
Oregon State Agricultural College Extension Service

CORVALLIS, OREGON

Proceedings of the Second Annual Meeting of the Eastern Oregon Wheat League



Cooperative Extension Work in Agriculture and Home Economics
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Oregon State Agricultural College and United States Department of Agriculture, Cooperating
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Proceedings of the Second Annual Meeting of the Eastern Oregon Wheat League

History of organization. In February, 1926, the Extension Service of Oregon State Agricultural College called a wheat growers economic conference at Moro, Oregon. This meeting was largely attended by wheat growers, elevator managers, railroad representatives, bankers, and others covering the whole field of wheat growing, financing, warehousing, shipping, and selling. The meeting created so much enthusiasm, and some of the discussions were so important and far reaching, that those present felt the need for a permanent organization to look out for wheat growers' interests and hold similar meetings in future years.

Out of this idea grew the Eastern Oregon Wheat League. Its purpose was to provide an effective voice for wheat growers just as the State Wool Growers Association provides a unified program for the sheep owners of the state. The wheat men felt that oftentimes it would be necessary for them to present their claims in state and national legislation, in railroad rate cases, in grain grade hearings, and in matters of policy affecting such broad subjects of general interest as education, roads, and taxation problems.

The first president of the League was F. B. Ingels, of Dufur, Oregon. The choice was a unanimous endorsement of him and approval of his policies. His wide experience, sympathetic understanding of farm problems, keen intellect, and charm of manner all stamped him as a leader of a farm organization and as one who could represent it anywhere with dignity, ability, and poise. Shortly after his election he became ill, and his Eastern Oregon friends were shocked by his death the following year.

The organization did not meet again until February, 1929, at Arlington. Professor G. R. Hyslop, head of the Farm Crops department at Oregon State Agricultural College, was selected as the organization secretary for the meeting. Roy Ritner of Pendleton was selected as the second president. Mr. Ritner's long experience in public affairs and wheat activities of all kinds well fitted him for the place. The meeting was an unqualified success.

This year Pendleton was chosen for the place of meeting. Although unusually cold weather lessened the attendance from other counties, the attendance and interest were good.

Conference plan. As in the first meeting at Moro and the meeting last year at Arlington, the plan of the conference was to appoint committees beforehand and assign topics for them. In previous years these committees

were appointed far in advance and they gathered a large amount of data. This year, however, the time was too short to do much of this.

Six committees were appointed, with chairmen as indicated below:

Committee	Chairman	Address
Cooperative marketing.....	John Withycombe.....	Arlington
River transportation	W. H. Harrah.....	Pendleton
Production.....	E. M. Hulden.....	Blalock
Warehousing and finance.....	W. H. Ragsdale.....	Moro
Legislation.....	A. R. Shumway.....	Milton
Grain inspection.....	W. S. Powell.....	Moro

Mr. Powell of the last-named committee was ill in Portland at the time of the conference and Mrs. Marie Barnett Cooper of Wasco was appointed as chairman of the Grain Inspection committee.

The conference consisted of two distinct phases. During part of the three-day sessions there were general meetings with addresses given by various leaders. The most important and most interesting part of the conference was the committee meetings. The six committees listed above met at times not taken up by the general meetings and these committee discussions often lasted far into the night. Those present attended whichever committee seemed to hold the most interest for them.

Report of the Conference

THE meeting was called to order at 10 o'clock Monday morning January 13, by Roy Ritner, President of the Eastern Oregon Wheat League. He gave a brief history of the organization and the leading issues before the meeting, stressing cooperative marketing.

Mr. Randall, city attorney of Pendleton, officially representing the city of Pendleton, gave an address of welcome.

Mr. Harry Pinkerton, secretary of the Wheat League, responded, praising the well-known spirit of hospitality which has made the name of Pendleton known all over the United States.

Professor D. D. Hill of the Farm Crops department of the State College gave a brief address outlining some new crop experimental work, particularly that done on smut-resistant wheats and on weed control. He also spoke in a general way of the trend in experiment station work, showing that it has a tendency now toward efforts to cut down the cost of production, either by cheaper methods, the production of a product with a higher market price, or better division of labor.

A letter from Professor G. R. Hyslop, then in Washington, D. C., was read. This letter contained some suggested lines of action for the committees, some of which suggestions were discussed.

Mr. W. W. Harrah of Pendleton moved that the meeting send a telegram of appreciation to Professor Hyslop and send some flowers to W. S. Powell of Moro, ill in Portland. The motion carried.

Superintendent D. E. Stephens of Moro Experiment Station told of the new branch station at Pendleton and outlined the problems with which it would deal. Geo. Mitchell, in charge of the new Pendleton Station, briefly reported the progress to date in getting the experimental work at the station under way.

