

Grain Growers Have Profited \$15,000,000

By way of announcing to the membership the temporary suspension of the association's operations, the board of district delegates of the Oregon Co-operative Grain Growers' association is sending out to members a letter the full text of which is here reproduced.

Members of Oregon Co-operative Grain Growers:

When the association was organized during the spring of 1921 the wheat growers of the state of Oregon had in mind two conditions which they wished to correct. First, for years the grain buyers of the country had insisted that Pacific coast wheat must be sold on a basis of the Chicago market less the freight charges from the coast to Chicago. Second, a study of wheat prices over a period of years indicated that the grain market opened with a low price in the fall and consistently advanced throughout the year with, in most cases, the highest prices being paid during the months of May and June. A large percentage of the growers' wheat was sold on the market prevailing from August to November, and consequently the farmers were selling most of their wheat at the lower prices.

In considering the first of these two conditions the growers of the Northwest were aware that on the average it cost no more to ship wheat from the Pacific coast points to Europe than from Chicago to Europe. In regard to the second they desired to better the returns received from their wheat by placing the grain in a common pool and distributing it over the year's market, thus obtaining the average price paid for wheat throughout the year.

During their three years of operation the association the farmers have actually accomplished the two things which they set out to do. For the past two years coast prices for wheat have been held on an equality with the values of the export wheats which flow to market through Chicago and Duluth. They have also marketed their wheat in foreign markets, the association this past season having exported wheat to Hull, Liverpool, London and Avonmouth in England, to Glasgow in Scotland, Antwerp in Belgium, Rotterdam in Holland, to Kobe, Yokohama and Nagoya in Japan, Shanghai in China, and to Mexico. This wide range of ports

to which the association has been shipping indicates the extensive scale to which it has developed the business of exporting its members' wheat and should at once and for all set aside the arguments advanced by enemies that the association was not exporting but was selling the grain to the same dealers who purchased it from the farmer before the association came into existence. The wheat has been marketed in an orderly manner throughout the year and the price that the association has returned to the membership has been the average of the year's market value.

In their desire for a plan of operation which would give them an average of the market values throughout the year, however, the growers could not foresee that the first time in history wheat markets during the three years that the association has been operating have been higher at delivery time in the fall than they were for the greater part of the remaining marketing year, so that an average price throughout the year would necessarily be less than the price that could have been received at the harvest period.

When the association was formed it was the thought of many of our farm leaders that the benefits incident to its operation could be realized by the members without all the other farmers engaged in the same line of agriculture also securing the benefits. The history of co-operative marketing of farm products without control of the volume has shown that this is not the case. In their opposition to co-operative marketing organizations, the old line grain companies have paid much higher prices to non-members than they would have paid had there been no organization in the field. Better warehousing and financing conditions have been made available in the territory served. The non-members, however, have secured all of these benefits without having to assume any of the obligations of the association members, and seeing that they have obtained all the benefits while outside the association the non-member has been generally content to let the association member "hold the umbrella over him."

Proof of these conditions is indicated by the fact that over a period of years prior to the war the Pacific coast farmer received 85

per cent as much for his wheat as the Mississippi valley received for his wheat. (Figures from the bureau of economics of the United States department of agriculture). Today, for the same class of wheat, the coast farmer is on an equality with the Mississippi valley farmer.

The fact that the trade on the Pacific coast has been operating without profit during the last two or three years in their fight against the association is evidenced by the following facts: There are today only about half as many commission men and brokers operating in the Pacific coast grain trade as there were in 1920. This is due to the fact that the elimination of the spreads that used to exist between country prices and terminal prices has left no room for the broker to operate.

At a public meeting held in Corvallis in March, 1924, Mr. W. L. Thompson, first vice president of the First National bank of Portland, made the statement that of the three leading grain firms operating in Portland during the 1922-23 season one made approximately \$20,000, one broke even, and one lost \$20,000 and that the firm which made \$20,000 made less than one-tenth of a cent per bushel on its operations. In handling sales of mortgaged wheat this past year the association has repeatedly taken the price as quoted in our morning cables from Liverpool and found that the price offered in the country where those lots of mortgaged wheat were put up for sale was the Liverpool price less only the physical cost of handling the wheat from the country warehouse to Liverpool. There was not a fraction of a cent margin for office or administrative expense of the grain firm bidding for the wheat or for grade discounts. The dealers were willing to handle this wheat free or even at a loss to themselves in their competition with the association.

The above facts indicate to what length the trade is willing to go in the effort to discredit the organization in the opinion of the growers.

In forcing higher prices to be paid to all growers in the Northwest for the past three years the associations have been responsible for the distribution of not less than \$15,000,000 throughout the wheat growing region more than would have been paid for the grain had the association not existed.

A determined fight was made by the farmers of the Northwest this year for legislation which would better the conditions of the grain farmer. Non-members assisted the members in this fight, and, of course, should receive due credit for their assistance. However, it is a well known fact that the McNary-Haugen bill would never have been written nor presented to congress had it not been for the efforts of the wheat growers' organizations, and that while they received some assistance from non-members of the association, by far the greatest amount of expenditure of time and money to further that work was put forth by the association members through their support of the organization through which they were selling their wheat.

