

- P R O C E E D I N G S -

REGIONAL AGRICULTURAL CONFERENCE

of

AGRICULTURAL AND OTHER INDUSTRIAL REPRESENTATIVES

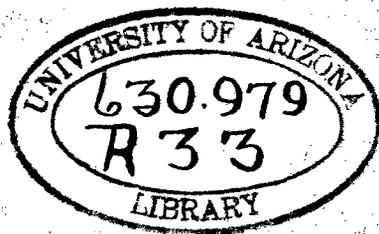
(ARIZONA, IDAHO, MONTANA, NEVADA,
UTAH, WYOMING & COLORADO)

Salt Lake City, Utah

October 1-2, 1926.

Chamber of Commerce
of the
United States
Washington

Agricultural Service



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FOREWORD

These proceedings of the Agricultural Conference held at Salt Lake City, Utah, under the auspices of the Salt Lake City Chamber of Commerce, and sponsored by the Chamber of Commerce of the United States, are presented as a contribution to commercial organizations in programming their activities in behalf of their trade-area agriculture.

Agricultural Service wishes to make this document a complete picture of the conference from the time of its inception, and therefore has included a copy of the call sent out to member chambers and other organizations in the states from which attendance was drawn, the explanatory memorandum which accompanied the call, the program and the rules of procedure adopted by the conference.

For sake of conciseness, the transcription of the proceedings has been condensed to one-third of its original volume. However, nothing has been omitted which offers a constructive suggestion or salient point.

Wm. Harper Dean, Manager,
Agricultural Service,
Chamber of Commerce of the United States,
Washington, D. C.
November 26, 1926.

C O P Y

September 1, 1926.

Dear Mr. Secretary:

On October 1 and 2, in the Chamber of Commerce building, Salt Lake City, Utah, there will be held a conference of representatives of agriculture and other business and industry from the States of Arizona, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming, and western Colorado. The object of this conference is to bring before business and industry in this territory the outstanding regional agricultural problems, and to indicate wherein all interests can work for their solution.

For several years now agriculture has been discussed wellnigh solely in terms of its national aspects. That is perfectly proper, but in endeavoring to visualize agriculture from so wide an angle, there is danger that we overlook local and regional problems which can be solved by local and regional action.

With this thought in mind, the National Chamber in the last fiscal year held four such conferences, at which were represented agriculture and other industry from a total of 22 States. The discussions were valuable contributions to a fund of knowledge of regional conditions. This year we plan to hold five such conferences embracing 29 States.

The accompanying memorandum and program give full details of the plan of the forthcoming meeting. Will you not read these carefully and plan now to make contributions to these discussions, through a representative of your organization?

Arrangements have been made with the Passenger Associations whereby reduced railroad fares are made available for all conferees. Round trip tickets are to be sold at one and one-half fare and stop-overs will be allowed on the return trip for most points. No validation will be required.

There is every assurance that the Salt Lake City Conference will draw upwards of 300 delegates, composed of farmers and ranchers, representatives of colleges, universities, railroads, banks, public utilities, farm organizations, chambers of commerce, and Federal and State officials.

At the earliest possible moment, will you not write to Mr. J. H. Rayburn, Secretary, Chamber of Commerce, Salt Lake City, Utah, giving him the name of your representative, and asking him to make his hotel reservation?

Cordially yours,

474/617
2 attWm. Harper Dean, Manager,
AGRICULTURAL SERVICE.

MEMORANDUM FOR AN AGRICULTURAL CONFERENCESALT LAKE CITY, UTAHOCTOBER 1-2, 1926.

Today the agencies in American life and progress are more and more properly evaluating mutual understanding and helpfulness. Agriculture and other industry in particular appreciate the significance of this trend. The benefits to be derived, however, can come only with a mutual comprehension of the various problems which confront, and which are a part of, all interests. There must be a clear understanding on all sides.

Experience has proved that such understandings best are presented through personal, informal contacts. During the year 1925-26 the National Chamber of Commerce, in cooperation with member chambers, held four regional conferences designed to encourage such contacts. These were attended by representatives of agriculture and other industries from a total of 22 states. They demonstrated their usefulness by yielding a valuable fund of information regarding trade-area and regional agricultural problems, and indicated clearly the broad field of opportunity for teamwork among all interests for their solution.

This Conference Will Seek Facts

The conference at Salt Lake City is planned to bring out facts. Problems of local and regional nature will be presented, discussed and all pertinent matter recorded. These records then will be presented to all conferees and generally made available to individuals and organizations in the areas. They also will be made use of by the National Chamber in connection with its work of formulating agricultural policies.

The Conference Will Be Representative

At this meeting there will be brought together outstanding men from the wide range of interests in this region. Production, distribution, transportation, banking, local, State and Federal regulatory and educational units -- all will be represented. The conference promises to be one of great importance and of immediate and lasting value.

Set Speeches, Papers, Resolutions and Committees

None of these things fit into the plans for the Salt Lake City conference. We will be glad to have papers which any conferee wishes to prepare on some important topic in the program, but these will not be read during the conference. They will be briefed and included in the record of proceedings.

The conference will create no committees nor entertain resolutions, for the conference will not constitute an organization.

The only officers necessary for the conduct of this meeting will be a chairman pro tem, who will be elected by the conferees, and an acting secretary to take the stenographic record.

Come Prepared to Talk

Each conferee will profit by this conference in proportion to the contributions he makes to the discussions. It is urged upon all who plan to attend that between the date of receipt of this invitation and the calling of the conference, they study carefully the possibilities offered by the topics on the program. To what extent does some phase of each of these affect your interests? If you will turn this question over in your mind and come prepared to ask questions and perhaps to answer some that are sure to be asked, the conference automatically will yield good interest on the time and money expended in attending it.

#5.

Schedule of Sessions

The conference will be held in the Main Dining Room, Second Floor, Chamber of Commerce Building, Salt Lake City, Utah. The sessions are scheduled as follows:

Friday, October 1

First Session: 9:00 A.M. to 12:30 P.M.

1:00 P.M. Luncheon

Second Session: 2:00 P.M. to 4:30 P.M.

Saturday, October 2

Session: 9:00 A.M. to 12:30 P. M.

Immediately following adjournment on Saturday, October 2, all the conferees will be the guests of the Salt Lake City Chamber of Commerce at a luncheon. Further announcement concerning this feature will be made during the conference by the acting chairman.

Reduced Railroad Fares

Reduced railroad fares for all conferees have been made possible through arrangements with the Passenger Associations. The same route must be used in both directions, but stopovers will be permitted on the return trip. No validation is necessary.

Please Write Promptly

As soon as you have decided definitely to attend, or upon the delegate who will represent your organization, please notify MR. J. H. RAYBURN, SECRETARY, THE CHAMBER OF COMMERCE, SALT LAKE CITY, UTAH, giving name, address and organization represented, and the date on which you or your delegate will arrive in Salt Lake City. Mr. Rayburn then will notify you as regards hotel reservations.

#6.

PROGRAM

FIRST DAY

Friday, October 1, 1926

9:00 A.M.

PRODUCTION PROBLEMS

1. Labor:

Production Costs - Can these be lowered? How?

2. Credit

3. Legislation

2:00 P.M.

4. Reclamation:

(a) Federal Policies

(b) State Policies

5. Taxation:

(a) General

(b) Forest Yield

6. Grazing:

(a) Federal Policies

(b) State Policies

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SECOND DAY

Saturday, October 2, 1926

9:00 A. M.

MARKETING PROBLEMS

1. Transportation

3. Credit

2. Surpluses

4. Tariffs

5. Arbitration

RULES OF PROCEDURE
FOR AN
AGRICULTURAL CONFERENCE
OCTOBER 1-2, 1926
SALT LAKE CITY, UTAH

The following rules of procedure are suggested for adoption by the conferees.

1. MEMBERS OF THE CONFERENCE:

Members of this Conference shall consist of those who have received the call to this Conference from the Chamber of Commerce of the United States and the Salt Lake City, Utah Chamber of Commerce.

2. OFFICERS:

The Officers of this Conference shall be an Acting Chairman, two Acting Vice Chairmen and an Acting Secretary.

3. TIME LIMIT:

In view of the number of subjects to be covered within the time available, discussions on each subject will be limited to five minutes for each representative, at any one time.

Roster of Attendance
Agricultural Conference
Salt Lake City, Utah
October 1 and 2, 1926.

