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THURSDAY, DECEMBER 29, 1921

THE FARMER'S CONDITION

Ordinarily one does not look to official reports for anything more than dry-as-dust statistics and technical discussions that have no interest to the general public. Nevertheless there are occasions when a report will rise to unusual heights and present either such good writing, such able discussion, or such apt description as to make it noteworthy. In its opening paragraphs describing the condition of the American farmer the annual report of Henry C. Wallace, secretary of agriculture reaches these heights. We think our readers will welcome the opportunity of reading this portion of the report and we reprint it as follows:

"The farmer receives his money wages in the form of payment for his crops and live stock. These wages are not paid regularly every week or every month, except in part in the case of some dairy farmers, but at irregular intervals varying from three months to a year or more, depending upon the nature of the crop. Neither rate of wages nor hours of work is agreed upon in advance. The consuming public pays, but it makes no agreement as to the amount it will pay. The farmer is urged to produce abundantly, but the price paid him for what he produces is set after the amount of his production is known. The buyers drive the shrewdest possible bargain. The more the farmer produces, the less the buyers want to pay. Thus we have large production penalized. Very often—indeed, it is the general rule—a large crop brings the farmer fewer total dollars than a small crop. And often a large crop sells at less than it costs the farmer on an average to produce it. Such is the condition this year. The energy and the intelligence with which the farmer works, the number of hours he works, the cost he incurs in producing crops—none of these is considered in determining the price.

"The farmer, therefore must work on faith. He must himself carry all the risks of weather, of heat and cold, of flood and drought, of destructive storms, of insect pests, and plant and animal diseases. He must plant enough to make sure that there will be food for all, with the practical certainty that in unusually favorable seasons the result may be a large surplus, and that this surplus, which can not be hidden, probably will cause prices lower than the actual cost of production. He must be willing to accept these low prices with the best grace possible and adjust his living expenses to meet his reduced income. The American farmer always has done this. He is a philosopher, as every man must be who works with nature and is subject to nature's varying moods. And he feels his responsibility to feed the people. If the farmers of America should cease work for a single

crop season, millions upon millions of people would suffer for food. They have never ceased work, no matter what the trials and hardships.

"In an orderly world the farmers are able one year with another to so adjust their production to the needs of consumption as to enjoy a fairly reasonable share of the national prosperity. During the period of development when farm land is increasing in value, landowners look upon the enhanced value of their land as accumulated compensation to offset unprofitable crop years. This thought has consoled them under many distressing conditions of crop failures and low prices. As they advance in age and come to the time when they must cease hard work, they have reaped this accumulated value through sale of the farm or through renting on the basis of value. The people of America have until very recent years been fed at a price below the actual cost of producing farm crops, if all of the factors which properly enter into that cost are considered and if the farmer should be allowed a wage no larger than the wage paid for the cheapest labor. In the case of the investor or speculator, increase in the value of farm land may be unearned increment. In the case of the farmer it is earned increment.

"The farmer must carry also those risks, due to changes in business, both at home and abroad, which influence the demand for farm products; that is, his prices are influenced by the ups and downs of business over which he has no control. In periods of disturbance, which interrupt foreign trade or interfere with home industries and thereby decrease demand for farm crops, the farmer suffers through the reduction of his wage by decreased prices for his crops. When such periods come at a time when the cost of production is unusually high, and especially if one bad year has followed another and thus finds the farmer heavily in debt because of the losses of the previous year, the result is serious and makes trouble for the farmer and everyone else. But the farmer always works. He always produces. He grows food in abundance.

"The crops of the year 1920 were produced at the greatest costs ever known. These costs were justified by prices which prevailed at planting time. They were incurred willingly because the farmers had been told over and over again that overseas there was a hungry world waiting to be fed and that there would be a strong demand for all they could produce. The production was large; the farmers worked very hard, and climatic conditions favored good crops. But before the crops were harvested prices had so decreased that at market time the crops sold for far less than the cost of production, considering the country as a whole. Hundreds of thousands produced at heavy financial loss.