The Oregon Co-operative Council, an organization made up of representatives of every farmers' organization in the state, representatives of Oregon Agricultural College, the chamber of commerce and the State Bankers' association, has said:

Cooperative marketing should be adopted as a system by means of which we can most advantageously grade and standardize our products, develop markets and stabilize prices to growers. Almost invariably these associations raise the general price level by orderly marketing and secure to the grower the actual market price for his products and remove the individual hazard of a fluctuating market. They also work for the securing of beneficial adjustments in matters of credit, transportation, legislation, etc., that unorganized growers neither can nor will secure, and which private agencies will not attempt to render. The benefits thus gained have been, however, often shared equally by non-members, who bear none of the expense, and this tends to create dissatisfaction in the ranks of association members.

The grain associations in Oregon and Washington, though originally having 25 per cent of all the wheat signed on membership agreements, have jointly handled about 15 per cent. The loss was due to mortgages affecting deliveries. This small membership, delivering 15 per cent of the wheat, has grown weary of carrying the entire load of responsibility for the benefit of the 85 per cent who, while obtaining the great benefits accruing to the wheat industry as a whole through the operation of the association, have preferred to fight the association by placing their grain in the hands of the older trade channels and thus allowing it to be in direct competition with the association which is benefitting them. The association member naturally disapproves of this attitude on the part of the non-member, and favored some plan which would increase the membership and the volume of wheat handled by the organization.

After due consideration, therefore, and cooperating with the Washington Wheat Growers' association, the district delegates of the Oregon Co-operative Grain Growers unanimously passed the following resolution at their annual meeting, Friday, June 20:

Whereas, after a careful survey of the Oregon wheat area having been made it has been ascertained that the 1924 wheat crop is less than 50 per cent of normal, and statistics obtained indicate that the entire wheat crop of the United States and Canada is far below normal, which will materially reduce the exportable surplus, thereby raising the general price level, and

Slain Priest



Rev. Michael C. Gilbridge, Lowell, Mass., who was shot and killed by John King, Jr., as he was administering the last rites to King's dying father. Inset is King who is said to have had a maniacal intensity to religion and who took out his fanaticism on the kindly priest. In resisting arrest King shot and wounded a police captain.

Whereas, we believe in order to obtain greater benefits through the association a larger percentage of growers should participate, and in order to afford an opportunity to secure said increase in membership; therefore, be it

Resolved, that the Oregon Co-operative Grain Growers hereby temporarily suspend operations until such time as its board of directors feel that it would be to the best interest of its membership to resume operations.

This is not to be interpreted, as meaning that the association is going to disband or disincorporate. It merely means temporary suspension for at least the 1924 crop. The grower is therefore free to market his 1924 crop himself, selling it at any time he pleases and to anyone to whom he wishes to sell it. The board of directors, will some time during the fall or winter, notify you as to their plans regarding the 1925 crop.

Very truly yours,

Board of District Delegates of the Oregon Co-operative Grain Growers.

J. E. Reynolds, President, La Grande, Or.

V. H. Smith, Secretary, Wasco, Or.

Howard Anderson, Heppner, Or.

Ralph Henge, Heppner, Or.

H. D. Davidhizar, Joseph, Or.

W. H. Downing, Shaw, Or.

J. W. Dyer, Mayville, Or.

W. J. Edwards, Condon, Or.

F. W. Eppinger, Baker, Or.

T. R. Hampton, Pendleton, Or.

C. A. Harth, The Dalles, Or.

Fred Kenow, Grass Valley, Or.

Walter W. Russell, McMinnville, Or.

A. E. Shawway, Milton, Or.

J. W. Smith, Aurora, Or.

H. V. Smouse, Ione, Or.

J. C. Sothman, Madras, Or.

Swedes Find New Process To Derive Oil from Shale

STOCKHOLM, (AP)—A total of 245,000,000 tons of fuel oil can be derived from Sweden's deposits of bituminous shale, according to estimates of engineers published in connection with the announcement that production of shale oil is about to begin on a large scale at Kinnakulle.

Since Sweden is entirely dependent on imports for her coal and petroleum, for many years attention has been directed to the economic importance of finding some way of producing fuel from her vast deposits of alum shale.

A highly satisfactory solution

has been reached by two Swedish engineers and the considerable quantities of oil which they have already produced has been tested practically by the Swedish navy on oil-burning vessels and by various industrial establishments. The results show that shale oil can compete successfully with all except the more refined grades of petroleum oil.

The two things most commonly conducive to virtue are a pure

heart and a bald head.

The two things that make us appreciate home are a good woman and a visit to some resort.

It's nice to have a child to lavish your loving care on, but white shoes serve about as well.

"My hands and legs were stiff with rheumatism. I took one box of your 'Whirlwind Kidney & Rheumatic Tablets' and they entirely freed me from this condition."

G. W. Buchanan.

Whirlwind Chief Sold on a money back guarantee by every drug store in La Grande. \$1.00 per box.

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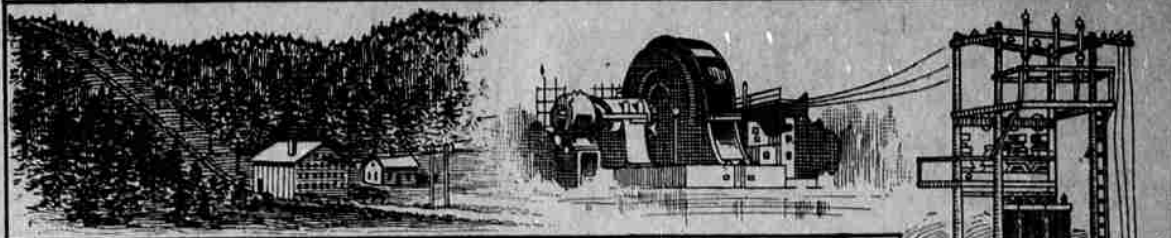
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