

## LOCATING THE FINANCIAL LEAKS THAT TAKE THE PROFITS OUT OF FARMING

By DAN H. OTIS

Director Agricultural Commission, American Bankers Association

INDUSTRIAL lines suffer because of inefficient firms, whose officers cling to old methods and place goods on the market, even at a loss, to compete with the more efficient institutions. Agriculture, too, has this problem to face. We find farmers who fight new methods. They retard the prosperity of other farmers by throwing on the market poor quality products, frequently produced at a loss.



D. H. OTIS

The nature of the banker's business places him in a position to help this type of farmer as well as the more progressive farmer. At the same time the banker can assure himself of good loans based on the farm as a going concern.

A study of the investments, sources of income and expenses of the successful farmers in his community will give the banker a measuring stick by which to gage the hazard entailed in furnishing loans to other farmers. This study is readily accomplished through the use of summaries of farm records. In the absence of good records, survey blanks which can be obtained from the agricultural colleges, may be used for collecting the information.

A banker in a dairy district would use data similar to Farmer A's summary in the following table as a measuring stick to judge the condition of Farmer B:

	Farmer A	Farmer B
Farm receipts.....	\$5,465	\$2,214
Farm expenses.....	1,222	1,079
Rec'pts above expenses	\$3,243	\$1,135
Interest on total investment @ 5 per cent..	1,070	989
Net income after deducting interest.....	\$2,273	\$146
Acres.....	127	130
Total investment.....	\$21,400	\$19,773
Operating capital (machinery, live stock, equipment).....	5,362	4,473
Number of cows.....	18	11
Investment in cows.....	\$2,392	\$1,265

The total investment of Farmer A is moderate with a large percentage (27 per cent) of operating or working capital. Farmer B is low in operating capital. The number of cows is also low, which is reflected in the farm receipts, these being \$3,251 less than those of Farmer A. The expenses of Farmer B, although about one-half of those of Farmer A, are, nevertheless, high in the ratio to receipts.

The only way to safeguard a loan to Farmer B is to consider assets and not income. Before any loan should be considered at all the banker and the farmer should go over the situation, uncover the leaks and outline a definite program of improvement.

Diversity of Business Good Sign

	Farmer A	Farmer B
Income from crops.....	\$1,476	\$853
From dairy products.....	2,943	759
Sale of livestock (including increased inventory).....	1,656	280
Miscellaneous income.....	327	181

A good diversity of income serves to protect the farmer against years of over-production of any one farm product. Farmer A has a good diver-

sity of income. Notice that the leading source of income, dairy products, constitutes less than one-half of the total income. The various enterprises that make up Farmer B's diversity of business all show marked decreased income.

Quality of Business Shows Leaks

	Farmer A	Farmer B
Receipts per cow.....	\$130	\$58
Receipts per livestock unit other than cows.....	94	32

Under the heading, "Quality of Business," Farmer B shows that his cows are bringing in \$62 less per year than Farmer A's. The \$68 a year which they are producing is undoubtedly below the cost of feed and keep. The income per live-stock unit is still worse, and while this farm needs more cows to increase its volume of business, it would be financial suicide to invest in the same type of cow. This poor farmer must weed out his poor cows and feed the balance properly to get results before money is loaned to him to increase his herd with good stock.

An analysis of the farmer's records will bring out many other leaks which the farmer may not have noticed. He may be paying high prices for feed when less money spent for fertilizers and lime may enable him to raise the right kind of feed on his own farm and stop this drain on his pocket book.

Barring temporary emergencies, farm loans handed on the basis of income, indicating a going concern, would hasten tremendously the day of a permanent and prosperous agricultural culture.

Great Ones of Earth Not Always Imperial

I have met royalties, informally and formally, and always as a simple citizen socially inclined. They impressed me that they are rather wistful creatures whom no one would ever suspect of royalty without being told. I make one exception, an African, the king of Wallis—and he sent a tremor through me with a single flash of the eye at the instant of his complete humiliation.

A very impressive queen called on me in the wilderness somewhere southeast of Lake Eyassil in what was then German East Africa. She came at nightfall with beating drums and a bodyguard of powerful warriors armed with shields and spears. Behind her walked two handmaids, and slaves carrying pots of wild honey and ground nuts as gifts for my askaris. This lady was a genuine queen and respected and obeyed as such. But she was rather fat, and waddled as she walked, and her only garment was a single string of blue beads hanging about her creased hips. She was as evy in our interview as a playful spinster.

I have in my possession a beautiful little gold watch presented to me by an authentic princess of distinguished royalty. There is no doubt that among those who know her she is one of the most beloved bearers of title in Europe; yet at that time she was seriously considering abandoning her title, since it was an embarrassing impediment to travel.—William A. Anderson, in Adventure Magazine.

No Superlatives

An English teacher was making it a practice of giving an 8A class a review of a certain point in grammar each day. One day she said, "You may compare the adjective I shall give you."

The entire class looked puzzled. To the first girl the teacher said, "high." There was a little pause and finally in a little hesitant voice, the girl said, "hello."

Rainbow Division Plans Paris Meet.

Des Moines, Ia.—Plans for a pilgrimage to France in 1928 to celebrate the 16th anniversary of Champagne, St. Mihiel and Argonne were launched by the veterans of the Rainbow division at their annual reunion here. An invitation to Paris or Nancy, France, has been received from the French government.