The meeting adjourned until 1:30 that afternoon.

At 1:30 President Ritner called the meeting to order with 90 in attendance. He introduced Geo. Baer, Secretary of the Umatilla Rapids Association. Mr. Baer said in part:

"The Umatilla Rapids Association was organized in 1921, primarily to work for navigation in the Columbia River. Before the War the 'Open River Association' was working for the same purpose, but the War put an end to its activities. The plan would be to build a dam near Umatilla which would drown the rapids there and would provide power, serve to irrigate some arid land, and would make navigation possible. Just as the construction of the Celilo canal has resulted in cheaper rail rates, so the further development of the Columbia would have the same effect, even if boats did not run on the river.

"The Government made an engineering and an economic survey of the project and both reports were very favorable. The economic report pointed out that the project would have a much greater chance for success because of its threefold purpose: navigation, power, and irrigation.

"The engineer's report said the production of power would be the cheapest of any on record and the sale of power would in 42 years repay the entire cost of the project in addition to paying all the operating charges.

"The land to be irrigated is so situated that it can be brought into use at once or not, just as circumstances seemed to warrant.

"The only other project approaching this in usefulness is the Boulder Dam Project—now under construction. President Hoover is in favor of such developments. He has said that every drop of water which flows to the sea is an economic loss unless its full usefulness is taken from it.

"In the spring of 1928 the House of Representatives passed favorably the bill on the project, but it was held up in the Senate. Senator McNary and Representative Butler have now introduced similar bills in both houses. The cost is estimated at \$45,000,000, with an interest rate of 4% charged against it. The Secretary of the Interior is authorized to contract power for amounts sufficient to pay back the cost within 50 years. If such sales amount to sums in excess of the amount necessary to repay the Government, the surplus is to be divided, Washington and Oregon each getting 18 $\frac{1}{3}$ % of it. The engineer's report indicates that the power could be sold for two mills per kilowatt hour at a good profit.

"I would like to see the Eastern Oregon Wheat League cooperate in the endeavor to secure the completion of this project—so vital to the progress of this eastern Oregon country."

Mr. H. E. Goldsworthy, Secretary of the North Pacific Grain Growers, Incorporated, introduced by Mr. Ritner, explained in detail the proposed plan for cooperative wheat marketing as approved by the Federal Farm Board. Mr. Goldsworthy also outlined the policies of the organization so far as they have been developed, emphasizing the point that no high-powered salesmen will be sent out and that organization is up to each individual community, with no coercion from any one.

He forcefully presented the argument that if farmers do the best they can with this plan, join the movement in large numbers and give it a fair trial, they stand to gain something and do not stand to lose. If it works to their advantage, all well and good. If it doesn't, they can drop out at any time. But if they do not join, then they will never be in a position to ask Congress for anything else for agriculture.

President Ritner then introduced Dr. Clark Black, President of the Columbia Valley Association, an organization working for river transportation. Dr. Black reviewed the nation-wide interest in water traffic, telling of the new water navigation developments in the Mississippi, Ohio, and Missouri rivers. He stated that last year 22 $\frac{1}{2}$ million tons of freight moved by water on the Ohio river alone. He stated that from St. Louis to New Orleans is more than 1,000 miles and their water rate is 18c per hundred for wheat and contrasted this with our rail rates of equivalent amounts for only a few hundred miles.

Dr. Black indicated the growing competition between wheat sections and showed how the low Canadian rail rates, the cheaper and cheaper water rates in the Middle West, the probable building of the Nicaragua Canal—all tend to disturb our Oriental wheat trade, reduce our prices for wheat, and by that much make our wheat farming less profitable. He showed that the Interstate Commerce Commission has allowed water rates 20 percent under rail rates and pointed out that many years a 20 percent reduction in our freight on wheat would mean the difference between profit and loss.

The following day, Tuesday, attendance had increased to about 200. The first speaker was W. A. Schoenfeld, of Portland, Northwest Representative of the Federal Farm Board.

Mr. Schoenfeld gave an interesting discussion of the personnel of the Farm Board, particularly dwelling upon the character of Alexander Legge, chairman. He described Mr. Legge as a kind of Abraham Lincoln type; human, keen minded, judicial, and above all, intensely interested in carrying through the intent of the law.

He sounded a warning to those who expect the cooperative movement to force the price of wheat up. He said no group could do that—that the market can be steadied, but not permanently changed; that wide and very sudden fluctuations can be minimized. He said the Farm Board is here to stay; that it is not merely a passing fancy; that it is as permanent as any other Government board of wide power such as the Interstate Commerce Commission, the Federal Reserve Board, etc.