AGRICULTURAL ORGANIZATIONS

MONTANA

W. L. Stockton	Montana State Farm Bureau Federation	Clarkston
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NEVADA

James Hollinger, V. Pres.	Nevada State Farm Bureau Federation	Ursine
G. H. Reinken	Elko County Farm Bureau Federation	Lanville
J. D. Yeager	Nevada State Farm Bureau Federation	Simpson

UTAH

J. D. Baker	Farm Bureau Federation	Mendon
E. Bergeson, Pres.	Utah State Farm Bureau Federation	Cornish
M. P. Brown, V. Pres.	Utah State Farm Bureau Federation	Ogden
George E. Dibble	Farm Bureau Federation	Layton
Roy Glazier	Salt Lake County Farm Bureau Federation	Riverton
Mrs. Ivan D. Gore	American Farm Bureau Federation	Santaquin
Joseph Holbrook	Davis County Farm Bureau Federation	Syracuse
A. Theodore Johnson	County Farm Bureau Federation	Vernal
O. L. Robinson	Millard County Farm Bureau Federation	Fillmore
M. S. Winder, Secretary	Utah State Farm Bureau Federation	Salt Lake City

BANKS

IDAHO

Paul M. Lee	Banker	Idaho Falls
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MONTANA

A. L. Stone	Banker	Dillon
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UTAH

E. T. Capener,	Land Appraiser, P.C.J.S. Land Bank,	Salt Lake City
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CHAMBERS OF COMMERCE

ARIZONA

W. W. Pace	Gile Valley Chamber of Commerce	Thatcher
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CHAMBERS OF COMMERCE (cont'd)IDAHO

C. Ben Ross	Pocatello Chamber of Commerce	Pocatello
R. E. Shepherd	Idaho State Chamber of Commerce	Jerome

NEVADA

E. G. McGriff	Los Vegas Chamber of Commerce	Los Vegas
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UTAH

Edw. M. Ashton, V. Pres.	Salt Lake City Chamber of Commerce	Salt Lake City
C. C. Backes	Salt Lake City Chamber of Commerce	Salt Lake City
P. A. Dix	Ogden Chamber of Commerce	Ogden
Paul V. Kelly	Salt Lake City Chamber of Commerce	Salt Lake City
H. A. LaFount	Salt Lake City Chamber of Commerce	Salt Lake City
Thos. L. Martin	Provo Chamber of Commerce	Provo
J. H. Rayburn, Sec.	Salt Lake City Chamber of Commerce	Salt Lake City
S. F. Whitlock	Ogden Chamber of Commerce.	Ogden

WYOMING

Thos. Cooper	Casper Chamber of Commerce	Casper
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CHAMBER OF COMMERCE OF U. S. A.

W. DuB. Brookings, Mgr.	Natural Resources Department	Washington, D.C.
Wm. Harper Dean, Mgr.	Agricultural Service	Washington, D.C.
W. Boyd Kegg		San Francisco.
W. H. Lees		* San Francisco.

FARMERS' ASSOCIATIONSIDAHO

Donald McLean, Sec.	Idaho Wool Growers' Association	Twin Falls
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UTAH

J. S. Alkinson, Jr.	Salt Lake Milk Producers' Assn.	Woods Cross
J. R. Allen	Salt Lake Milk Producers' Assn.	Draper
Wm. W. Folland	Utah Poultry Prod. Coop. Assn.,	Salt Lake City
Peter Frost, Director,	Salt Lake Milk Producers' Assn.	Bluff Dale
Clyde Gillman	Salt Lake Milk Producers' Assn.	Provo.
Wm. Healey,	Salt Lake Milk Producers' Assn.	Alpine
Jos. Hibbard, Director	Salt Lake Milk Producers' Assn.	West Jordan
Jas. A. Hooper	Utah State Wool Growers' Assn.	Salt Lake City
Jos. Jensen, Director	Salt Lake Milk Producers' Assn.	Crescent
F. R. Marshall, Secy.	National Wool Growers' Assn.	Salt Lake City
J. O. Stone	Salt Lake Milk Producers' Assn.	Provo
Oscar Walkins, Director	Salt Lake Milk Producers' Assn.	Alpine
A. Willardson, V. Pres.	Utah Poultry Producers' Assn.	Salt Lake City

FARMERS' ASSOCIATIONS (contd.)WYOMING

Kleber H. Hadnol	Wyoming Wool Growers' Assn.	Rawlins
J. B. Wilson	Wyoming Wool Growers' Assn.	McKinley

RAILROADSCOLORADO

W. H. Olin, Agri. Supervisor	D. & R.G.W.R.R.	Denver
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ILLINOIS

George Bonnell, Indus. Agent.	C. & N. W. Ry.	Chicago
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NEBRASKA

Val. Kuska, *Colonization Agent,	C. B. & Q. Ry.	Omaha.
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UTAH

H. W. Howell, General Agent	C. M. & St. P. Ry.	Salt Lake City
W. J. Martin, Asst. Supv. of Agri.	Union Pacific System	Salt Lake City.

SCHOOLS AND COLLEGESCOLORADO

Alvin Kezer	Colorado Agricultural College	Fort Collins
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UTAH

F. W. Kirkham, Supt.	Granite School District.	Salt Lake City
Wm. Peterson, Director,	Exp. Station, Utah Agr. College,	Logan
R. M. Rutledge	Utah Agricultural College	Logan
Jos. F. Skinner	Spanish Fork High School	Spanish Fork
W. Preston Thomas	Utah Agri. College	Logan
W. L. Wanlass	Utah Agri. College	Logan

STATE DEPARTMENTSIDAHO

A. W. B. Kjosness	Commissioner of Agriculture	Boise
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UTAH

George M. Bacon	State Engineer	Salt Lake City
Hardin Bennion	Commissioner of Agriculture	Salt Lake City
Wm. M. Green	Bureau of Reclamation	Salt Lake City
D. H. Madsen	State Game Commissioner	Salt Lake City
Lorenzo Pett	State Bd. of Equalization	Salt Lake City

STATE DEPARTMENTS (cont'd)UTAH

David F. Smith	State Bd. of Agriculture	Salt Lake City
E. H. Snow, Chairman	State Board of Equalization	Salt Lake City
Frank Page Stewart,	State Board of Equalization	Salt Lake City
E. W. Stringfellow	State Dairy & Food Inspector	Murray

WYOMING

A. D. Heaville	Commissioner of Agriculture	Cheyenne
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UNITED STATES DEPARTMENT OF AGRICULTURE AND STATE EXPENSION SERVICECOLORADO

Jas. Christensen	Packers' & Stockyards' Admin.	Denver
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IDAHO

R. H. Critchfield	Bur. Agri. Economics	Washington, D. C.
A. K. Larson	County Agri. Agent	Driggs

NEVADA

Cecil W. Creel, Director of Extension, University of Nevada	Reno
C. R. Townsend	Extension Service Ely

UTAH

O. P. Madsen	County Agri. Agent	Price
W. J. Thayne	County Agri. Agent	Farmington

UNITED STATES FOREST SERVICEUTAH

C. L. Forsling	Great Basin Exp. Station	Ephraim
R. H. Rutledge	United States Forest Service	Ogden
Ernest Winkler	United States Forest Service	Ogden

INDIVIDUALSCALIFORNIA

W. F. Jensen	Mutual Creamery Co.	Los Angeles
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IDAHO

Ernest Eagleson	Mayor of City	Boise
J. W. Webster		Rexburg
E. S. Larned, Director	Noxious Weed Control	Twin Falls

INDIVIDUALS (Continued)NEVADA

E. G. McGriff	Fruit Grower	Los Vegas
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UTAH

Jos. L. Bair	Farmer	Alpino
Albert B. Barton	Kaysville Local Dairy, Inc.,	Kaysville
J. O. Bateman	Farmer	Alpino
George D. Bertoch	Oquirrh Dairy, Inc.,	Hunter
W. W. Evans	Layton Dairymen, Inc.	Layton
O. A. Fitzgerald	Salt Lake Tribune	Salt Lake City
H. R. Grow, Secretary	Union Dairy, Inc..	Sandy
T. L. Jarman		Orcm
John F. Moyle	Farmer	Alpino
C. C. Neslon	Mayor of City	Salt Lake City
Dana Parkinson		Ogden
N. August Peirson	Farmer	Midvale
A. O. Stoker	Local Dairy Assn.	Syracuse.

WYOMING

Thos. Cooper	Wool Grower	Caspor
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FIRST DAY

Friday, October 1, 1926
Morning Session, 9 A. M.

MR. E. M. ASHTON (Vice President, Salt Lake City, Chamber of Commerce) On Behalf of the Salt Lake Chamber of Commerce, it is a particular pleasure for me this morning to welcome you all here.

A few years ago it was my good fortune to be down here with three hundred farmers establishing what is known as a Growers' Market. We were together in one of the fields just west of this building, when a gong sounded, indicating that the Armistice had been declared and the War ended. The next day Salt Lake City was in a furor of excitement, as were other cities throughout our country. But at that time little did we know of the difficulties which were to follow.

After the war the problems which confronted almost every line of endeavor became more acute. Many remedies were proposed, but the ones which proved most helpful were those which brought our associations of business men into closer understanding.

Among the things which have been the hardest to handle, has been the agricultural problem. And that is the purpose of this meeting today. The Chamber of Commerce sincerely extends to you kindest wishes in undertaking the task confronting this conference. We know that the activity which will characterize your meetings, will assist materially in reaching solutions for many of the problems affecting our industry.

We are today living under conditions quite different from those of twenty-five or thirty years ago. We are now brought in such close contact with each other, that, even though thousands of miles apart, we are almost shoulder to shoulder in working out the problems of our country and the things necessary for the conducting of our business.

It is my pleasure to announce that our Mayor is here,-- Mayor Neslen. He is always with us in functions of this kind, and takes a keen interest in the welfare of the people of this community and of the state. Our governor will be here later on, and will be introduced to you. He will be a very lively participant in the activities of your convention.

We shall be pleased to have our mayor talk to us for a few minutes.

C. C. NESLEN (Mayor of Salt Lake City): It is my pleasure to represent this fine city in bidding you welcome at the opening session of your convention. This, to me, is always the most pleasant part of my day's program.