## Mother Ants Employ Babies as Needles

31 Years Ago

July 31, 1896

"A baby that you sew with, a baby that's needle and thread—child labor with a vengeance, eh?"

The naturalist closed a book by a brother-naturalist, Glenwood Clark.

"Glenwood Clark tells all about it here," he said. "The baby I refer to is an ant, not a human being. In the chrysalis or baby form this ant secretes a silk, and with that silk its mother sews the leaves together to make the ant nest, using the baby itself as a needle, mind you."

"The ant nest is built on a twig rather high up in a tree. The leaves that form it are held together by one group of ants, while another group—mothers armed with their babies—does the sewing."

"They hold their babies in their claws. They press the tiny heads against a place where two leaf-edges join. The heads deposit on the leaves their cobwebby silk, and then they are moved across the leaf joint, needle fashion, back and forth, and as they move they make a thread."

"In this manner, thanks to the needle-and-thread babies, the ants' nest is soon ready."

## The Journey of Life.

When about to undertake a journey we consider the way, the people, and the conveniences of travel, and try to meet their requirements in advance. An effort is made to learn what we can from the reports of those who have traveled that way, and we accordingly supply ourselves with accessible literature pertaining to it. This is the course that wise people follow, but there are many inconsiderate ones who give no attention to sane preparation, and therefore get confused respecting the course, get off at uninteresting and dangerous places, suffer much inconvenience, and derive little benefit. Therefore, let us give heed to the proper beginning of our journey.—Psychological Magazine.

## Governor to Set Date of Election.

Salem, Or.—The federal constitution makes it incumbent upon Governor Patterson to issue writs of election to fill the vacancy resulting from the recent death of Maurice E. Crumpacker, representative in congress from the third Oregon congressional district, according to a legal opinion prepared by the attorney-general at the request of Governor Patterson.

## Plea for Brotherhood

What a great and glorious world this might be if we always kept the attitude toward one another which prevails in the hour of flood and fire and earthquake. Oh! The pity of it that we wait for some colossal disaster to awake us to 'the real spirit' of universal love.—A. F. 328 \*

## The Churches

Baptist Church

Sunday school at 9:45 A. M. The right education of the young was never so important as it is today, and perhaps never so difficult.

Divine Worship at 11:00 A. M. Topic, Repeating the Life of Christ. Young Peoples Meeting at 7:00 P. M. Education is shifting from discipline and information to experience; the expert is in great demand, he is now defined as the fellow who is away from home.

Song and Praise service at 8:00 P. M. Topic for consideration, "Some Problems of Modern Youth and How to Overcome Them!" Young Peoples Prayer meeting Tuesday evening at 8:00 P. M. Next Thursday evening our regular monthly business meeting, reports of officers and committees a very interesting part of this meeting.

All ought to be in christian work of some kind. You are cordially invited to our services.

REV. E. M. BOLLINGER, Pastor.

You Always Have a Good Time at

Bingham Springs

We Always Treat You Right

Dolph Thompson, Manager  
Gibbon, Oregon

# Hey! You Harvesters!

We Can Fit You Out

In Work Shirts, Overalls, Jumpers, Sox and Gloves

The Kind You Want at the Right Price

Good health is the greatest possession you and your family can have. Be sure and keep it. The best safeguard you can have is to eat good foods. When your foods come from our store you can depend upon them being fresh and pure. The quality will be high but the price will be right down as low as our good quality can be sold for. Give us your grocery order today.

STEVE'S GROCERY

Quality Quantity, Service.

Phone 171.

Athena, Oregon

## The Athena Hotel

MRS. LAURA FROOME, Prop.

Courteous Treatment, Clean Beds  
Good Meals

Tourists Made Welcome

Special Attention Given  
to Home Patrons

Corner Main and Third  
Athena, Oregon

Continental Oil Company  
Prompt Service  
Always

Bryce Baker, Agent  
Phones 761 and 31F11, Athena

THE KILGORE CAFE

GERALD KILGORE, Proprietor

FRIGIDAIRE COLD DRINKS

Malted Milk, Sodas, Coca Cola, Root Beer, Sundaes, Ice Cream, Bricks, Dixies, Eskimo Pies, etc.

Gerald Kilgore, Proprietor - - Athena, Oregon

## THE ATHENA MARKET



We carry the best

Meat

That Money Buys

Kipped Salmon, all Kinds of Salt Fish. Fresh Fish, Oysters, Crabs, Clams, Kraut in Season.

A. W. LOGSDON

Main Street

Athena, Oregon.

## Department Store

insurance, real estate  
farm loans at lowest  
rates

B. B. RICHARDS,  
Athena

J. L. Harman  
Blacksmithing

We Carry the  
Pendleton  
Machine Works  
Hinged Weeder  
Main Street Athena, Oregon

Bell & Dickenson  
Phones 452 and 24

Two Auto  
Truck Drays

Always At Your Service  
City and Country

HAULING

and Horse Team Work

Foley's Kidney Cure  
makes kidneys and bladder right

The Lumber  
You Need

If you are planning alterations or additions to your building, let us give you an estimate on the Lumber needed. You will be pleasantly surprised at the reasonable total we will quote.

Wood and Coal  
Fence Posts

Tum-A-Lum Lumber Co.

Main Street, Athena