Mr. B. W. Whitlock, Federal Grain Supervisor of the Pacific Coast district, located at Portland, talked on "How Wheat Grades Aid in Efficient Marketing."* He showed by charts the immense task of the exporter in assembling nearly one hundred varieties of wheat of every conceivable grade and so blending and cleaning these that only a few grades are exported. He pointed out the possibilities of reducing discounts assessed against the wheat by doing part of this cleaning and blending at country points. The statistics presented showed that the average car of bulk wheat suffered less discount than the sacked wheat and in addition the freight charges were less owing to the lesser amount of dockage present. The average car of wheat arriving in Portland has total discounts of \$56.00 assessed against it. Mr. Whitlock pointed out in detail how a great part of this loss could be eliminated.

The next address was a discussion of bulk elevators, led by G. R. Huquin, contractor, of Portland.

Mr. Huquin stated: "The early elevators in the West were designed to meet Eastern conditions rather than Pacific Northwest conditions. Many of these first elevators were not financially successful due to that cause and also because of lack of patronage. Long hauls with wagons tended to discourage the bulk system, but now with trucks and good roads, this is no longer of much importance.

"The savings in bulk handling can be listed roughly:

Eliminate sack sewer and jigger.....	3c	per sack
Eliminate sack and twine.....	6c	per sack
Eliminate picking up.....	2c	per sack
Cut down loss of grain.....	1c	per sack
Cheaper cost of haul.....	2c	per sack
Total saving	14c	per sack or about 6c per bushel.

"The operating cost of an elevator depends upon the volume handled and the management. The Port of Portland says it costs three times as much to unload sack wheat as it does bulk cars, and this saving also goes back to the country loading points, as it costs about six times as much to

*Mimeographed copies of Mr. Whitlock's valuable talk may be obtained by writing to the author in the Postoffice Building, Portland.

put wheat in sacks through a flat warehouse as it does to handle it through a bulk elevator.

"There are three standard types of elevators: concrete, laminated crib, and steel. The ordinary concrete elevator has the advantage of being fire-proof and of having a low depreciation charge. Most of them are about 100,000-bushel capacity with 10 to 12 bins. Such an elevator can be built at a cost of from 32c to 35c per bushel, not including the cleaning plant. If a cleaning plant is added, the cost is 2c per bushel more.

"A wooden crib elevator has a lower initial cost, averaging 25 cents to 28 cents per bushel and a 100,000-bushel elevator will have 20 bins or more. The depreciation is not so much greater than concrete as there are in operation now in Oregon wooden elevators 30 years old or more. Elevators of 50,000- to 75,000-bushel capacity cost more per bushel than those of 100,000-bushel capacity.

"When building an elevator the needs of the district should be studied as it costs more to build an addition than it does to build originally. Insurance regulations should be studied and anything lessening the insurance rate should be done. Also every means should be used in building to cut down power bills and lessen the cost of upkeep.

"New conditions in unloading due to combines and trucks should be studied. Many of the older elevators cannot take in grain fast enough. At least 2000 bushels per hour should be handled so that trucks will not be forced to wait to unload."

Harry Pinkerton of Moro, Secretary of the League, gave a report on the League's work of the past year.

Among other things he reported that the League was one of the several farm organizations championing the so-called "Gasoline Cowboy" bill aimed to prevent thievery of livestock and that the League's support had helped to pass the bill. The League's opposition had helped to defeat a bill designed to reduce fees for commercial omnibuses and trucks.

The League had worked for full leased wire service on market news for the radio station KOAC, and such service had been granted. It had endorsed and worked for a Congressional appropriation of \$50,000 for Northwest wheat improvement work and a yearly appropriation of \$25,000 had been obtained.

Mr. Pinkerton further reported that the League had been active in tariff matters working for an upward revision of tariffs on grain and seeds. Also that the League had asked that the license fees in warehouses under the state warehouse bill be increased from \$2 to \$10 and a man be employed to give these warehouses some supervision. This request was granted, and the state market agent reported that a man is now busy doing that work.

This concluded the speaking and the remainder of the meeting was taken up by committee work. The committee reports follow.

Tillage and Production Committee Report

Stubble burning.

1. Stubble should never be burned in the fall. The stubble aids in holding snow and in moisture absorption. The burning of stubble in the spring should also be avoided whenever possible. The turning under of any form of crop residue is likely, in the long run, to prove profitable because of the inherent lack of humus and nitrogen in Columbia Basin dry-farm soils. The use of straw spreaders on combines should be encouraged as an aid in turning under straw.

Disking.

2. Disking stubble ground in the fall has a tendency to hinder moisture absorption and to reduce wheat yields. Where land is badly infested with weeds that grow after harvest, fall plowing or fall disking may be advisable.

3. Spring disking of stubble is always advisable if the ground is to be plowed late. For early plowing, disking does not pay. Whenever possible, jointers should be used to turn under stubble more completely and thereby cause less trouble in the clogging of implements when cultivating the fallow ground. The use of the rolling coulter attached to the jointer is suggested to expedite this operation.

