

The Observer

AN INDEPENDENT NEWSPAPER.
Published daily and weekly at La Grande, Oregon, by La Grande Evening Observer Publishing Company.
BRUCE DENNIS, Editor

Entered at the Postoffice at La Grande, Oregon, as Second Class Mail Matter.
Address all communications to THE OBSERVER, 1114 Adams Ave., La Grande, Oregon.

CITY AND COUNTY OFFICIAL PAPER

On sale in other cities—Oregon Hotel News Stand, Portland; Imperial News Stand, Portland; Mainland News Stand, Portland.

SUBSCRIPTION RATES
By Carrier: Daily, per month \$1.50; per three months \$4.25; per six months \$7.50; per year \$13.50. Single copy 5c.
By Mail: Daily, per month \$1.50; per three months \$4.25; per six months \$7.50; per year \$13.50. Single copy 5c.

MEMBER OF ASSOCIATED PRESS.
The Associated Press is exclusively entitled to the use for publication of all news dispatches credited to it or not otherwise credited in this paper, and also the text of news published therein. All rights of republication of special dispatches here also are reserved.

This Bank Bears the Facts

With so much propaganda afloat

relative to business—its quick return and its needful optimism—it is mighty fine to read the following extract from a communication recently sent out by the National City Bank of New York City. It seems to sum up the situation as present business conditions and the future outlook justify. The communication follows:

The general trend of business and industry during the month of June has been quiet and repressed. Some further hopeful signs have appeared, side by side with others which give less encouragement.

The plain truth of the thing is that the recovery of business, for which everybody has been hoping and waiting since the depression began late last year, has not yet materialized. No one's interests will be furthered by an ostrich-like attitude which buries its head in undue optimism, and makes glowing predictions for the immediate future, predicated wholly on a magnifying of the favorable symptoms. It is easy enough, and pleasant enough, to fall anxiously by such a process of reasoning, but what is wanted now is a general realization of the obstacles that must be met and overcome, more than a light-hearted prevalence of optimism founded only on half truths.

Undue Pessimism Harmful.
"On the other hand, an attitude of unwarranted pessimism can be just as harmful, if not even more so. We know that our banking system is intrinsically sound, and that it has already proved its capability to withstand the shock of a period of extraordinary strain, and to emerge unscathed from the most difficult test imposed in many years. We know that our ability, as a nation, to produce the raw materials which our people need, and which the world must buy from us, has been in no wise dwarfed. We know, finally, that our industrial and business organization is geared for production not only ample for our own needs, but on sufficiently large proportions to make export on a considerable scale a vital necessity.

"These are fundamental facts, so plain that they cannot be misinterpreted. It is hard to understand how, knowing the foundation upon which our business life rests to be as rigidly secure as it is, there can be any doubt as to the final recovery. It is progressing no more laggardly now than in 1903 and 1904, when we were passing through a somewhat similar period, or in 1907 and 1908.

Recovery is certain to be slow. Where the artificially stimulated optimism makes his mistake is that, seeing upon a few favorable but quite natural events, he seeks to make them the basis of predictions that the final turn in the road has come, and that next week, or next month, the difficulties into which business and industry have fallen will have slightly drifted away.

"It is primarily a question of adjustment between the various component parts in our economic structure. As has been pointed out before, a great portion of the population, particularly that portion concerned with the production of agricultural commodities—has had its purchasing power halved by the drop in commodity prices. Finished products have shown no such decline. The result has been that that portion of the population which has had its purchasing power cut in two is buying only half as much of those products which have not declined materially in price. Industrial stagnation and unemployment has been the inevitable consequence.

Although the process of bringing the price of farm products and manufactured articles into equilibrium must be slow and even painful, the fact does not mean that everyone can sit down, fold their hands, and wait for some mysterious set of forces to make things normal again. The result will come most quickly through the combined efforts of everyone, and the sooner every man and woman in this country who either receives wages or pays wages realizes and operates on the basis that the unbalanced state of industry requires compensation received by important bodies of people must be recovered, the sooner will the real, sound revival of business begin in earnest. It is important to think about the proposition, but it is utterly essential to act upon it.