"The farmers had taken it for granted that war prices could not continue. They had expected lower prices for their own products. They had not thought that their prices would drop as low as they did, but during the winter they accepted these very low prices with their usual philosophy. They borrowed more money to keep themselves going, and in the face of a continuing decline in prices of almost all of their crops they put out ample acreage in the spring of 1921. At that time prices of farm products were much below the cost of

production and far lower relatively than the prices of other commodities. The farmers' wages had thus been reduced to about the prewar level, but the wages of other people, whether paid direct or through the products of their work, remained very near the war level and from 50 to 100 per cent or more above the prewar level. This was a disturbing condition, but the farmer hoped and had a right to expect that by the time his crops of this year were ready for market other workers and other manufacturers, for the farmer is both, would be willing to accept their share of the burden of economic rebuilding and that the prices of other things, including wages, which have the greatest influence on such prices, would come down to a fairer and more nearly normal relation to the price of farm products. There was no attempt on the part of the farmers to restrict production. In some cases, as with the cotton farmers of the south, there was an effort to re-adjust acreage by substituting one crop for another. But it can not be said that the farmers of the United States combined to hold up their wages. They showed their good faith and their sense of responsibility in trying times by planting plentifully, reducing their own expenses in every possible way, and working harder and longer hours. As in war time, many women and girls worked in the fields because reduced income made impossible the employment of other help. As the result of large acreage very hard work, and a favorable season, the crops of 1921, while not as large as in some years, yielded more than we need for our own use, but prices are most unsatisfactory.

"Had some way been found for the people in need to buy our surplus at prices which would cover the cost of production the American farmer would have been prosperous and the country would have prospered with him. It is a terrible indictment of modern civilization that with such abundance here there are millions of people overseas suffering for the bare necessities and other millions starving to death. And surely we are sadly lacking in our understanding of economic laws or in our adjustment to them when the production of bounteous crops grown by the hard labor of 13,000,000 farmers and farm workers and their families is permitted to play such a large part in paralyzing our industries and business at home. For that is what has happened. The purchasing power of the principal farm crops of the year 1921 at the present time is lower than ever before known. In times past some of these crops have sold at lower prices per sale unit expressed in dollars and cents, but probably never before have our farmers generally been compelled to exchange their crops per sale unit for such small amounts of the things they need. The purchasing power of our major grain crops is little more than half what it was on an average for the five prewar years of 1910-1914, inclusive.

"When we remember that approximately 40 per cent of all our people live in the open country and are dependent upon what grows out of the soil, the baneful effect upon the nation of reducing the purchasing power of that 40 per cent so far below normal is obvious. The farmer is compelled to practice the most rigid economy, to wear his old clothes, to repair his old machinery, to refrain from purchasing everything he can possibly do without, and to deny himself and his family not alone luxuries but many of the ordinary comforts of life. This in turn has forced the manufacturer to restrict his output to the lessened demand, reducing his own purchases of raw material, and greatly reducing the number of his workmen. Men out of work must live on their savings and are in turn compelled to practice economy by reducing their own buying, and thus still further restrict the farmers' market. And so we find ourselves in a vicious circle which we are having difficulty in breaking through."

FAIR BILL KILLED
(Salem Capital Journal.)

The gasoline sales tax bill to raise \$3,000,000 for the Portland 1925 exposition is dead, as it ought to be. If the people vote upon it, it will be because it is revived by initiative petition for the general election in November.

There is little question of the illegality of the senate procedure whereby it was sought to overrun the constitution and turn a minority into a majority, and thereby place the amendment upon the ballot for the special election. The constitution cannot be altered by senate action.

The fair promoters induced the governor to call the special session so as to adopt measures to submit to the people the raising of \$3,000,000 for the fair by direct taxation. Before the legislature met, a majority of both houses had agreed to vote against direct tax measures for fair financing. The fair boomers then switched to

the gasoline sales tax bill, the property tax idea being abandoned, and many of those who had opposed the latter, voted to place the burden of fair finance upon the motorist.

Arguments against the gasoline tax, also hold against the gasoline tax. The principle is the same—discriminatory class legislation for sectional benefit. Both set vicious precedents and are an abuse of the taxing power. In addition, the gas bill robbed the highway repair fund.

What might be called the "agrarian bloc" consisting of 14 senators stood pat against the fair bill and prevented its legal passage. Great credit is due their efforts and they truly reflected the sentiments of the rural sections they represented.

The road protection and regulation bill program went through without a struggle and much other legislation of emergency character was enacted. As it is, the special session only cost \$220,000, much of which would have been covered in deficiency appropriations next year, instead of over \$3,220,000.