4. Late plowing without previous disking reduces wheat yields.

Plowing.

5. The cost of plowing is recognized as an important item in the cost of wheat production. New tillage implements are being introduced by the implement companies which have as their purpose the elimination of plowing in seed-bed preparation. These implements should be tested by the experiment stations so that definite recommendations can be made regarding their use. Plowing is necessary on most soils and should not be replaced until the value of new implements has been demonstrated.

6. Plowing from 5 to 8 inches deep with variations in depth each time of plowing is recommended as the best farm practice. Plowing deeper than 8 inches will rarely, if ever, prove profitable.

Tillage.

7. Packing after plowing does not materially affect the yield of wheat after fallow. For spring plowing and sowing, thorough packing before sowing is advisable.

8. Harrowing should be done within a week or ten days after plowing. Harrowing after plowing and before moisture has left the ground helps to firm the seed-bed.

9. Tillage tools best adapted for cultivating summer-fallow are: spike-tooth and spring-tooth harrows and blade or rod weeders.

10. All weeds should be kept off the summer-fallow. Weedy fallow means lower yields and poorer quality of wheat.

11. If the seed-bed is not smooth, the harrow should precede the drill, even when the sowing is done in dry ground, except on blow soils. In moist ground harrowing just prior to drilling is recommended. Harrowing after sowing usually is not necessary or advisable unless weeds have started.

Seeding.

12. The best rate of sowing winter wheat is generally from 3 to 5 pecks per acre. There are local conditions in which less than 3 pecks or more than 5 pecks per acre is desirable. The rate should be varied according to moisture conditions, time of sowing, condition of the seed-bed, size of kernel, and variety. Later sowings usually require a heavier rate. In Jefferson county and in certain sections of Union county, thinner seeding is advisable. Comparatively thin seeding is better for shallow soils.

13. For most sections of Eastern Oregon, higher winter wheat yields can be obtained from comparatively early sowing—i.e., from September 15 to October 15. Federation should not be seeded too early when sown in the fall. There is no advantage in sowing early in dry ground. Later seeding also may be advisable for shallow soils.

14. Winter wheat should be sown shallow, ordinarily 1 to 2 inches. When sowing late, always sow winter wheat shallow.

Wheat varieties.

15. Winter wheat varieties recommended for general culture in Eastern Oregon are: Hybrid 128, Turkey, and Fortyfold. Because of the high yields obtained from Hybrid 128 and the demand for this type of wheat at the terminal market, this variety may profitably replace a considerable acreage of Turkey except in those areas that consistently produce a dark hard type of Turkey. Hybrid 128 is very susceptible to smut and should be carefully treated. Caution should be exercised in the planting of Federation in the fall because of its lack of winter hardiness. Recommended spring wheat varieties are: Federation, Hard Federation, and Baart.

16. Spring wheat should always be sown early. The most profitable rate for Federation is 3 to 5 pecks; for Hard Federation and Baart, 4 to 6 pecks—thinner for Jefferson county.

17. Use the same variety as the rest of the field for hay strips if possible. Sow a white wheat if field is a white wheat, and a red wheat if the field is red wheat.

Smut.

18. The use of copper carbonate is strongly recommended for treating wheat for smut. New methods should not be tried by farmers until thoroughly tested. Copper carbonate is not recommended for oats and barley.

19. In view of the fact that new strains of smut have recently been found in the Pacific Northwest, it is recommended that investigations be continued and if necessary enlarged by the state experiment stations and by the United States Department of Agriculture to determine the preva-

lence of these strains, their effect on the different varieties of wheat, and the treatment necessary to control them.

20. Always sow good, clean seed, free from weeds.

21. Grain certification work has been of value. It should be continued.

Beware of new varieties.

22. Inasmuch as the development of smut-resistant and hardier wheats has resulted in the creation of hundreds of new varieties in the past few years, and inasmuch as it has been necessary for farmers to test some of the most promising of these varieties, we recommend that farmers do not rush to the growing of these wheats on large acreages until they have been more thoroughly tested and approved by the experiment station and extension service workers. We need better varieties, but we also need fewer varieties.

Weed control.

23. Weeds are a constant menace to the wheat grower and will continue to be more troublesome. Farmers are strongly advised to use every possible precaution to keep summer-fallow free from weeds. The best time to kill weeds is when they are small. Fence rows and roadways should be kept clean.

24. The use of chlorates in the form of sprays for the eradication of noxious weeds like wild morning-glory, knapweed, and Canada thistle offers much promise for a practical method of controlling these pests.