During the presidential campaign two years ago, you recall that President Coolidge's picture appeared so often in magazines and newspapers. He was attired in overalls and wore a big hat, standing at the plow, or milking the cow; and I recall someone asked his opponent, John H. Davis, if he was a farmer. He said, "No, I am not even a farmer pictorially."

I may say for myself that I am not even a farmer pictorially. However, I do know the importance of agriculture, and I do know the bearing it has on the development of any community. We had agriculture before we had transportation; we had agriculture before we had the radio; we had it long before we had golf; and we had it long before we had all these other things that now go to make up our great community lives.

Although this particular state, with which you are all acquainted, has diversified interests, and although mining is a very, very important industry in this community, still, agriculture is the foundation upon which the entire superstructure has been built. Without it we would have no city here to say.

I have been more than once struck with the wisdom of the early pioneers in this community when they deliberately discouraged the people from going into the mining business; they discouraged the people from going out prospecting and neglecting their fields in order that they might gain money more rapidly. I think Brigham Young's associates were very wise when they said, "The time will come when we will develop our mines, but first we shall establish ourselves in an agricultural way. Let us be assured of our food supply and then the other things will follow in proper order." Brigham Young was criticized for this action by some. There was quite a drifting away from his church because some men felt that mining was the big thing to engage in. I am sure, however, that the pioneer was wise in first establishing agriculture, in getting the people on to the ground, having them build their homes and assuring themselves of a supply of food and raiment.

Agriculture is a very, very important thing in any community's life. It is an important thing in this community. While we do have diversified interests, still, today agriculture and the things appurtenant to agriculture constitute our greatest industry in this state.

I often think when I am in the east that the eastern people do not realize the conditions surrounding the farmers of the west. They have their farming problems in a small way, but their problems are not the problems that confront the people of this western section. The conditions that some of you may have in New Mexico are different from those you have in Montana. Therefore it is wise for us to get together often and consider each other's problems, consider our own problems and get the benefit of the other fellow's experience.

I am here to bid you welcome to this city, and we are very, very happy to have you with us. This is a cordial community -- a community where hospitality is characteristic of the people. The Chamber of Commerce is interested in the welfare of this community and the development of this section, and they have taken the lead in inviting you gentlemen here today.

On behalf of the city I bid you welcome and express the thought that your gathering will be successful and instructive.

MR. ASHTON: It is my pleasure to introduce as the next speaker Mr. W. D. Brookings, of the Chamber of Commerce of the U. S.

W. D. BROOKINGS (Manager Natural Resources Production Dept., U.S.C. of C): Before Mr. Dean explains the purpose of this series of regional agricultural conference he is holding throughout the country, I will explain briefly how I am in the picture.

Mr. Dean is the manager of Agricultural Service of the Chamber of Commerce of the United States. I am the manager of the Natural Resources Department.

The Chamber of Commerce of the United States is a federation of fourteen hundred chambers of commerce and trade organizations. There are eight hundred chambers of commerce varying in size from such large metropolitan organizations as the Merchant's Association of New York City to the smaller chambers of commerce in this mountain region, all having an equal voice in the conduct of the national federation.

Besides chambers of commerce we have trade organizations of which the Woolgrowers' Association of this state is an outstanding example. There are four hundred of them.

About six years ago this federation in order to get close contacts with the various industries of the United States set up departments, creating eight with a manager for each. For instance, we have a finance department, transportation department, manufacturing department, agricultural department, etc.

My department deals with industries that take our great natural resources and convert them into raw materials, -- mining, coal, oil, timber, and the great water resources.

Of course, land is the basis of all natural resources.

Water resources and land resources lead us into the field of reclamation. You can't discuss an agricultural problem in this western region without discussing reclamation. Then we get into the use of land for grazing. Reclamation, water, grazing and important subjects in my Department and that's why I am here.

MR. ASHTON: It was my good fortune recently to be with Mr. Winder, the chairman of the agricultural department of the Chamber of Commerce, in visiting some nearby towns in the interest of agriculture. I noted the keen cooperation he is giving in working out the problems that are particularly important to those sections of our state. I noticed also a wonderful improvement in the quality of agricultural products which resulted from the cooperation of the growers in and around Salt Lake and Ogden, and in Davis and Salt Lake counties.

It seems to me that while you are assembled here you can very well afford to stimulate a limited production, thereby bringing about higher quality and better packing.

I would also recommend that we give more attention to the raising of better live stock. All of us who attended the recent show here in Salt Lake City know just what it means to produce fine stock, and it is wonderful to note what a difference there is in the quality of animals after one breeding to a thoroughbred of any kind.

The other day I went up here to see the horses that came in from the states where you gentlemen came from. It was wonderful to note the quality of animals that were sent up here for sale. Incidentally I met an auctioneer who had been down in southern Utah visiting a family that were not in very good circumstances, and the man and wife would actually have sold their horses for twenty-five dollars. This auctioneer saw the situation, and said, "Now, I

wish you would let me bring these two horses of yours to Salt Lake City"; and he did so, with the result that one of them brought one hundred and fifty dollars. I don't know whether the other one was sold or not, but I think it was. You see the differences between what he could receive down there and what he got by bringing those horses up to the stock yards here. That is real cooperation.

We have been very successful with the agricultural department in cooperation with the State Fair Commission in the bringing in of government remount stallions. You can encourage the people all through the states where you live to raise better animals and send them up here for sale when the proper time comes. There is a market for all of them. Major Jones of Fort Douglas tells me there is not much danger of over-production, because he finds keen competition on the part of private owners for these animals. They even outbid him when he goes to select special types of horses for sale to the Government.

The organizations of the world are always successful because of the personnel of those organizations and their organizing ability. I know you will be very pleased to hear, today, from the organizer who has made possible these meetings.

It is now my pleasure to introduce to you Mr. William Harper Dean, manager of Agricultural Service, United States Chamber of Commerce of Washington, who will outline the purpose of this conference, and what is to be accomplished.

I certainly wish you a pleasant time together.

WILLIAM HARPER DEAN (Manager, Agri. Service, Cham. of Comm. of U.S.A.)
We have been wallowing around for the last six years in a quagmire of doubt and misunderstanding, and more or less futile effort to get at the causes and effect of the agricultural depression which began about 1920.

I think a great many of you will agree with me that we haven't progressed very far. Because of the fact the National Chamber had to develop a national agricultural policy. I have undertaken to bring together needed facts. Now there is one way to seek facts, by going to the top and looking down upon the situation. If we do that, we get a distorted picture. The national agricultural problem is made up of a number of problems, and these problems are generated by regional and local conditions. So last year we held four conferences, embracing twenty-two states. We developed from them a tremendous amount of information that will shed light upon the national problems.

This year we are planning to hold five such conferences. This is the first. The object of these conferences is to bring together representatives of agriculture and other industry and business, for the discussion of local and regional problems in an informal, direct manner, so that the problems themselves may be presented and, if possible, ways for their solution indicated.

We don't stop there. There is more to a conference of this sort than getting together, talking and then going home. These things have to be followed up. Every man who has had an invitation to this conference will get a stenographic record of what has been said and what has been done. We keep in correspondence with these men and if possible develop to the limit of our ability local activities to follow up the leads brought out in these meetings.

Out in Fresno we developed ten points for adoption by the state's local Chamber of Commerce as their agricultural program. The state's needs as a whole were brought out in this conference. We found there were ten big

jobs for California to do, jobs for the prosecution of which all interests could unite.

That is what California accomplished, and is what other regions can accomplish. In this Conference today we want to get at the regional and agricultural problems, some indication of their causes, and how they must be attacked. If we can take care of the local and regional problems, the national problem will take care of itself. We cannot work from the top down.

Today we have quite a program. I am going to ask you if you will glance at the proposed rules of procedure that are before you. They are very simple, and the only reason they are proposed for adoption is to expedite the meeting. Let me read them, please.

- "1. Members of this conference shall consist of those who have received the call to this conference from the Chamber of Commerce of the United States, or the Salt Lake City, Utah, Chamber of Commerce.
- "2. The officers of this conference shall be an acting chairman, two acting vice-chairmen and an acting secretary.
- "3. In view of the number of subjects to be covered within the time available, discussions on each subject will be limited to five minutes for each representative at any one time."

That doesn't mean that every man here won't have ample opportunity to express himself thoroughly on every subject. But as there are likely to be over two hundred delegates in attendance, you can readily see that we must have a time limitation on discussions.

The rules are suggested for adoption, and I would be glad to entertain such a motion.

(Motion made and unanimously carried.)

MR. DEAN: We have three sessions; two today and one tomorrow.

We need a chairman and two vice-chairmen for the conduct of these. They are to be elected. The chair will entertain nominations for a chairman and two vice-chairmen of the conference.

CECIL W. CREEL: (Director of Extension, University of Nevada) I think a large part of the success of any conference lies in the planning of it. Those of us who have come a distance haven't had an opportunity to take part in outlining this method of procedure. Therefore, I would like to put in nomination as chairman Mr. Paul V. Kelly, and as vice-chairmen Director Peterson of Logan and Mr. W. S. Winder, secretary of the Utah Farm Bureau, of Salt Lake.

(Motions put and carried.)

MR. DEAN: I am very glad indeed to present to you gentlemen Mr. Kelly of Salt Lake City as chairman.

PAUL V. KELLY: (Chairman, Agri. Committee, Salt Lake C. of C.) I would like to take this opportunity to introduce Governor Dern, who will welcome you to Utah.

