A GOOD WAY TO UPSET PRICES

Further Exposures of How Edison-Ford Money Plan Would Fail to Aid Farmer.

The way the Edison-Ford "commodity money" scheme, aimed to stabilize monetary values, would have exactly the opposite effect, is discussed in the present article, which is the second in a series prepared by the American Bankers Association, reviewing the exposure of the weaknesses of the plan as presented by William T. Foster, Director of the Pollack Foundation for Economic Research.

Briefly stated, the Edison-Ford plan provides for Government warehousing of basic commodities, against which currency would be loaned to the producer without interest, up to half the average value of the products for the previous twenty-five years. This currency would be cancelled as the commodities were withdrawn and passed into trade. On the other half of the value the producer would receive "equity certificates" which he could sell or use for bank loans. On these points Mr. Foster says:

Upsetting Price Equilibrium

"Steady price levels depend mainly on the balance between the volume of goods on the market and the volume of money offered for goods. The Edison plan is designed expressly to upset the balance. A farmer delivers, say, two thousand bushels of wheat to the Goverment warehouse and the Government delivers one thousand dollars in new money to the farmer. When the farmer sells the wheat he repays the loan and the Government destroys the money. Thus the volume of money is increased precisely when goods are stored; and the volume of money is decreased precisely when these goods are marketed. In other words, each transaction begins by placing in circulation goods without money to match the goods. Dollar demand is created as the supply of goods is withdrawn; the supply of goods is created as dollar demand is withdrawn.

"Would it enable the farmer to borrow more money on his products than he can now borrow? When Mr. Edison contends that farmers would obtain larger loans on their crops than they can now obtain from banks, he is confronted by this dilemma: Either the banks are now refusing to make sound loans, or, under the Edison plan, the Government would make unsound loans.

"Neither Mr. Edison nor Mr. Ford can consistently contend that banks now refuse to make sound loans, for that is the way banks make most of their profits, and Mr. Edison and Mr. Ford have no doubt that banks are conducted for profit. It follows that the plan would yield larger loans to farmers only if the Government met the risks of unsound banking. In that case all that insolvent borrowers gained would be paid by the rest of the population, which, to say the least, is not a fair deal.

Cutting Down Farm Credit

"Apparently, however, the Government is not expected to run many risks, for the farmer is allowed to borrow an amount no greater than one-half the average value of his product for the previous twenty-five years. But prices have risen so high since 1896 that the farmer could borrow on most products much less than half the present value of the products. It would be much less, therefore, than the farmer could borrow directly from the banks on graded products; on products not graded no Government loans would be made, for there would be no way of determining the twenty-five-year price average.

"However, the farmer, having obtained the stipulated Government loan on his goods, could then offer his equity certificate to a bank for an additional loan. But the equity certificate is virtually a second mortgage, and no bank would prefer a second mortgage to a first mortgage.

"Suppose the Old National Bank was willing to lend a farmer eight hundred dollars on one thousand bushels of wheat. Suppose, however, the farmer deposited the wheat in a Federal warehouse and obtained five hundred dollars from the Government. Certainly the bank would not lend the farmer three hundred dollars on the equity certificate. The protection of the bank would be greater if the farmer relied on the bank for the entire loan; for in that case the bank could realize on its security without being obliged to pay five hundred dollars to get the wheat out of Government storage. The farmer can now borrow more money from a bank on standardized farm products than under the Edison plan."

GETTING TOGETHER

"The earth and the fulness thereof" is the primary source of capital. The farmer, therefore, is the nation's greatest producer of wealth. Farming and banking—production and distribution—should go hand in hand. The problems of the farmer are the problems of the banker. Both are vitally concerned in bringing about a proper adjustment of transportation and marketing costs. The increasing tendency toward a more sympathetic understanding of each other's relation to these problems is one of the very encouraging signs of the times, and will result in further advancement of their mutual interests.—Walter W. Head, First Vice President American Bankers Association.

... Court made and entered on this 6th day of June, 1923, notice is hereby given that the following described County Warrants, which were issued more than seven years prior to the first day of July, 1923 have not been presented for payment and unless presented for payment within SIXTY days from said first day of July, 1923, same will be cancelled and payment thereof will be refused.