Consolation for Farmers

The wheat harvest is in progress. Starting in Texas in June, it proceeds slowly toward the Canadian border. Wherever the reaping is in progress, a great change is observed in the labor situation.

Last year and the year before farmers had great difficulty in getting in their crops, and had to pay heart-breaking wages. Now they have plenty of help. The supply of agricultural labor is in excess of the demand. As a result of this labor surplus, farm wages are down to 50 or 60 a day.

Here is compensation for help

wheat. There is similar consolation for low prices with regard to all the farmer's crops this year. It is possible that enough will be saved on the lower wages to make up altogether for cheaper prices, and leaves the farmer fairly prosperous at the end of the season in spite of all his forebodings. There will be no doubt of the outcome if the prices of the things the farmer has to buy, many of which are still higher than they ought to be, suffer a corresponding deflation. And all the time, be it remembered, the farmer has a job, with no cause to worry about his three meals a day. Several million unemployed workmen are thinking of that. Farming, recently unpopular, is growing more attractive.

Postal Savings Interest

The most valid criticism made of the postal savings bank by Postmaster-General Hays is the low rate of interest it pays. Two per cent is not an inviting rate at any time. In view of the investment rates that have prevailed lately, it is ridiculous. In practice, too, this pitiful return has been cut down to an average of 1 1/2 per cent, because no interest is paid on money deposited less than one year.

The government itself has profited, as it was never intended to do, by re-investing deposits at 2 1/2 per cent. The postmaster-general now proposes a raise in the interest rate to 3 per cent, and to pay interest on deposits of less than a year.

There can be no sound objection to that. Three per cent is low enough, compared with prevalent interest rates paid by banks, and particularly compared with the rates obtainable on gilt-edged loans.

It is always advisable, no doubt to keep the rate on postal savings a little lower than the bank rate, in order to avoid the appearance of unfair competition with the banks. If another of Mr. Hays' suggestions is followed bank opposition will be contained by the sensible procedure of re-depositing funds in local banks, as it was intended to be.

The proposed changes would probably redeem this once promising institution from the disrepute into which it has fallen, and give new stimulus to thrift among millions who cannot save money except in small amounts. Their petty savings, once accumulated, may yet become a power in the country's finance.

The Woes of Weight

Nobody loves a fat man, according to the proverb, and in hot weather comparatively few fat men are able to love themselves with any degree of enthusiasm. Despite their many virtues of temperament, the weather picks on them no less relentlessly than do the paragraphs and the cartoonists. Truly, their lot is a hard one.

But for the last word in hard luck, we are indebted to a stout Englishman, one George Squibb, whose avoirdupois and whose unhappy fate alike command space in the news dispatches.

George felt the heat outrageously, and his friends poked fun at him. He wooed a Wareham lass with all a fat man's ardor, and she threw him down. He took a running jump into the Thames with suicidal intent, and he just couldn't sink. The bulk of his flesh served him as few life preservers could, and despite his pleas, the police fished him out, laughing all the while.

And now, in the hottest spell of weather that Englishmen have known in a decade, he has to go to a stuffy jail. But why pursue the victim further.

'Round The County

Incidents with Human Interest Attached, Gathered by The Observer.

Son in Father's Shoes.
A splendid example of how the college youth of the right stuff and properly raised, can "carry on" in his father's shoes is found in North Powder, where J. R. and J. A. Smith are bringing out of a section and a half of irrigated land about all that the soil can be made to produce. About 40 years ago J. R. Smith came to this country and by hard work, thrift and self denial, acquired title to a section of land that is now under water. J. A. Smith is his son, and he owns another half section. In 1915, J. A. was graduated from O. A. C. and he came home to run the family ranch.