GOVERNOR DERN: I am very glad to have the opportunity to welcome this very important conference to Utah. I hope your visit will be pleasant and that your discussions will be fruitful.

I understand this conference is being sponsored by the Chamber of Commerce of the United States. That Chamber has been very helpful to American business, because it has taken hold of the problems of the business men of America in an intelligent and scientific and sympathetic manner. Its success, I think, has been very largely due to the fact that its affairs have been guided by men of a high order of ability and of deep sympathy with the problems that confront American business.

If the Chamber will apply the same intelligent study and the same sympathetic interest to the problems of agriculture, I am very hopeful it can help materially in alleviating the ills of agriculture.

The Chamber of Commerce of the United States of course is an organization of the business interests of the country. It has always seemed rather strange that in speaking of American business we do not ordinarily include agriculture, when, as a matter of fact, agriculture is the largest business in America, and all other business is, to a great extent, at least dependent upon agriculture. As agriculture prospers, so other business prospers.

The most logical thing in the world is for business men to be interested in the prosperity of agriculture, and they ought to have a sympathetic interest in the welfare of the farmer. They ought to be alive to the fact that their own prosperity depends upon the prosperity of the farmer. So it is a matter of enlightened self-interest on their part, it seems to me, to devote themselves to the problems that confront American agriculture.

We realize that agriculture in this country has been undergoing a very strenuous period of depression during the past few years, and the farmer has had unusual problems to face. It has been a complicated situation. Many minds have been directed towards the task of improving the condition of the farmer. I don't know whether very much has been accomplished or not here in Utah, and of course the rest of the intermountain states. We are endeavoring to find some relief in getting away from raising altogether staple crops, going into more specialized productions, raising things that can be sold at higher prices than the staples, and we have been fairly successful in that direction.

I remember last spring when I was discussing some matters with the secretary of the governor of Arizona, he told me that under the Salt Creek Project the entire acreage produced on an average of ninety-four dollars an acre last year. They didn't produce that by raising alfalfa or grain. They got that by raising cotton, and cantaloupes, and things of that kind, which they could sell at fancy prices.

I feel that our high-priced irrigated land is one direction in which we must work for relief. Of course it is not a universal remedy. There are lots of places where that can't be done. Consequently the agricultural problems in this section of the United States are in many respects similar to the problem of agriculture generally in the nation. I know that the farmers of the intermountain states are in very much the same situation as the farmers in the rest of the country. Their problems are common.

I think any conference of representatives agriculturalists, men who have studied the problems of agriculture, ought to be useful in comparing ideas and experiences so that something valuable may be evolved. You are not here, as I see/^{from} your program, to indulge in a lot of speeches. You are going to sit around the tables together and compare ideas, and in that way arrive at an understanding of what has been accomplished in the various sections. I am sure it is going to be helpful.

I am very glad indeed that you are having this session here in our city. As I said at the outset, I hope the conference and the discussion you may have may lead to very beneficial results.

THE CHAIR: It is customary at a conference of this sort to appoint an acting secretary. If there is no objection, the chair will appoint as acting secretary, Mr. G. F. Summers.

I have here a telegram from San Francisco, addressed to President Keyser of the Salt Lake City Chamber of Commerce.

"California sends greetings to those in attendance at the agricultural conference held under the auspices of the United States Chamber of Commerce and Salt Lake City Chamber of Commerce stop A similar conference held at Fresno California in March of this year developed a fine agricultural program which has been adopted by many chambers of commerce in this state with many beneficial results already recorded and promising a broader vision of cooperation between agriculture and business for the future stop We hope that even greater results will come from the Salt Lake conference.

California Development Association,

R. N. Wilson, Director Agricultural Department."

Telegram from Burley, Idaho, addressed to Mr. J. H. Rayburn, Secretary Chamber of Commerce, Salt Lake City, Utah.

"I REGRET TO ADVISE THAT OUR PARTY WILL BE UNABLE TO ATTEND YOUR VALUABLE MEETING DUE TO UNEXPECTED OBSTACLES WHICH DEMAND OUR ATTENTION STOP AGRICULTURE SEEMS TO BE THE TOPIC OF THE DAY THE MOST EFFICIENT AID TO AGRICULTURE IS EQUITABLE TRANSPORTATION TODAY WE HAVE TOO MUCH TRANSPORTATION AND FREE STORAGE AT THE EXPENSE OF AGRICULTURE AND THE TAX PAYER FOR THE CONVENIENCE OF THE CURBSTONE OPERATOR SUCH TRANSPORTATION DEMORALIZES OUR MARKETS AND DEMANDS EXCESSIVE FREIGHT RATES

LINCOLN WILDER."

Telegram from Denver, Colorado.

"SECY RAYBURN

CHAMBER OF COMMERCE SALT LAKE CITY UTAH

CANT ATTEND CONFERENCE TODAY BE THERE IN THE MORNING
W.H. OLIN."

While there will be no papers presented at this conference, if any of you have papers you would like to place in the record, please hand them to who-

ever may be acting chairman.

The first topic that comes before the conference is "production problems" and the first subhead we will take up under that is "labor". This, of course, is a very wide subject, but of special interest to some of you are the questions of seasonal, transient and oriental labor.

I wonder if Mr. W. W. Pace will open this subject?

W. W. PACE (Safford, Arizona): The Chamber of Commerce of Safford is a very small Chamber and I have just recently been elected the president.

I came here purely as a visitor trying to get an idea or two of what the purpose of this meeting was, and I am totally unprepared to open the question that has been suggested. I am sorry to have to decline to do it, because I believe a live man, a man holding the position of president even of a little Chamber of Commerce, ought to be able to do something of this kind. But I am totally unqualified at this time to open this question.

THE CHAIR: We have here in Utah somewhat of the Oriental question. I would like to ask Director Peterson if he won't say a word about this.

WILLIAM PETERSON (Director Experiment Station, Utah Agri. College): In several of our agricultural endeavors we found that we needed more help; and we imported help for harvest time only, Japanese, Mexicans, Greeks and other types. In the importation of that labor for agriculture, I suppose we made it so pleasant for them that they felt they would just as well stay until next season. I don't know whether we realized it or not, but the facts are that in a number of places today the Japanese are acquiring ownership and getting possession of land in rather large tracts.

I talked to a Japanese last week who has acquired ownership to one hundred and sixty acres. He had planted on his place twenty acres of potatoes and the potatoes looked especially good, looked like they might be good enough for seed. I asked him what he was going to do with these potatoes. He said he was going to plant every one of them; that he had two friends who had acquired some land adjacent to his, and they were going to come in and plant the whole lot next year.

We have a similar condition in Box Elder county, where there are large tracts of land that are actually being acquired by these people. These men are good farmers, and they are industrious, but they will not take on any responsibility,-- socially, religiously, or politically or educationally. They have standards of their own, and they can live according to those standards in a much cheaper way than anyone else can live. I doubt if they are contributing to our state.

To me it is a problem, whether or not we should continue in the employment of labor of those people that leads to the definite ownership of land in our state.

FRANK EVANS (Amer. Farm Bur. Fed.) My interest here is due to my association with farm organizations, my present position being that of counsel for the American Farm Bureau Federation. However, I am not speaking as a direct representative of that organization, because I have not been delegated for that purpose.

This conference should not fail to discuss to some extent the question of seasonal labor. I realize that it is a broad question, and there will not be sufficient time now, perhaps, to reach any very definite conclusion. But if we should go into the subject far enough so as to stimulate some investigation that might later on result in reaching wise conclusions, the time spent here would be well worth while.

There seems to be no doubt but what there is a shortage of farm labor during certain seasons of the year over the entire western and southwestern area. There are certain operations necessary in diversified farming which are not willingly engaged in by the people of Central Europe or by our own stable white population. I refer particularly to some of the work in connection with sugar beet production, the production of cotton, of citrus fruits and other lines which are of a distinctly menial type.

It has been customary to bring in groups of Mexicans every season with the intention of returning them to their country after the work is done. It has been found very difficult however, to insure the return of these people, and a large percentage of them has been absorbed into our population. This raises an important social question.

The emigration law of 1924 has for the most part been regarded as very successful and as acceptable to practically all groups of people. There was a proposal at the last session of Congress to extend a quota provision to all the countries of the western hemisphere, but objections were immediately raised. It was felt that under such arrangement it would be impossible to get into this country the Mexican labor which has been regarded as so important by the groups engaged in the production of sugar beets, cotton and these other similar lines of agricultural production. Thus far, the provisions of that law have not been extended as was proposed.

The Secretary of Labor suggested in both his 1924 and 1925 reports to the President that some relaxation be arranged whereby Mexican labor can be brought in and used seasonally, but I think his recommendation contemplated that all such labor should be for permanent residence. He did not propose any means of getting them back again into their own country. I believe the provision is already in the law that skilled laboring men under certain circumstances such as cases of emergency, and under proper regulation, may be brought in, but there is no such provision for unskilled labor.

In Arizona a little less than a year ago, after the cotton picking season was practically over, I remember seeing a large percentage of the cotton still on the vines. I was informed that it was impossible to secure pickers, that they were unable to get Mexican labor, but that they would have been willing to guarantee the return of those laborers across the border if they had been permitted to bring them in.

There is an eight dollar per capita tax, as also a ten dollar vise tax, which makes a cost of eighteen dollars per head for bringing these people over the line. It is unlawful for any person or organization to pay this expense, and the Mexicans themselves are so poor that they are generally unable to pay it.