Number	Date	Name	Amount
General Fund			
590	July 8, 1915	Frank Freeman	$ 5.10
682	Aug. 2, 1915	Andrew Kari	15.00
783	Aug. 5, 1915	Lillian Abbott	6.00
899	Sep. 2, 1915	A. Swenson	2.00
953	Sep. 2, 1915	Mrs. A. Saari	1.50
1040	Oct. 1, 1915	Gus Frederickson	10.00
1131	Oct. 8, 1915	F. Guthrie	5.10
1132	Oct. 8, 1915	Frank Wisenen	5.10
1133	Oct. 8, 1915	Clarence Wand	5.10
1134	Oct. 8, 1915	Dale Hedgpath	5.10
1135	Oct. 8, 1915	W. Howard	5.10
1136	Oct. 8, 1915	Jess Stanley	5.10
1137	Oct. 8, 1915	Harry Patterson	3.00
1160	Oct. 8, 1915	Multnomah County	15.33
1162	Oct. 8, 1915	Multnomah County	8.39
1307	Nov. 5, 1915	L. H. Huntley	4.00
1366	Nov. 5, 1915	Ottis Boyt	2.50
1401	Nov. 5, 1915	James Hoffman	2.00
1737	Jan. 7, 1916	Peter Hawkins	1.05
1798	Jan. 7, 1916	Anti-Saloon League of Ore.	2.59
1850	Jan. 7, 1916	Peter Arderson	1.50
1859	Jan. 7, 1016	E. Enner	1.50
2026	Feb. 3, 1916	John Stemman	2.30
2184	Mar. 2, 1916	Ole Nelson	1.00
2207	Mar. 2, 1916	A. F. Myers	2.00
2407	April 7, 1916	Rosa Makinster	1.80
2410	April 7, 1916	Maggie Eisenhart	1.20
2411	April 7, 1916	R. Archibald	1.20
2534	May 4, 1916	Alice Woodward	2.00
2567	May 4, 1916	Record Publishing Co.	9.40
2710	June 9, 1916	S. D. Hunt	135.50
2961	Jun. 10, 1916	B. H. Jones	3.25
3010	Jun. 10, 1916	A. Hansen	7.80
General Road Fund			
8388	Sep. 2, 1915	Barthold-Barg Co.	.69
9924	Dec. 3, 1915	John Rice	2.50
9659	Nov. 5, 1915	Paul Graunitz	5.00
Road District No. 2			
7734	July 8, 1915	Warren Auto Co.	2.50
Road District No. 3			
1294	June 10, 1916	Sam Wagowan	2.50
1297	June 10, 1916	John Wiscnan	1.25
Road District No. 4			
8527	Sept. 2, 1915	Julius Both	1.25
8528	Sept. 2, 1915	Arthur Silva	.75
690	Apr. 7, 1916	J. D. Silva	.75
Road District No. 5			
8218	Aug. 5. 1915	Newton Trotter	4.00
106	Jan. 7, 1916	Finley McKinnon	1.00
406	Mar. 2, 1916	E. S. Bryant	2.50
Road District No. 6			
750	Apr. 7, 1916	Lincion Peterson	1.00
Road District No. 7			
459	Mar. 2, 1916	John B. Ray	2.00
Special Road Dist. No. 5			
4400	Aug. 5, 1915	J. Snow	6.00

In Witness Whereof, I have hereunto set my hand and seal of the County Court this 6th day of June, 1923.

J. W. HUNT, County Clerk.

NEED FOR UNIFORMITY IN BUSINESS LAWS

How Collection of Just Debts May Be Prevented by Differing State Statutes.

An effort to bring about better coordination and greater uniformity among state laws dealing with business and banking is being made by the American Bankers Association.

It is pointed out that, although the country is a unit commercially, and citizens of any one state may do business that reaches all over the country, most laws governing business transactions are made by the different states, with application limited to their own local jurisdictions and often in conflict with laws in other states. It is held that state laws should be uniform so that the same transaction will not be subject to different sets of rules according as state laws differ.

To illustrate the disadvantages of conflicting laws, the following illustration is given: Mr. Jones lives in New York where the statute of limitations outlaws a note in six years. He falls into the error of assuming that the same rule prevails everywhere. He visits Maryland and loans $1,000 to his friend, Mr. Smith, taking a promissory note. As the note carries interest Mr. Jones is in no hurry for his money and he believes Smith to be financially responsible. Finally at the end of four years Jones concludes he has loaned Smith the money long enough and seeks to collect the note from him. But Smith can deny liability and point to the statute of Maryland which Jones is surprised to learn outlaws a note after three years.

Changes Recommended

The particular subjects of legislation recommended by the association for enactment by State legislatures during 1923 include uniform acts on negotiable instruments, bills of lading, warehouse receipts, stock transfer, and fiduciaries.

Under the head of laws for better protection of banks in particular transactions are proposed measures dealing with limiting liability on certified check; instruments based on gambling or usurious consideration; time limit on stop payment; payment of stale check; adverse claim to bank deposit; payment of forged or raised check; deposits in two names; deposits in trust; competency of bank and corporation notaries; non-payment of check through error; Saturday afternoon bank transactions, and forwarding check direct to payor.

Under the Federal Reserve and foreign banking are recommended laws on membership of state institutions in Federal Reserve System, and foreign banking. Peral laws proposed deal with false statements for credit; slander and libel of bank; checks or drafts without funds, and burglary with explosives.

The Carlton & Coast Railroad company has resumed train operations, according to information received at the offices of the public service commission. The railroad suspended operations a few months ago, pending the reconstruction of a number of bridges and other improvements.

Vernonia Eagle, $1.50 a year.

Mrs. John Eaton was taken to a Portland hospital, to undergo an operation, this week.

R. J. Hamilton met with a bad accident Tuesday at the Vernonia mill. He was loading wood in a dump wagon and winding up the wagon box. The chain broke, causing the handle to reverse, and in some manner broke his arm in three places, one of the bones coming through the flesh. He went to a Portland hospital.

The Fourth of July was quiet here. People of the Nehalem celebrated in Clatskanie, Portland and Hillsboro. Clatskanie drew quite a crowd and those attending their doings report a good old fashioned Fourth of July