The results obtained from spraying with sodium chlorate in 1928 in Eastern Oregon generally were very satisfactory. In 1929, calcium chlorate was tested more extensively than sodium chlorate, but the results obtained will not be known until the summer of 1930.

We commend the action of the Umatilla County Court in its assistance to and cooperation with the farmers of their county in providing spray equipment, material, and labor for weed eradication at actual cost. We suggest that this plan be carefully considered by other Eastern Oregon counties. Specific recommendations regarding methods of using chlorates for weed eradication can be obtained from your county agent, the State College Extension Service, or the Agricultural Experiment Station.

Crop diversification.

25. The general or extensive culture of other crops on the typical wheat lands of Eastern Oregon is not recommended. Under certain conditions and in certain localities, field peas and corn, to a limited extent, may be profitable to farmers who keep livestock. In Union county, and in some sections of Wasco and Umatilla counties, alfalfa, sweet clover, corn, and peas are profitable crops. On limited areas in Union and Umatilla counties, potatoes and beans are also profitable. We strongly recommend the keeping of enough livestock and poultry on every wheat farm to utilize advantageously all by-products, and to make use of land not suited to profitable wheat production.

E. M. HULDEN, Blalock, Chairman
D. E. STEPHENS, Moro, Secretary.

Grain Inspection and Market News Committee Report

Endorse state grain inspection department.

(1) We believe that the State Grain Inspection Department of Oregon is one of the most efficient inspection departments in the United States, and we urge Governor Norblad to make no changes which will jeopardize in any way the present efficient service of the department.

Legislation recommended.

(2) It is recommended that this organization request the proper authorities to enact legislation as follows:

Protein test should be optional.

(a) We recommend that protein testing in grains be recognized as part of the Federal grain grading system under Federal supervision on an *optional basis*, stating the results of such tests in remarks on the certificate and providing that all protein testers making such tests on grain shall be licensed only after passing a suitable examination.

Recommend study of grain exchange procedure.

(b) We recommend that the Secretary of Agriculture be empowered to study grain exchange procedure in connection with the discount and delivery rules with the purpose of regulating unfair and inequitable discounts and the maintenance of delivery and other rules which allow such slow acceptance and settlement that inspected grain may go out of condition and be appealed and degraded between the time of inspection and the final date when delivery is concluded, the shipper thus suffering a loss on account of delayed settlement.

Grain samplers should be licensed.

(c) We recommend that all persons regularly or in any capacity employed in the sampling or grading of grain shipped in interstate or foreign commerce shall be licensed to perform their specific functions before they may engage in such work, and that before any such license is issued they shall pass an examination by the Federal Grain Supervisor that will demonstrate competency to perform such partial or complete grain inspection work.

New subclass of wheat.

(3) We recommend that the Secretary of Agriculture establish a new subclass of White Club in the white wheat class, this subclass to consist of wheat containing more than 90 percent white club kernels.

Moisture tests asked for.

(4) We request the State Market Agent to arrange that moisture tests will be shown upon request on all certificates of grain from Oregon shipping points.

Smutting charges too high.

(5) We believe that the present system of smutting charges is inequitable as it is based on a scouring process no longer in general use. There has been no change in smutting charges during the past eight years. During this time there have been improvements in the cleaning process. We therefore request the Northwest Grain Dealers' Association to reduce the smutting charges in keeping with modern washing procedure before the movement of the 1930 crop.

(6) We believe that the change in cleaning procedure as outlined above is such that it warrants the discontinuance of the weight discount on wheat containing .5 percent smut. The smutting charge assessed against such wheat would seem to be ample to cover the processing of such wheat without the added discount.

Radio market reports at regular hours.

(7) We request that the radio stations KGW, of the Morning Oregonian, and KOAC, of Oregon State Agricultural College, broadcast the market news each day at a regular hour. A canvass of the members of the Eastern Oregon Wheat League, made while its members were in conference, showed that a large percentage of the farmers in Eastern Oregon listen to the market reports, and this committee requests the Secretary of the Eastern Oregon Wheat League to ask the radio stations KGW and KOAC to give the market reports at 12:30 p.m. and 7:30 p.m.

*(8) It is recommended that the President of the Eastern Oregon Wheat League appoint a committee to study the Oregon, Montana, and North Dakota warehouse and grading laws with the idea of providing authority for official sampling, sealing, and grading of grain in the grower's bin, that he may have the use of the official information in the marketing of his grain.

(9) It is recommended that the President of the Eastern Oregon Wheat League appoint a committee of three to follow up the committee recommendations on reducing smutting charges, and that they make every possible effort to get the charges reduced.

Signed by the Committee
MARIE BARNETT COOPER, Chairman
C. W. SMITH, Secretary.

*This matter of providing inspection and grading of wheat in farm storage was considered at length by the Warehousing and Finance committee and is mentioned in the report of that committee.