Some of these who protested against the Box resolution suggested that provision be made to waive this eighteen-dollar expense and to bring these people free of cost, but we did not meet that suggestion. Therefore, at the present time the situation is this, -- during certain seasons of the

year there is a great shortage of farm labor in this western country, and, as a result, crops remain unharvested and great losses are sustained.

The effort to bring in this labor and return it to Mexico does not seem to have succeeded. There is a strong objection for social reasons against bringing it in at all, because it seems to have been impossible to control it,-- to prevent its being distributed throughout our country. At the same time there is ample testimony from the border cities that this Mexican labor is of a very good type, that they assimilate rather easily, that they tend to remain upon the farms and tend to be satisfied, and are not so likely to drift into the cities as is other colored labor.

And so we are confronted with the problem of securing labor from some source which can be depended upon to do this particular kind of work. The most available seems to be the Mexican labor, but the difficulty of importing it is that fear of social degeneration. Congress has considered this subject for many years, but it is at the present time an unsolved question.

C. J. CARLSON (Idaho Falls, Idaho): I want to ask the privilege of discussing the labor question from strictly a farmer's point of view. The labor problem is very closely intertwined with the cost of production of agricultural products.

I have been a farmer for thirty-two years. I have hired one-season labor as well as continuous labor. In that length of time there has never been a year when my agricultural income has justified the paying of wages equal to that which responsible labor was drawing in the great industries of the country. That is one factor. Whenever we have had responsible labor, it has naturally drifted into higher paid employment. Men with ambition, men that look to the future, are not inclined to stay on the farm and perform the labor required there.

The second cause for responsible hired labor leaving the farm has been the opportunity and the inducement to start as farmers themselves. I regret to say that it has been a largely mistaken notion. Often when a man has acquired the ability to farm successfully he is given an opportunity to become a proprietor, either by speculation in land or by using the new reclamation projects. Then we are left with a class of labor which is unreliable. We cannot afford to pay them the wages that an intelligent man on a farm should draw with the result that they go elsewhere; and we never know how to plan a year's operations.

This question needs the consideration of every thinking man in this country. It is so closely interlinked with the cost of production of agricultural products that I don't know of any one problem that merits more study.

There is another question which also enters in with the labor, and that is the economic farm unit. I shall ask the privilege of discussing that a little later, under the cost of production of farm products.

J. D. YEABER (Nevada State Farm Bureau) At the Western Regional Farm Bureau Conference at Reno recently, resolutions were passed whereby Congress will be asked to devise some ways and means for bringing Mexican labor into Arizona, California and Texas to harvest the cotton; and to see that they are returned to Mexico at the end of the season.

I have thought about the matter a great deal and I believe it is going to be very difficult to bring in that labor and get it back into Mexico. I have found from experience and observation that generally the laborers we get here are

people who are not desirable to their own country. I believe the best thing, is to get a class of labor which will make desirable citizens.

Three years ago a committee of the Nevada Land and Livestock Association attempted to get Mexican labor to take care of our sheep herds. Two large Nevada outfits transported in at different times about one hundred so-called Mexican sheep herders and camp tenders. It turned out that about five out of the hundred knew a sheep from a goat.

The Association was under obligations to return those people to their country, and it was quite an expensive proposition. It cost the committee about seventy-five dollars to get them over the line and out into Nevada, and they didn't have what they wanted when they got them. So after two years of experiment they just gave the thing up and said, "We can't do it. The only way we can get skilled labor is to see that it is the kind of skilled labor we want before we get it in here."

Generally speaking, the American people do not desire to herd sheep. About the only available supply of sheep help we have now in a great many of these western states is Mexican, because we get responsible and reputable men from Mexico.

Our source of supply for many years came from Spain and France, the so-called Basco sheep herders. Formerly when the help was found to be incapable or disagreeable it was discharged and other help was quickly available. Nowadays, however, the job is seeking the man; men are not looking for jobs. As soon as a herder is discharged a dozen other sheep men are ready to hire him back.

I believe there should be a little loosening up of the emigration law, not only for Arizona, California and Texas, who are adjacent to available labor, but also ^{for} other districts which have problems and which need other kinds of help.

The salaries of sheep herders have risen in the last few years from forty dollars a month to one hundred and twenty-five dollars a month, and you can't get them at that price. Many a sheep herder is paying more income tax today than the sheep owner.

We have discussed this problem in our association, and we believe that the proper thing would be a little loosening up on getting skilled labor into the United States. We call sheep herders skilled labor. Before they arrive here they should be looked over, and they should be men who would make American citizens. Then you are not confronted with this problem of the Oriental buying your land.

I believe the time is coming when most of these western states will have laws on the subject. Some of them already have legislation against Oriental laborers owning land in the state, and I believe they all should have; but if you are going to do that, you must loosen up the lines on emigration, and see who is getting in and see that they are men that will stay here. It is one of the greatest problems in our agricultural cost.

J. M. MacFARLAND (Salt Lake City): At the American National Livestock meetings at Phoenix last January this question came up. During the discussion of the question of Mexican labor a man from Wyoming said, "You ought to go up in the state Mr. McFarland comes from, where they raise their own labor. The thing to do is to raise more children and less cattle, and then you can attend to your own business."

I wonder if there is not something to this? I would like to see the American farmer put on an equality with any other business. I would like to say to the laborer who is going on a farm, "You have as honorable a position as any other class of labor."

We don't have to bring in Mexicans, we don't have to bring in Japanese or Portuguese or Filipinos. We have plenty of labor. We wouldn't have to go to the outside for it, if we were organized. Take our high school boys and high school girls today, -- they don't know what to do during the summer months when we need labor so pressingly. I think the labor question right here is simply a question of being organized so we can utilize it, and I hope the time will come when the man that goes on a farm will feel that he is going to an honorable profession or business, just the same as if he went into any shop or business institution.

The farmer must get on an eight hour basis. He pays his labor for eight hours and they work eight hours, and in order to get the work done he has to divide the day into two parts, -- he works eight hours in the forenoon and eight in the afternoon, and he can't run a farm any other way. But he can't get his labor to do it. And I hope the time will come when he doesn't have to ask his boys to do it.

When we can get enough for our production, we can pay for eight hours like other people. Then we can get people who are willing to work on the farm.

J. W. WEBSTER (Rexburg, Idaho): This labor question is a very serious one with us in Idaho. We have to depend on the employment agencies of your city to furnish us with our farm labor. We have to do with inferior help, because the man who is capable of drawing a good wage goes to the city to live, where he has only to work eight hours per day, and has the chance of city life. Because of the prices that we have to take for our farm products, we are unable to pay the wage that the city laborer obtains, and until such time as the farmer can get more for his farm products, we will have to do with inefficient labor.

Our friend here speaks of the labor that we produce at home, -- our boys and girls. On our farm, and I have been employing men for forty years, I find that the poorest help we get is our home-grown boys. I prefer to take the transient that the employment agent of your city sends me rather than to take the boys at home.

ERNEST EAGLESON (Mayor of City, Boise, Idaho): We have a different angle on this problem from that which the gentleman expressed from Rexburg, in the eastern part of the state. Our labor problem does not center entirely around production of crops.

Anyone going down the Atlantic Coast States twenty-five or thirty years ago could no help but be impressed with the appearance of the country and the condition of the soil, the result of its handling in the old slave days. The humus and the other life-giving materials of that soil were mined out, until the country finally came to the breaking point. I don't think there is an economist in the United States, or an agricultural scientist, who will say that the importation of slave labor ever paid the United States. Although the war has been over more than sixty years, the South is only now beginning to recover from the conditions imposed upon it by the importation of slave labor.

This beet sugar labor that comes into our country, and this other short-time labor from Mexico, has brought to our little town one problem. You have had it here in Salt Lake; you have had it in all the towns along the Short Line. It is "marihuana", which comes in through the Mexicans, and is distributed through the Japanese and the Greeks. You hear a lot about the demoralization of the young folks around town, and a large part of that demoralization comes from the use of this Brovo cigarette stuff. That is one of the things that we get from this imported labor.

We have another matter, -- crop surpluses. Is it worth while to import labor and produce a crop surplus, and thus affect the price of all the crops? We have tariff laws to prevent foreign labor from sending its product into this country, and we think it is a great thing; but if we open the door and let that labor come into this country and cause over-production here, and mine out the soil as the slave labor did in the Atlantic and southern states, where are we going to be in forty or fifty or one hundred years?

Chicago is reaping a readjustment of that slave labor today, and the murders that occur in that city show perhaps a greater proportion of increase than any other city in the world. It is a social problem that is hard to deal with. It fits in with the other foreign elements in Chicago, it is part of it; but Chicago can't help itself. The slave labor is here; it is readjusting itself to the North. It will start in in various other cities where they require the industrial assistance of the South.

This movement of slave labor to the north has occurred since our emigration restrictive laws have gone into effect, which in effect is a tariff on importation of foreign labor, and which is intended to be as effective as the tariff on the importation of foreign products.

We can mine our soil with foreign labor and produce a surplus that we cannot handle, and that affects the price of all products. We can eliminate practically every tenet of the Constitution but what is it going to leave the social structure afterwards?

I mentioned to you this cigarette smoking which is having a disastrous effect today on our young people; and there is scarcely a law on the statute books about it. We have nothing in Idaho; the Federal government has nothing about that particular drug; and yet next winter all these states will undoubtedly put some legislation on the books that will meet the situation. Kansas is about the only state that has already done it. It is an alarming thing.