PORTLAND INTEREST

The people of northeastern Oregon, and especially those of Pendleton, have recently made a strenuous fight against the designation by the highway commission of the so-called Wallula cut-off road as a part of the state road system. On the other side the fight for the road has been led by the Portland Chamber of Commerce which bases its argument on the desire to divert to the Columbia highway some of the travel that now passes through Walla Walla and turns off toward Seattle and other Washington points. The opposing argument is that not only will such travel be diverted but also much of that which now comes around through Pendleton will be lost to that section. In addition it is said that before any new highway designations are made the commission should see to it that various other roads now on the highway map should be finished.

The question is now being considered by the commission and it is not likely that any hasty action will be taken. It would be desirable, nevertheless, for this section as represented by the Commercial club to give its support to the Pendleton people in their fight, not so much because of any local interest in the matter but because the Portland chamber, in its road program, is also slighting Central Oregon and we may need help in our own fight.

Just what that Portland program is appears in a recent news item reporting the action of the chamber in favor of a number of primary highways in Oregon and adjacent states under the Phipps-Dowell federal highway act, which will link up existing highways and make them more serviceable to the public.

These primary highways, according to the news item, are the Old Oregon Trail and the Pacific highway. To the former the Portlanders would see go all traffic from the

Real Estate

Farms

Insurance

Bend Investment Company

(The House of Service)

826 Wall Street, Bend

Rentals

Loans

Investments

Fifteen Years Ago

(From the columns of The Bulletin of December 28, 1906.)

That business in Bend is on the increase is shown by a comparative statement of the records of the Bend Postoffice. Money orders issued show a decrease, and cancellations an increase.

The Buckley express line is to be expanded into a new stage service from Shaniko to Bend, giving daily service both ways. It will be run by way of Madras, Forest, Culver, Redmond, and Laidlaw.

Contracts have been let in Redmond for the clearing, plowing, seeding, and fencing two acres of the cemetery.

John Steidl left Thursday on a business and pleasure trip to Minnesota.

L. D. Wiest returned to Bend Saturday night after an absence of three weeks. During that time he has been engaged in an exploring expedition in the Metolius river section.

Deer are reported to be plentiful on the desert in the southern part of the county, and two were killed within two or three miles of Redmond. The deer are being driven out of the mountains by the snow.

Mr. and Mrs. H. C. Ellis represented Bend at a neighborhood gathering on the Allen & Barnes ranch near Cline Falls Christmas day.

PROVIDE ICE RINK FOR BEND CHILDREN

Vacant Half Block Flooded To Allow Skating—Danger of Deschutes River To Be Avoided.

To provide a skating rink for the children of Bend which will lack the danger of the ice margins along the edge of the Deschutes, the vacant half block east of Bond street, between Louisiana and Kansas avenues was flooded last week under the direction of Fire Chief Tom Carlon.

The plan was carried out at the suggestion of George Hoover of this city.

The Central Oregon Bank

D. E. HUNTER, President
CARLETON B. SWIFT, Vice President
E. P. MAHAFFEY, Vice Pres. and Manager
H. M. STEPHENS, Cashier

BEND, OREGON

70% Per Cent of Us Are Dependent at the Age of 60

Are you to be one of the seven out of every ten people who, when the shadows of age creep upon them, must turn to friends or relatives for charitable sustenance?

Or will you start preparing now for the time when you are no longer able to work.

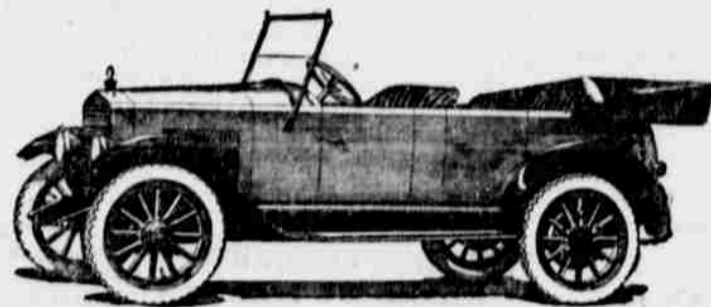
The New Year offers a splendid opportunity for you to start that savings account. A small savings each month will mean much to you in years to come.

The Central Oregon Bank

D. E. HUNTER, President

E. P. MAHAFFEY, Vice President

E-S-S-E-X



Announces Reduction in Price, Effective Immediately
NEW PRICES IN BEND

TOURING CAR, \$1365

COACH - - - \$1650

One hundred and twenty-two satisfied Essex owners in Bend will tell you that money can not buy a four cylinder car that will give more satisfaction than the Essex.

See one of the new models at the

Pioneer Garage

IRVING AVENUE