Warehousing and Financing Committee Report

Federal warehouse act needs changing.

(1) The recommendation made last year that this conference go on record as favoring the extensive placing of warehouses under the Federal Warehousing Act is again renewed. Some of the rules and regulations under which the act is administered, however applicable they may be in other sections of the country, appear to be unduly cumbersome and burdensome on warehousemen handling wheat in the dry-farming regions of the Pacific Northwest. Among such regulations is that requiring the licensing of specific bin space. The cost of licensing all bins becomes expensive when only a portion of the bin space is actually used for storage, and yet there are occasions when conditions demand the use of a portion or all of every bin. To give the warehouseman more latitude in the use of space, the question is raised whether it would not be feasible for an elevator under one roof to be licensed for a specified number of bushels without reference to particular bins, thus permitting the warehouseman to use his space in any way he sees fit.

Another seeming obstacle to the successful adoption of the United States Warehouse System is the regulation requiring the warehouseman to specify in advance and pay for the exact amount of space he desires licensed for subsequent use during the ensuing year. A warehouseman is seldom in a position to predict with any degree of accuracy what demand will be made upon him for storage facilities. The expense of licensing is in proportion to the space contracted for. To play safe the warehouseman is obliged to license in advance enough space to handle a crop of maximum proportions. In the event that space requirements do not come up to expectations, a burdensome and unnecessary expense is incurred for the licensing of unused space. Could not a plan be perfected which would allow the warehouseman to license and pay for his probable maximum space requirements, subject to the provision that a rebate would be allowed at the close of the season for such space as had not actually been used?

Your committee recommends that this conference appoint a committee, one or two members of which should be experienced warehousemen, to confer with officers of the United States Warehouse System with a view of developing ways and means of modifying its rules and regulations so as more nearly to meet warehousing conditions as they exist in the Pacific Northwest.

Warehouse receipts on farm-stored grain a doubtful practice.

(2) In some states, notably Montana and Minnesota, legislation has been enacted permitting the issuance of receipts against grain stored in bins located on the farm. These receipts issued by state inspectors may then be used as collateral for loans. State inspectors certify to the contents of such bins and seal them. At times farm storage is distinctly advantageous. Particularly is this the case where there is bulk handling of grain and the haul to local elevators is long or local elevator facilities are inadequate to handle and dispose of the grain expeditiously as it arrives in trucks from the harvesting machine. The desire to hold grain for purposes of

orderly marketing and yet avoid the elevator charges incident thereto are additional incentives for storing grain on the farm.

The information available to your committee, limited though it be, tends to throw considerable doubt on the success of the plan of issuing warehouse receipts for loan-making purposes on farm-stored grain. The story goes that because the stored commodity is allowed to remain on the premises of the borrower, the integrity of the warehouse receipt is not highly regarded by lending agencies.

Because of the inconclusive character of the information now in the hands of your committee, further fact-finding and analysis are needed before its members would be warranted in making any recommendations on the feasibility of issuing receipts against farm-stored grain. It is therefore recommended that this conference appoint a committee to gather such data as may be available on the subject and sound out the attitude and ascertain the policy of commercial lending agencies, the Intermediate Credit Bank and the Federal Farm Board toward loans based on farm-storage receipts.

Many elevators handle bulk grain too slowly.

(3) The rapid trend toward bulk handling of wheat finds much of the equipment for the expeditious handling by elevators of bulk grain inadequate. It is recommended that this conference go on record as favoring the adoption by elevators in those localities where equipment of this type is inadequate of track loaders and other modern devices for speeding up the handling of grain.

Survey needed before building additional storage facilities.

(4) In the present movement looking toward the formation of local cooperatives to affiliate with the Pacific Northwest Grain Growers, Inc., it is the sense of your committee that many mistakes can be avoided in plans to lease and acquire physical facilities, if, before such plans are consummated, arrangements were made for a thorough-going survey of the entire situation. Such a survey is well-nigh indispensable in ascertaining such vital information as the volume of grain shipped from each station, the facilities needed and on hand to handle such volume, the proportion of such volume under the control of existing agencies, the proportion likely to be made available to the local cooperative whose organization is under consideration, and the like. The relative advantage in the various localities of the leasing or purchase of existing facilities as compared to the construction of new facilities must be weighed as well as the possible ways and means of undertaking such financing as may prove desirable. If the construction of new facilities is contemplated, questions will arise as to the best location, the most efficient size and arrangement, and the most desirable construction materials to use. Unless preparations are made to ascertain and analyze these problems in advance it is surmised that many costly errors are apt to be made. It is difficult to comprehend how the Federal Farm Board itself can possibly expect to make physical facility loans to local cooperatives with any degree of wisdom without the background of knowledge that such a survey would unfold.