THE CHAIR: With this discussion of labor, it may be well to go right ahead with the discussion of production costs, and whether or not they may be lowered.

MR. PETERSON: Most of you will remember a few years ago an organization inquiring carefully into several of our agricultural industries to ascertain whether or not we were having a child labor problem.

I believe it should be said at this conference, at least as far as my knowledge is concerned, that such an investigation was not justified.

Those farmers who are able to carry their own labor problem, especially

in connection with growing rather concentrated crops by the use of their own family, are the ones who are succeeding. I am willing to state positively, as far as known in this state, there is no reason for raising any question regarding any boy or girl receiving injury from the work - he is doing in helping the family on the farm.

MR. EVANS: Discussions of these questions lead to at least one conclusion, namely that it is necessary for the producer of agricultural products to receive a sufficient return for his labor and his investment to guarantee that his business shall be put upon a stable and reliable basis. Until that is done we can not expect to have a dignified agriculture, and so long as it is regarded by young men and young women as a failing business, they are not going to be willing to do the work that is necessary to be done.

E. BERGESON (President, Utah State Farm Bureau): I want to endorse the remarks of Mr. Evans. When farming becomes a paying business you will find a man there to take care of it, and you never will until it is a paying proposition.

I am one of those individuals who has raised enough boys to take care of my farm. Now they are taking care of it. They are not paid a wage, but they are there taking care of it and looking after it, hoping that in the future they will be successful. We are trying to run our business on a business basis, and plan to keep records of the entire cost and the out-lay.

Now just a few facts concerning the handling of our six hundred acres or irrigated land. We put the whole family on a schedule, that is, in regard to the pay that they receive. Five of them are men, two of whom are married. The oldest one draws a salary of forty dollars a month to keep himself and wife and three children; the next one, thirty dollars a month to keep himself and wife and one child. The next two boys, one twenty-six and one twenty-three, draw twenty dollars a month to buy their clothes with and take care of themselves. They all get their food from the farm, -- the flour, the meat, the milk, the butter and the eggs.

Their salaries go for store bills or for clothing.

My boys have to live under that budget; but I can't go out and get the other fellow to come in and work on that kind of plan, -- just feeding him and giving him twenty-five dollars, or thirty dollars, or forty dollars a month. You can't do it with your neighbor boy, or any of the rest of the boys. They won't do it, but we have to do it in order to keep our business out of debt. We are living and hoping that in the future agriculture will reach a firm foundation, that some day it will be worth while, and will pay a reasonable income and salary.

Our boys are slaves to the business in order to keep their heads above water and pay the taxes that are assessed by our county and state and government. I was just a little surprised, and also pretty mad the other day when the government officers wanted to go over my farm again. They felt I wasn't paying enough income tax, so they are up there investigating it.

We talk about skilled labor. I wonder how many men here today could hold up their hands and say there is skilled labor for a farm. A lot of you good men wouldn't know a thing about that farm. I couldn't hire you, I couldn't use you. Why if I would put you out on a farm you would be lost as to what you were going to do there. It is all right, though; I couldn't expect it.

I have done some construction work in my day. When I accepted jobs I had a foreman who followed the men, and if I had a man that didn't know the job, there was someone there to tell him how to use pick or shovel, and how to stop around and get at the work. Our business in agriculture won't warrant a foreman nor any pay for a manager. The manager must work daily with all the rest of the men; he can't be following up every man and telling him how and what to do. We have all the labor we need, and can always get it. Our boys, your boys, and the high school boys and girls will stay on the farm when agriculture will pay a reasonable wage.

The sugar industry in this state today is in a deplorable condition. For the last fifteen or twenty years it has been going down grade, simply because it is not paying! With present low prices for beets, the farmer is not interested in growing them, and immediately the foreigners - the Japs and the Greeks- leave the industry.

The men today that are trying to uphold this great industry in this state and the state of Idaho are wheat men and the owners of farms that have no hired help. The foreign laborer doesn't care where he goes; he just pulls out and leaves when it ceases to pay. When it ceases to pay I don't leave it, I can't; my family can't leave it. I have to stay and try to keep it going.

They reduced me to five dollars a ton for beets. I grew them at five dollars and at six dollars, and we hoped it would come back to seven dollars and eight dollars and nine dollars, We never left the occupation, -- we stayed with it; and today, out of eighteen factories in the two states, about five are going to run. The balance are closed, because of the commodity being too low in price. But beets up and sugar up to where they pay and the wheels of the factories will turn, and your boys will work on the farm.

THE CHAIR: We are still under the general head of labor, but in order to get through with our program, we need to move along, and talk some on production costs, and whether they may be lowered. Under that might come various subjects, such as the use of fertilizers, electrification of the farm, and infestation of weeds, irrigated land and so forth.

Mr. Carlson would like to talk a little further on the cost of production.

MR. CARLSON: Production Costs: In the cost of production of agricultural commodities, "Intelligent management" and "Responsible labor" are the two outstanding factors.

Our national scheme of developing agriculture has often ignored both of these. In fact, those who should have been intelligent farm managers have left the farm to enter other more promising pursuits in our national industries; and those who should have been responsible laborers on the farm have been driven into "Irresponsible Proprietorship".

As a result we have today a heavily overmortgaged industry, an industry with no self-respect, an industry that is torn asunder by dissension and lack of understanding of what is best to do.

Any intelligent understanding of the costs of production for an agricultural commodity must be based primarily upon a real knowledge of the soil and of animal and vegetable life.

The Economic Farm Unit

There is an economic farm unit where operations can be carried on at a minimum of cost and where a balanced rotation can be carried out.

In our scheme of diversified farming, the maintenance and increase of soil fertility is a matter of utmost importance. Therefore, livestock, with the various types of forage crops, becomes an essential part of farm operation. The investment and upkeep of fences and appropriate buildings for the husbandry of livestock becomes a very important part in the make-up of the economic farm unit.

Motive power, whether it is horses, mules, tractors or all together with implements and farm machinery is another very important factor as pertaining to the economic farm unit, and the cost of producing the commodities produced thereon.

It suggests itself, therefore, that investment in permanent plant and the annual upkeep thereon, divided up in a larger number of acres will require a smaller charge per acre than if the same investment charge is placed against a smaller number of acres.

The same is true of the investment in motive power and implements and machinery. The larger the number of acres that can be served with the same unit of motive power and with the same type of implement adapted to the various types of crops, will reduce the charge per acre for their replacement and maintenance.

Thus the small forty acre farm unit in the diversified farming sections of our country can not help but be economically unsound and can **not** help but increase the cost of producing farm commodities.

The economic farm unit is only measured by the intelligence. that is at the head of it, supported by responsible labor and adequate capital at reasonable rates of interest to carry on seasonal operations.

The Farm Home

There is a misconception even among leaders of agriculture as to what the farm home really is. No matter whether large or small the farm is a plant or business in itself and the farm home is a part of that institution. The farm home is not only the abode of the proprietor and his family, but it is also an office, a boarding house, and a lodging house combined.

Yet the government, through its income tax department, takes no cognizance of this fact. The farm home is placed on the same basis as the salaried man's home although the farmer seldom gets a salary. The maintenance of the farm home must be charged against the acreage which it serves and is therefore, another factor in the cost of production.

Labor

The question of competent and responsible farm labor is paramount. In my experience there has never been a time when the average income from agricultural production has justified paying farm labor the same wage that the same labor would receive from any other industry in the country.

This condition has tended to draw from agriculture the responsible and ambitious type of labor, and has left us only the floating inefficient type with which to deal.

Our cost of production can not be lowered, even with intelligent management of the most economic farm unit, until labor shares a part of the responsibility of economic and efficient production. The labor problem for agriculture and economic and efficient production are so closely allied that they are worthy of the earnest study of the best brains in our country.

ELEMENTS

Another very important factor in the cost of production is the elements. It is impossible to ascertain during any one season in any given territory what it truly costs to produce any particular crop. Not less than five years of accounting can be taken as a criterion or as a basis, because hardly ever are two seasons alike.

CREDITS

There is not much to say about this subject at this time. Agencies have been created through the intermediate credit banks which can serve the needs of agriculture admirably if the farmers will avail themselves of them. Our country banks are very reasonable in their charges for seasonal short loans and agriculture can not reasonably demand any more.

THE CHAIR: Another problem confronting the irrigated agricultural sections is the infestation of weeds. Here in Utah the Commission of Agriculture has carried on a campaign for some time for the eradication of noxious weeds.

I will ask Commissioner Bennion to say just a word on this subject as it relates to the cost of production.

HARDIN BENNION (Salt Lake City, Utah): This matter of noxious weeds is a big factor in the cost of production. Of the farmers' total time and labor, taxes, water assessments and interest, perhaps twenty or thirty per cent is expended for the control of weeds. Even then we don't control them. Our product is often full of weed seeds, and we have thus wasted a lot of our time and effort. There must be some control measures adopted, and we must have the co-operation of all forces in order to accomplish the work.

Recently I had occasion to look at a farm forty or fifty miles west of here, a farm of thirty-two acres taken care of by an old man and two small boys. That farm was clean; there were no weeds on it. It was clean right up to the line fence. This man threshed seventy-eight and a half bushels of wheat to the acre, absolutely clean and free from weeds, and it commanded the highest price. He had barley threshing over one hundred bushels to the acre. On a little strip of land which ran up through his farm he had ten or twelve pure-bred sheep, and they were keeping that land absolutely clean.