Mr. Smith has found it expedient to raise alfalfa and stock, with some grain, and he does it all in a way to insure the greatest return possible from the soil. Irrigation is his particular talisman and he knows it from A to Z. He keeps abreast of the times. He applies the latest rodent poison in the latest way—nothing that will improve or enhance the property is overlooked.

Confronted with the meagre prices the market is paying for the great quantities of hay he has raised this year, he has figured out how he can get more for his crop in other ways than by selling it, and he is buying stock. This will be fed the products of his fields and when the right time comes, off will go the stock to market and back will come the cash.

The section and a half of land he farms lies in good advantage south of North Powder on the Powder river in one of the most fertile spots in Union county—especially fertile since water was turned loose on the big area.

THE OFFICE CAT



—By JUNIOR—

Then and Now.
They used to say come seven,
Baby needs shoes,
Now they say come eleven,
Papa needs booze.

It's Not the Original Cost, It's the Upkeep.
A friend of ours remarked yesterday that after a man has had a wife or an automobile for a while he is not as crazy about either of them as when he first got them.

If some men seen about the streets here in La Grande ever started out to go to the expense of having black flags made. They could use their dirty handkerchiefs.

A local barber says that his idea of a real optimist is a bald-headed man who cheerfully figures out how much he saves by not having to get his hair cut, buy hair tonic and dandruff cure.

A sure way to spot a low brow at a hi-brow concert. He always yawns while applauding.

If eggs come down a little more, nebbe one can borrow an egg from the neighbors without giving a chattel mortgage on the kitchen cabinet.

Utopia.
Miss Kewpie: "Where are you going, Pepper?"
Mr. Pepper: "Going to get married, dear."
Kewpie: "Oh, may I go along?"
Pepper: "Yes, sweetheart, and we will only buy the tickets one way."

A disillusioned American Socialist reports that travel in Russia is "one breakdown after another." Just like the government in Russia.

Who is the nation going to celebrate that peace the senate has made with Germany?

That's Fair.
Bohunkus is a gentleman.
He doesn't profiteer.
He never charges more for goods

Than they are worth, I hear.
Nobody kicks about his price.
Nor claims that he's a thief.
He doesn't cheat a single soul.
It's most beyond belief.
Bohunkus is well spoken of;
He doesn't profiteer.
The reason's quite apparent for
Bohunkus died last year.

"While his wife was away on a visit recently, a certain Stockton man ate a quantity of birdseed, thinking it was breakfast food," reports the "Record."
"Now he sleeps with his head under his arm, and awakens the family each morning with an outburst of song.

Confessions of a Cynic.
I never feel like committing homicide until I meet up with one of those "Don't Worry" boys.

I believe the next thing should be a drive in behalf of the devastated column conductors.

I think all picnics should be held in winter, and then nobody would have to go to them.

I have often asked why all the big movie houses run the same news reel, but I have never found out.

I have noticed that the telephone always worked when there is somebody on the wire to whom I do not want to talk.

I am never impressed by a business man who makes himself hard to see.

I am very fond of cold weather, but I would rather have it in the summer, when it is needed, than in the winter when it is not.

I am not naturally vindictive, but it is hard for me to be decent to a neighbor who washes and wipes the dishes for his wife.

I don't care whether I ever see a woman's ear again, so they need not uncover them on my account.

I see the cost of living has come down 1 per cent since last July, but if I hadn't read it in the papers, I would never have known it.

It is rather a coincidence that the stock went out of stockings at the same time that the per cent went out of beer. The ladies are now wearing "less than half of one per cent stockings."

West & Co THE QUALITY STORE

The New Gingham Are In!

Checks in Every Color
23c yd.

Checked Gingham that we have long been waiting for arrived by express this morning. Every desired color in among them—blue, pink, green, brown and black. All different sized checks over white. These are our regular fine quality M. F. C. gingham, 27 inches wide and priced at 23c. There were over 800 yds. in the lot this morning but not over 100 yds. of a kind; some only 50 yds. so we advise your earliest selection if you are waiting for these. Phone orders promptly filled.