Your committee accordingly recommends that in so far as Eastern Oregon is concerned this conference request the Federal Farm Board and the Oregon Agricultural Experiment Station to cooperate in preparing a survey of the character above set forth.

W. H. RAGSDALE, Moro, Chairman
M. N. NELSON, Corvallis, Secretary.

Cooperative Organization Committee Report

Plan of cooperative marketing endorsed by Farm Board.

The Farmers' National Grain Corporation, organized under the laws of Delaware, was the first of the national commodity marketing organizations to be recommended and sponsored by the Federal Farm Board. The plan of organization was worked out by representatives of the Farm Board and of cooperative grain marketing associations. The plan provides, among other things, that there shall be five regional associations and that the membership in a regional association shall be composed of cooperative elevator or warehouse companies, grain pools, and sales agencies within the area designated as a region or district.

The North Pacific Grain Growers, Inc., was the first of the regional associations to become legally organized. The organization committee prepared articles of association and by-laws modeled after those of the Farmers' National Grain Corporation. These documents, together with a brief description of the proposed plan of organization and operation, were submitted to the Farm Board for approval. Not only was approval given immediately but the Farm Board indicated that the plans proposed for the North Pacific states probably would be used as a model or example for the other regional organizations. Following this official approval the North Pacific Grain Growers, Inc., filed its certificate of incorporation in Delaware, adopted by-laws, elected directors and officers, and is now engaged in aiding the wheat growers to form the local associations that will compose its membership.

The authorized capital stock of the North Pacific Grain Growers, Inc., is \$1,000,000 divided into 25,000 shares with a par value of \$40.00 per share. This stock is to be sold only to local cooperative elevator, warehouse, or other cooperative grain handling associations in Washington, Oregon, northern and southwestern Idaho, and western Montana. Each such local association must subscribe for one share for each 2,000 bushels of wheat which it expects to receive and market. At the discretion of the Board of Directors, farmers in localities not served by a local cooperative may subscribe for capital stock directly from the regional organization with the understanding that when, and if, a local is formed in the locality, such stock subscription shall be transferred to the local. Each share of stock in the regional shall have one vote.

In the same way that the local becomes a stockholder in the regional, the regional becomes a stockholder in the national organization. For each 10,000 bushels of wheat which it expects to handle for the locals, the regional will purchase one share of stock at \$100.00 per share in the national. Each share in the national has one vote. Its authorized capital stock is \$10,000,000.

The Board of Directors of the regional—the North Pacific Grain Growers, Inc.—recommends that the local associations now being formed or those to be formed adopt as the par value of their shares \$30.00, with the understanding that the wheat grower will subscribe for one share for each 1,000 bushels which he expects to market. Under this plan, as outlined, for each \$3.00 paid by the grower for capital stock, \$1.00 is retained in the local, \$1.00 goes to the regional, and \$1.00 to the national. The stockholders

of the locals will be as many as possible of the growers who deliver grain to the point or points around which the locals are formed.

Individual growers, in addition to subscribing for stock in a local cooperative, must execute a marketing contract with the local for the delivery of their wheat. The Board of Directors of the regional will prepare a uniform contract for this purpose. It is agreed by the Board that this contract shall contain a provision whereby the grower may withhold his wheat for any season after the delivery of the first year's crop, upon payment of a fee of \$1.00 and notice in writing to the local between March 1 and 15 of any year.

The grower's contract is to provide several optional methods of sale. He may sell his wheat outright on the day of delivery, he may store it and sell it outright on whatever later day he may determine, or he may deliver it to a seasonal pool to be sold at the discretion of the association. The local will enter into a contract with the regional and the regional will enter into a contract with the national. Inasmuch as these marketing contracts between the national and the regional, or those between the regional and the locals, have not been worked out, it has been difficult to prepare a contract between the members and the locals. It is believed, however, that when a final draft of a contract is prepared it will contain the provisions mentioned.

Contract signers will deliver all their wheat to the local elevator or warehouse provided by their own local association. This grain will be handled on the basis of a stipulated rate per bushel, plus accrued storage charges. If the grower desires to sell it on the day's basis, he will receive the day's market price. If he desires it handled in the seasonal pool, he will receive, when such pools are closed, the average price of the wheat delivered. Contract signers will be eligible for loans on storage tickets through the Federal Intermediate Credit Bank, and through the Federal Farm Board if the Farm Board makes either direct or supplemental loans.

Growers who are not members of a local may deliver wheat to the local and sell it on the usual basis. In other words, locals will be permitted to buy grain from any grower, provided the volume bought from non-members does not exceed the volume bought from its own stockholders. This wheat, in fact all wheat handled by the local, will be sold to the regional association and by it to the national. The local association, which will be locally owned and controlled, will receive from the regional, when needed, assistance in financing its daily operations in wheat and also fixed capital loans.