In conjunction with other noxious weeds we are trying to eliminate burr. They not only affect the land itself, and require effort and capital to control them, but they are a source of great detriment and injury to the crops we produce. They cause injury to our horses and cattle, and particularly to our sheep.

We are all trying to get more sheep on the farms. The sheep get full of these burrs and carry them from one place to another, distributing them everywhere. A man told me yesterday he had a farm where the water, coming from his canal, had gone out on to the farm. After he had taken his crop off, every part of the farm touched by that particular stream of water was covered with burrs, and when he turned sheep into the fields, their wool was affected and was reduced from two to three cents even to five cents per pound in value.

So we are trying our level best to get some concerted action toward the elimination of all weeds. We have the State Road Commission to take care of the state highways, the county commissioners to take care of the county highways, the canal companies to take care of the canal banks, and the railroad companies to take care of their rights-of-way. All of these agencies can set a good example to the farmer.

THE CHAIR: The basic power which an individual or group of individuals may have in any community, or hope to gain in a community, is that arising from the confidence reposed in him or them by the community. That may be termed credit; so we will go right now into the discussion of credit. Mr. Stone, would you mind saying just a word of this subject.

A. L. STONE (Dillon, Montana): I can only say this, that there is no class which has received as much consideration along the line of credit as has the farmer. He was entitled to it, but it is useless to extend credit to the farmer, even though the interest rate is practically nil, if the future does not bring him higher prices for what he produces. It is all right to carry him along temporarily, if this change is to come; but if the change does not come, then the ones extending credit will lose money as well as the farmer. No man who finds it impossible to meet the general expenses of his business can expect to meet interest when due.

THE CHAIR: May we have some further discussion on this matter of credits? Are the credit rates too high? How may they be lowered?

MR. PETERSON: Really, today the credit of the farmer, both with reference to crops produced and the land that is owned, is measured largely from the weed infestation or the disease infestation. I would like to recommend, therefore, to the officers of the National Chamber that more effort and more of the money available for agriculture be put into scientific research in pathological diseases, and in economic entomology.

There are two phases in which we are falling behind and they are not only going to affect the cost of production, but they will also affect credit. We are not quite keeping pace with new diseases nor with the introduction of insects which are coming into our area. We must strengthen that phase of the investigation.

R. E. SHEPHERD: (Jerome, Idaho): I am manager of the Twin Falls North Side Irrigation Project, and happen to be a director in the Spokane Land Bank. All prosperous business is managed by men who know how to use credit properly, and I think there is a place for the farmer to do the same.

Credit can be employed for orderly marketing. Last year for example, there was a large over-production of alfalfa seed in the states of Montana, Idaho and Utah. The intermediate credit bank of Spokane went to the assistance of the Idaho Grain Growers' Seed Association and aided in preventing all their

seed from being dumped on the market.

In 1922 potatoes were not worth digging in the state of Idaho, and I went east to ascertain what the consumer was paying for them. In every single large market that year the man who consumed the potatoes paid a fairly high price. Had that price been reflected back to the potato producer, he would have received a remunerative price.

So orderly marketing on a farm is one of the serious problems. That is where credit comes in. In the case of the seed growers, credit was extended at the low rate of interest of four and three-quarter per cent,-- the intermediate credit bank figures in fractions, something the ordinary bank doesn't do -- and they were able to carry over and keep off the market for that season a million two hundred thousand pounds of seed. Recently it was discovered that the country's seed crop for 1926 is under normal, so they have been able to sell all of their carry-over and a large part of this year's crop at twenty-nine cents a pound F. O. B. Blackfoot.

Therefore, I quite disagree with my friend that there is no place for credit in agriculture. There is a place for it, and you will not be able to carry on orderly marketing except with an intelligent use of agricultural credit. The business of the Land Bank reflects very clearly what is going on. While it has been necessary in the past to extend liberal credit or extensions of time in the matter of farm mortgages, nevertheless they are now recovering from that condition.

Some of our best farmers who use home labor have been running into difficulties with the school authorities. In our own locality we had a school superintendent that actually prosecuted the parents because they refused to send their children to school at a time when they were badly needed on the farm. There is plenty of time in the twelve months of the year to give such children ample schooling facilities. Something should be done to enable the farmer to utilize his farm labor and his own family in the work on the farm without having to disobey the laws of the state concerning the school period.

We have in our locality cow testing associations in which some seven hundred cows have been or are being tested. The results are amazing. We found cows that paid a net profit above the feed costs of close to two hundred dollars per annum; while there were cows that were kept at an actual money-loss,-- didn't get back the feed cost. The astounding thing is that men will persist in keeping cows after they know those cows are being kept on the farm at a loss. These are actual facts, but we are gradually carrying on this educational work and the dairy industry is growing and prospering.

In supervising the delivery of water to nineteen hundred farms I have been able to make some interesting observations. For example, I'll find a farmer who during the period of deflation somehow or other has managed to make ends meet, -- sometimes even making a profit. Right across the line fence there may be a farmer working harder than the other man, perhaps, and yet failing to make ends meet. Upon investigation I find the first man has no weeds on his farm and he is getting good crops for his labor. The other man is rather indifferent as to weeds, and the weeds capture his farm. It is a very serious problem with us today.

We have been passing the buck on the weeds in Idaho. In our section when farmers came before our canal board asking for aid I would say, "When

you fellows clean the weeds, we will do it." I would then go to the highway district, and they would say "When you farmers get busy cleaning the weeds, we will take them off the highways." Now, however, we have turned the tables about, and our canal company today is eradicating the noxious weeds, on the canal banks.

This year numerous representatives from eastern agricultural associations were out here investigating the actual farms from which they proposed to buy seed. They know we have weed infestations and, because of the fear of introducing these noxious weeds into the East, they don't care to buy their seed from seed houses. So they have been through our section visiting the actual fields on which the seed was grown, to make sure they were getting pure seed.

We must be honest with ourselves on our farms, and we must employ every means for making our farms profitable. I dare say all the states represented here have placed at the disposal of their farmers every agency for making certain the best results on their farms.

Our canal board takes more than just an interest in delivering the water,-- we study all agricultural questions. We have organized bull associations, so that the heifers that come on will be better than their mothers were before them, and thus build up constantly better animals on the farm. To my mind the successful farmers in our section are those who diversify and have animals on the farm.

THE CHAIR: Who would like to speak upon the concentration of credit in banks rather than to have it piled on to the local merchant?

A. E. B. KJOSNESS (Boise, Idaho): In this matter of credit extension I should like to direct your attention for one minute to the bonded warehouse law.

If the various states will employ either the federal bonded warehouse law or the state bonded warehouse law, they will find that it is much easier for the credit extension agencies,-- the local banks or the intermediate credit banks,-- to extend credit to the farmer.

In the past it has been the policy of bankers to loan money to farmers on chattel mortgages or on real estate mortgages. If the farmer will take his commodity to a bonded warehouse and secure for it a bonded warehouse receipt, he can go to any credit extension agency anywhere and easily secure credit.

Under the bonded warehouse law, the warehouse is declared to be a public utility, subject to supervision by the state or federal government. The warehouse man must give a good and sufficient bond that he will protect the stored commodity and that it will not be delivered from the warehouse except upon return of the receipt by the bearer. Fire insurance is ordinarily taken either by the man who stores the commodity or the warehouse man, and the warehouse is supposed to be constructed to protect against weather risks. Therefore the bonded warehouse receipt, as an instrument for credit extension, is very good.

Compare to that method the method which the small banker has used. For example, he loans money to the farmer in the fall on grain stored out on the farm, with the expectation that the farmer will deliver that grain. The roads get bad; he can not make the delivery. Pretty soon his stock gets hungry, and he begins to feed it. Then along comes a neighbor who wants a little seed and hasn't the money to buy it; the farmer lets him have a few bags of this stored grain for seed. Thus when spring comes the banker finds from one-third to one-half of his security has disappeared. What is the result? In order to protect his loan he must charge a high rate of interest -- he has no other choice.

If the farmer will take that same grain to a bonded warehouse, store it, and secure a receipt, it will be protected against the weather and against delivery from the warehouse. The banker can loan him money at commercial rates, and, as a matter of fact, we have had since enforcing the bonded warehouse law in Idaho, offers from large financial institutions to loan money to farmers at commercial rates, -- at four and a half and five per cent on stored commodities. Why? Because that commodity can be delivered immediately, at a track siding, and the cash secured for it, and the farmer can return his loan to the bank.

Isn't that a far better method, isn't that more business-like, isn't that putting the farmer on a business basis just the same as is the retail merchant or any other man who asks for credit extension?

The United States bonded warehouse receipt is accepted as an instrument for credit all over the country, and is recognized just as are the bonds of the United States Treasury. The bonded warehouse receipt has been the basis of the entire credit extension for the cotton grower, and for many of the other growers of the United States. It passes through financial circles of New York from the little towns, say, out in Texas. These financiers in New York know nothing about the integrity of the grower or the warehouse man, but they do know that the United States bonded warehouse law amply protects the man who has a stored commodity, and that they are perfectly safe in extending credit.

THE CHAIR: We must now adjourn our morning session, but will convene promptly at two o'clock in this room. The afternoon session will be in charge of Director Peterson.