A New **Oxford**
For Fall —"Armstrong"

\$10

Almost a month in advance of the regular scheduled time, we have received one of our fall oxfords from "ARMSTRONG." It is a dark brown heavy calfskin, with saddle strap vamp, a very new feature. It is made with well sole and military heel. All sizes complete now, 2 1/2 to 9. Priced at \$10.00.

State News

Tillamook County Cow Testing association reports 1117 cows tested during June, with an average yield of 1031 pounds of milk and 44 pounds of butterfat. This is the highest average yield of any association in the state for the month, according to E. B. Pitt, of O. A. C., in charge of the work. The high cow was "Jewel," a grade Guernsey, owned by P. G. Sharke, which produced 1599 pounds of milk and 97.64 pounds of butterfat.

The proposed trip of Mary Roberts Rinehart, noted writer, and her family, to the Oregon Cascades during the month of August, has been postponed, owing to the recent illness of Mrs. Rinehart, who recently underwent a serious surgical operation.

A traffic census was taken on the Highway at Hood River, Saturday, Sunday and Monday. Results reported are: Saturday, 697 Oregon passenger automobiles, 289 from other states, and 5 motor trucks; Sunday, 1522 Oregon automobiles, 270 from other states and 29 trucks; Monday, 137 Oregon cars 209 from other states and 41 trucks.

A Stadium Defined.
"An ob-fash-ioned woman" writes in to ask, "What is a stadium?" A stadium madam, is a large ball park with a university attached.—Boston Transcript.

Rumors are current about the state house in Salem that the presidency of the State Normal school at Monmouth will be offered J. A. Churchill, state superintendent of public instruction. Churchill is now in Michigan and whether he would accept the position if it were offered to him by the regents of the institution could not be ascertained, but friends believe he would not relinquish his present salary of \$4000 a year to accept the presidency of the normal school at a similar salary.

F. W. Yake, physical director of the Baker Y. M. C. A., has resigned his position and left for California. He had finished two seasons of very successful work and thus completed his contract with the association.

H. H. Gibson, professor of vocational agriculture in the University of Arizona, and formerly director of agricultural education in Vermont University, has been appointed head of the department of agricultural education at the Oregon Agricultural College. He will relieve E. D. Duxee, acting head, who will devote his entire time to teaching and Smith-Hughes work.

Call here for
DEERING and McCORMICK
Haying and Harvesting
MACHINERY

Also Genuine I. H. C. Repairs
Guaranteed to fit

Floyd McKennon
Dealer
1416 Adams Ave. La Grande, Ore.

IN THE OLD HOME TOWN

humaner than ever in his latest dapper Western love drama.

The FREEZE OUT!

—Also—
CLYDE COOK
Comedy

S·T·A·R

SATURDAY
SUNDAY

HARRY CAREY

THE TELEPHONE

—is a servant always at command, that never tires; night or day, hot or cold, snow or rain, it is always ready to quickly, cheaply and cheerfully perform tasks that otherwise require time, expense, exposure and in cases every day, by its celerity, it saves lives and property of value almost beyond computation.

Home Independent Telephone Co.

Carr's Carr's

Where Your Credit Is Good
Use It
COMPLETE HOME FURNISHER

There are Three Exclusive Features in "Sa Camille"

FRONT LACED CORSETS.
VENTILO BACK, the VENTILO FRONT SHIELD and LOX-IT NON-TILTING CLASP.

—Judged by Fit, Workmanship, Wearing Qualities and Style, LA CAMILLE is always found the CORSET of greatest value. A complete line of new models now on hand.

MRS. ROBERT PATTISON, Corsetiers.
—Phone Black 81—
Residence 1912 Fourth St., First Block West of P. O.

THE TELEPHONE

—is a servant always at command, that never tires; night or day, hot or cold, snow or rain, it is always ready to quickly, cheaply and cheerfully perform tasks that otherwise require time, expense, exposure and in cases every day, by its celerity, it saves lives and property of value almost beyond computation.

Home Independent Telephone Co.