

Cheap Freight Rate Needed By Farmers

Before further discussing how the Pacific Northwest Grain and Grain Products association is saving money for Oregon wheat farmers, the specific and most pressing problem facing ranchers in this area should be outlined.

First, most wheat-growing Oregonians realize that the product they grow is of extremely high quality. Oregon wheat is definitely in demand. It is especially good for various types of pastry.

Someone might then logically ask: "If Oregon wheat is so good, why does the Oregon farmer have any problems. Why can't he sell every bushel he raises?" That is not a foolish question.

Those who have studied the problem know the answer. It is simply because it costs too much to transport Oregon wheat to the eastern markets. Extremely high transportation costs boost the price of Oregon wheat to a point where it just won't sell.

Even though the people who process wheat want the Oregon crop because of its special qualities, they just can't afford to buy it. They prefer to buy wheat from other portions of the U. S. at a lower price.

The next question might be: Leonard & Wilma Smith, Phone The Dalles 3135

"Why do Oregon people try to ship their wheat to the eastern markets under those conditions. Why don't they send it someplace else where it will sell?"

Here again the answer is simple. Most of Oregon's wheat must go east because that's where most of the people live. By far the largest percentage of the population of the U. S. is east of the Mississippi river.

This, of course, means that most of the bread, pastry and other wheat products are prepared and consumed in the areas of heavy population. If a wheat grower is going to sell his product

he must get it to the people who will buy, process and consume it. The population on the Pacific coast is growing rapidly—especially in California—but the fact remains that the bulk of the people live in the east and wheat must be marketed there.

There is one further question that might be asked of the Oregon grower. "If you find transportation costs to your only logical market too high, why don't you forget about wheat and start growing some other crop?"

Here's the answer: Oregon wheat farmers don't turn to other crops in counties such as Umatilla, Morrow, Gilliam, Sherman and Wasco because wheat is just about the only major product they can successfully produce in volume in that dry land region.

So, when these factors are all considered, the Oregon wheat farmer is left with these facts in hand: (1) His wheat is in demand; (2) it does not sell readily because it costs so much to transport it to eastern markets; (3) the Oregon wheat grower must send his wheat east because it is definitely his best market; and (4) because wheat is the only logical crop to be grown in certain portions of Oregon, these ranchers cannot turn to other crops for their livelihood.

For those reasons Oregon wheat farmers are faced with only one alternative. They must do all they can to see that transportation costs to markets in the east are kept within reason.

Questions About Farm Plan Answered By Ezra Benson

How would the changeover to the new formula be made?

The exemption from the modernized parity formula now granted the basic commodities would be allowed to expire as scheduled on January 1, 1956. Following this, the changeover would be gradual by dropping the parity level not more than 5 percent per year until the new formula is completely in effect.

What are "excess" reserves? Excess reserves are the surplus farm commodities left over after the Nation's normal reserve needs have been filled. The normal reserve includes sizeable quantities of some farm products for use in the event of war, drought, famine relief, and other domestic and foreign aid programs. When these needs have been filled, reserve supplies still on hand are designated "excess" reserves.

What would "freezing" excess reserves accomplish?

It would isolate present excess reserves of wheat, cotton, vegetable oils, and possibly dairy products from the market in order to give the new program a chance to work.

The farm problem today is not so much one of over-production

as it is a problem of unbalanced production. It is this problem which the new farm program is designed to solve. However, it cannot be expected to work effectively if excess reserves of various commodities are allowed to hang over the market where their presence would have the effect of depressing prices or necessitating too much of a decline in the level of price supports.

How would the "freezing" be accomplished?

It is recommended that up to \$2.5 billion be used for the setting aside of reserves from present CCC stocks. Deterioration and loss of quality would be held to a minimum through rotating stocks where necessary.

How would frozen stocks be moved?

Broad discretionary authority would be granted the President and Secretary of Agriculture to dispose of the commodities in a way that would not disturb normal trade. Likely outlets would be foreign aid, new foreign markets, barter, and disaster and famine relief.

Why should CCC's borrowing authority be increased?

Because its financial obligations are now pressing hard against the \$6.75 billion limitation on its borrowing authority. An additional authorization to \$8.5 billion is necessary to cover price support commitments for 1954 crops alone.

How would the new program affect major farm commodities?

WHEAT—The provisions of the Agricultural Acts of 1948 and 1949 would apply, with the price support level to depend upon supply. The computation of parity for wheat would be modernized beginning January 1, 1956.

The authority for acreage allotments and marketing quotas would be continued, but lower support levels would take away some of the incentive to grow wheat on land better suited for

pasture or other crops. It would also open new market outlets. There would be less need to restrict production as the nation moved away from fixed supports at 90 per cent of the old parity.

It is recommended that a sizeable portion of the wheat surplus be "frozen". This reserve would not be considered as part of the total supply used in determining price support levels and acreage allotments.

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One of a series of advertisements describing the plan for developing the Hells Canyon stretch of the Snake River, formally submitted to the Federal Power Commission for approval, in July, 1953.

POWER . . . Five Years Sooner In the Race With Pacific Northwest Growth

Speed of development is an essential for new power projects in the Northwest today. Government dams and power plants have not been able to keep up with increased needs, and the area-wide power shortage gets no better.

Speed is one of the prime advantages of Idaho Power's project for the Hells Canyon area of the Snake. Only twenty months after beginning construction, the first generator can be producing electric power. Only thirty-eight months to completion of the entire project, if in the judgment of the Federal Power Commission that becomes desirable.

The Department of Interior in its statement of policy on Hells Canyon said on May 5:

"... it is reasonable to assume that the first unit of the three-dam (Idaho Power) project can be on the line seven or eight years before the Hells Canyon (Federal) Dam can be in production. During this period there would, in effect, be a substantial loss of power and based on reasonable estimates, the Hells Canyon (Federal) project would have to operate more than 25 years before it could possibly make up for the loss. It could never replace the loss at the present time when it is very critical."

The Northwest, among the fastest-growing areas in the U. S., cannot afford to wait that long.

Idaho Power's Program in Summary

The Company's program will—

- 1 Fully develop the Hells Canyon stretch of the Snake River at a far lower construction cost—and at a far lower cost of producing power than any other plan.
- 2 Produce approximately the same amount of power "at site" and downstream as the proposed single federal dam. Any small difference in output which might for a relatively short period and under certain temporary conditions favor the single dam would be prohibitively expensive.
- 3 Make possible the production of over 40 billion kilowatt hours—the output of Bonneville Dam for approximately 10 years—prior to the time a single high dam could be completed.
- 4 Provide 1,000,000 acre feet of storage—the maximum dependable amount afforded at the site after taking into account the future upstream irrigation development and resulting depletion of water available for power storage purposes.
- 5 Fully provide the release of water required by the U. S. Army Corps of Engineers for navigation purposes.
- 6 Adequately meet the test of flood control needs.
- 7 Create a superior recreational area.
- 8 Fully protect irrigation water rights of present and future agricultural development upstream. (There is no irrigation to be served from a reservoir at this site under any plan.)
- 9 Provide large blocks of low-cost power rapidly, to serve the needs of Snake River Valley and of the Pacific Northwest through inter-connection with the Northwest Power Pool.
- 10 Be productive of \$10,000,000 annually in tax revenues for federal, state and local taxing units in addition to the tax revenues created by users of the power—all without cost to taxpayers.

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Crested Wheatgrass	35.00	40.00
Hard Fescue	46.00	62.00
Intermediate Wheatgrass	51.00	53.00
Bromar Bromegrass	20.00	
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