The foregoing statement is presented by this committee as a brief outline of the plan of cooperative grain marketing now being proposed to the wheat growers of Oregon. It represents the understanding of your committee after a discussion of the subject. Many of the details of organization and operation are yet to be determined by the Farmers' National Grain Corporation and the North Pacific Grain Growers, Inc. It follows, therefore, that many of the questions regarding the organization and operation of the locals cannot be answered definitely by this committee at this time. The committee believes, however, that the general plan of organization and operation as outlined is sound and deserves the support of the Eastern Oregon Wheat League.

Recommendations.

1. It is recommended by the committee that the Eastern Oregon Wheat League go on record officially at this meeting as endorsing the plan of the North Pacific Grain Growers, Inc., and as advocating the formation of local associations that will become members thereof.

2. It is recommended that the plan of forming temporary local associations be continued until such time as the North Pacific Grain Growers, Inc., submits to the locals approved articles of association, by-laws, and a marketing contract. In other words, demand for immediate local organization should be met by submitting to the growers in the locality an agreement whereby the signers agree to subscribe for stock and to sign a marketing contract when it is decided to set up the permanent local, provided that the documents to be signed later are substantially in accord with their understanding of the plan.

3. Inasmuch as there are two acts in Oregon under which cooperative associations may be incorporated, it is recommended that the Eastern Oregon Wheat League ask the North Pacific Grain Growers, Inc., to designate the act under which incorporation seems most desirable and to draft suggested articles of association and by-laws suitable for use in Oregon under this law.

4. It is recommended that the North Pacific Grain Growers, Inc., submit its proposed marketing contract to the Federal Intermediate Credit Bank of Spokane, the Farmers' National Grain Corporation and the Federal Farm Board, and that it adopt such a growers' marketing contract only after approval has been given by these agencies.

5. It is recommended by the committee that careful attention be given by both the regional association and groups of growers in working out problems regarding the size of locals, the geographical area to be covered, the volume of grain that can be obtained in given localities, the availability of facilities and the radius of trading areas. It is believed that the regional association should outline as nearly as possible some standard of volume requirements for economical local operation and that it should furnish legal and technical assistance to groups that desire aid in organizing. An attorney-at-law, located in Oregon and familiar with cooperative organization, should be of great assistance to the local associations being formed in the state, and it is recommended that some plan be adopted whereby the North Pacific Grain Growers, Inc., will retain an Oregon attorney and make his services available to existing or proposed local organizations.

Respectfully submitted,

JOHN WITCOMBE, Chairman
GEO. O. GATLIN, Secretary.

Legislative Committee Report

The committee recommends that the Eastern Oregon Wheat League call to the attention of the Federal Farm Board that section of the Agricultural Marketing Act authorizing the Farm Board to cause to be made studies of marginal lands in the United States, the purpose of the studies being mainly that of ascertaining those lands now in wheat that might more profitably grow other crops.

It is further suggested that the United States Department of Agriculture be asked to make plant introductions in attempts to locate plants which might profitably be grown on many thousands of acres of land now producing wheat of such low yields as to preclude the possibility of profitable returns from wheat farming.

We recommend that the Eastern Oregon Wheat League authorize the Legislative Committee to communicate with Congressmen from Oregon relative to the Senate bill now pending intended to provide a corps of agricultural attaches in foreign countries to gather information leading to the development of the widest market outlets for agricultural products of the United States, this type of service having for many years been rendered manufacturers of commercial products.

A. R. SHUMWAY, Milton, Chairman
W. A. HOLT, Pendleton, Secretary.

Transportation Committee Report

Last year's report unchanged.

The River Transportation Committee referred the group to their last year's report with the statement that their position was unchanged. The 1929 report was mimeographed and a copy may be obtained on request to the Secretary of the Committee, F. L. Ballard, County Agent Leader, Corvallis, Oregon.

The report represents a large amount of work and is an important contribution to the effort to secure river transportation on the Columbia.

Business Meeting and Election of Officers for 1930

Harry Pinkerton, Secretary of the League, made a brief business report, showing receipts and expenditures and the purposes for which money was spent. The following officers were elected for 1930.

President—John Withycombe, Arlington.

Vice-president—Harry Pinkerton, Moro.

Secretary—Chas. W. Smith, Heppner.

County Committeemen—

Baker—A. V. Swift, Baker.

Gilliam—E. M. Hulden, Blalock.

Morrow—Geo. Peck, Lexington.

Sherman—Dewey Thompson, Moro.

Umatilla—J. K. Hill, Pendleton.

Union—Walter M. Pierce, LaGrande.

Wasco—C. F. Emerson, The Dalles.

Heppner was tentatively selected as the place for the annual meeting for 1931.