
speculation rather than to earn a live-
lihood by productive and useful labor
causes a marked deterioration in pop-
ular habits and character."

WOOD—Good Wood—Cheap Woon—Time to Buy it Right Now—WOOD

Good Mill **SLAB WOOD** Delivered For
\$3.75 Per Load

Good Big Loads of the Best Slab Wood now for this low price.
Lay in your winter's supply Now.

Makes a Quick, Hot Fire.

VERNONIA MILL CO.
O. W. HODGES

THE SERVICE OF A FAILURE

BY J. H. PUELICHER
President American Bankers
Association



J. H. Puelicher

When Gov-
ernor Walton of
Oklahoma signed
recently the re-
peal of the bank
deposit guaranty
law in that state,
he performed an
economic service
to the whole coun-
try. I might even
say that Okla-
homa in passing
that law, enduring its evil conse-
quences for fifteen years and then
frankly casting it aside as a failure,
has performed an economic service to
the nation. There could be no more
convincing argument against the pas-
sage of similar laws in other states
than Oklahoma's disastrous experi-
ment.

The Oklahoma guaranty law was
the first of its kind. It was enacted
in response to the panic of 1907. But
experience has only proved again that
there is no substitute for sound bank-
ing. Relying on the fancied security
of the guaranty law, people entrusted
their banking to many who were un-
fit for the trust. Bank failures have
been so many that the fund, sup-
posed to guarantee deposits, created
by assessments on banks, was long
ago depleted.

It is estimated that with total liab-
ilities created under the law in the
form of warrants and sums owing to
depositors amounting to \$12,000,000,
there are in the hands of the Banking
Board uncertain assets of nominally
\$15,000,000, ranging in value from
zero to only thirty or forty cents on
the dollar, resulting in a deficit of
many million dollars. Sound, well-man-
aged banks have been heavily taxed
by assessments to the fund, and the
maximum amount that could be as-
sessed on solvent banks is insufficient
to cover the deficit.

It has been well said that guaranty
laws make for looseness in banking
methods, and saddle on the com-
petent and honest the sins of the in-
competent and dishonest.

Let us have only laws that raise
the standard of banking. Let us have
no laws that debase it.

The Willamette river was opened
last week to commercial fishing, in ac-
cordance with the law passed at the
last session of the legislature, and
will remain open until June 15. Al-
though 50 or 60 boats were out on the
first day, less than a ton of fish was
taken.

One hundred and eighty thousand
Douglas fir trees have just been plant-
ed on a tract of 115 acres in the Mount
Hebo district in the Siuslaw national
forest in Tillamook county. A crew
of men averaging 20 in number has
been at work for the last month and
a half.

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is better than the average. It is really
the Best Coffee. We want you to try it.

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