Recess until 2 o'clock P. M.

FIRST DAY

FRIDAY, OCTOBER 1, 1926.
AFTERNOON SESSION, 2 P.M.

WILLIAM PETERSON: (Director, Utah Agriculture Exp. Sta.) in the Chair. I introduce to you at this time, Director Peterson of the Agricultural Experiment Station, who will take the chair.

THE CHAIR: Do you realize that in these eight states represented in this conference, there is not a single natural boundary line around any of them? Were it not for the geography that has been put into your hands, you wouldn't know when you were in one state or the other, as you pass over. I think that spirit should prevail here. We come here with the same problems, the same outlook, so let's do away with all formality, and not waste time.

Mr. Stone of Montana would like a few minutes to discuss further the problem we had up this morning.

A. L. STONE: (Dillon, Montana) In 1922 I had thirty-six acres in potatoes, the finest netted Gems a man ever saw. We dug them in the fall. I had joined the Potato Raisers' Association and got other people in the vicinity to join in order that we might market our crop profitably. These potatoes were sorted in the patch with an automatic sorter, hand picked, taken into Dillon and put on the floor, hand picked again before a government inspector, put into new sacks, a graded A-1, Fancy Netted Gems, and shipped to Bakersfield, California. They netted thirty-seven cents and four mills a hundred, which didn't pay for the digging and sacks that were used, much less the expense of raising them,

That demonstrates how easy it is for us to produce more food stuffs than there is a market for. Our market is rigidly fixed, and when we get a small margin of surplus, it is practically worthless.

Last year I advised all of our farmers to sell their wheat at one dollar and fifty cents. Those who were in debt to the bank did sell, but a few put their wheat into the elevator. The elevator burned on the 4th of August, and those who had stored their grain received one dollar and forty-two cents, less eight cents charges for carrying it over.

Again, with cows. About 1922 our farmers were strongly advised to go into the dairy business, and I backed a good many in doing so. During the winter of 1923 and 1924, butter-fat ranged from thirty to thirty-four cents a pound, and all of the men whom I had advised to into the dairy business came back and abused me for getting them into such a hole. They couldn't make expenses, so they turned their cows back.

The weed proposition. I have a ranch which we irrigated from the Beaverhead River. Now, the Beaverhead River heads back seventy-five miles above where I am located and drains immense tracts of waste land,- swampy, timbered, and so on,- which are filled with Canadian thistles. How can we guard against them? The clearing of the roads, the clearing of the ditch banks won't do it. We must get at something practical.

One thing more. The problem is not one of crediting a farmer who has a crop to sell, after that crop is made. The real problem is of credit for the farmer during the period he is making his crop. Not one farmer in a hundred is able to finance the crop which he is raising with the one which has been

raised. He must have money with which to work, and someone must take a chance with him on making a crop, and on selling it at a profit afterward.

THE CHAIR: We will pass to the next topic, - legislation - which is a very broad subject.

F. R. MARSHALL: (Salt Lake City, Utah)

In numerous conversations with different business men, both in the east and the west, I have found an attitude which I think is wrong regarding the question of legislation for agriculture. There seems to be a common idea among many business men that much of the proposed legislation we have had, - so-called agricultural legislation, - has been paternalistic, has been class legislation. I don't think it has.

As an expression of the national interest in this question, and of the angle which I think should come before the membership of the Chamber, I want to read a few lines which emanated from the corn belt this summer:

"We pledge our support to an agricultural policy which will insure to the agriculture of every section of the United States conditions which will guard against the agriculture of this country going down to peasantry, as has the agriculture in every nation older than ours."

I am not qualified to say how accurate that latter statement may be, as to the peasantry in an agricultural system of nations older than ours, but I am satisfied there is a large amount of truth in it, and I think most of us can subscribe to that general idea.

We must admit that until comparatively recently the policies of the United States worked more towards fostering business and industry outside of agriculture than towards fostering agriculture itself. Other nations have done the same, and in a large measure their agriculture has reduced itself to peasantry.

The United States must have a more efficient and a more permanent agriculture, if we are to protect the sources of our food and clothing. There is no other place to go in the northern hemisphere after we get through with our own lands. The social and political systems of the United States also require a more enlightened and more intelligent and a higher class of citizenship on the soil than has been found in other countries.

The United States, through legislation and otherwise, has done a great deal to prevent the unfortunate conditions which have arisen in other countries. In this connection I would mention our system of agricultural education which started with federal legislation and was followed later by state legislation. In this system of education for agriculture we have a standard and a conception quite different from that of any other nation. I refer to the association and education given to our students in our agricultural colleges.

Our agricultural credit system, through our protective legislation, protective tariff on import materials and in many other ways, has done much to prevent peasantry in this country.

The Chamber's members should understand that, in the opinion of the

agriculture of this region at least, and I am emphatic in saying it is my own personal opinion, none of this proposed legislation had involved paternalism or class discrimination although that charge frequently has been made by business men. We have merely tried to open the doors of trade so as to create for the farmer a condition comparable in its outlook and opportunities to that of other lines of business.

There are definite reasons why agriculture is different from other forms of industry. For example, in the business of farming the opportunity to amass wealth is very remote. It is true that the opportunity for complete failure is also remote, because a farmer can hang on for a long time to his capital investment, even though operating at a loss. But the opportunity for wealth is by no means the same as in other lines of industry.

If rural life and rural opportunities are to attract and hold the same brain and intelligence that we now find in other business, then we must have legislation and other action which will place rural opportunities on a parity with those afforded the city man. It is not paternalism, nor class legislation, nor agricultural legislation, - it is national legislation in the national interests. How far the government can go along that line is of course a mooted question.

A farmer friend in this state said to me a while ago, "All we want is for the government to tell us each spring how much to grow of each crop, and how much we would get for it." A lot of us are not willing to go that far. Personally, I think the idea and the principle involved in that thought inevitably must lead to the very peasantry we would like to avoid.

My own thought is that the agricultural industry must strengthen and improve its business practices and methods for the future, partly by the aid of legislation, but particularly by adopting some of the same principles that have made our industrial production so preeminently successful in this nation. I believe it can be done.

THE CHAIR: The next subject is that of reclamation, and for guidance in the discussion it can be divided into at least four distinct types.

First, there is that reclamation which reaches out, takes the barren country, develops water and necessitates colonization.

Then we have that reclamation which will permit of a further investment in a community already settled, to bring to the lands that are cultivated a full and complete water right rather than the very partial water right that they have at present. This involves no problem of colonization; there will be no risks.

When the country was first settled, projects were easy and cheap and were carried on by the people themselves; but when those projects reached a point where it meant one hundred thousand dollars, or five hundred thousand dollars, or a million dollars, no matter how low the unit cost for water, the community could not carry it. Is a project that will rehabilitate a community already settled worth while as reclamation?

The third type of reclamation deals with raising water from its present position in streams, lakes and underground storage so that it can bring land into cultivation. Is it reasonable to ask for government aid in the installation of power plants which will grant to any locality as cheap power as

can be produced in a new area from the water naturally available?

The fourth -- type involves the possibility of a more economic return and adjustment of our land and water through government purchase of cheap lands. I refer to the land located in the high valleys along streams, where the growing period is short and where the types of crops raised are very restricted. If that same water were used further down the stream it might be watering two hundred dollar land instead of fifty dollar land on the upper project. Is it feasible to buy out such communities, take this water and put it down in the better landed area where it will become more productive?

The subject is open for discussion, but you need not be restricted to the statements that have been made.

VAL KUSKA: (Omaha, Nebraska) I wonder if there is any need of discussing reclamation when we see stuff of this nature. Here is a copy of "Farm and Fireside", on the front page of which it says, "Reclamation has failed." I am wondering if we haven't built up a psychology in the west of letting the people feel that the farmer is, and forever must remain, down in the dumps.

You all know how reclamation has been discouraged in parts of this western country. And many of you folks know what happened up in the North Platte Valley last June, - an act that was to be very much regretted. A Spokane paper afterwards stated that the North Platte Project should never have been built, because it was built upon irrigated land which was unfit for cultivation and couldn't produce crops; that the North Platte River was nothing but a sand bar, therefore purely a political project. Yet, last year the North Platte Valley produced on fifty-three thousand acres an average of 16.46 tons of sugar beets. They challenge the world on that average. The only reason the Spokane newspaper made that comment was because they know the North Platte Project had succeeded in a measure.

It is true that farmers have failed on reclamation; but why have they failed? Why don't we tell the reason why they failed? Why do we blame it all on the farmer? Friends, he has failed because there has been no definite policy.

When the Scotts Bluff project was formed, the people knew the obligation had to be met. They recognized their contract with the government, and came down and paid. Before that there had been no definite policy. It was purely a political proposition, and every time they threw a stone into the Interior office they got relief. We have just let ourselves get into the dumps by eternally condemning the conditions on the farm or reclamation projects.

You heard this morning about the sheep herder that was getting one hundred and twenty-five dollars a month. Go into our industries in the city and find how many people get one hundred and twenty-five dollars a month. How many folks when they get through college get a hundred and twenty-five dollars a month?

I wonder if we are not following the wrong road when, in trying to get more people to the farm, we eternally tell them of these conditions. Why don't we quote the actual facts?

The odd part about this "Farm & Fireside" article is that it was

written by an employee of the United States Department of Agriculture. The writer says the Wellwood Project, up in Wyoming, is open, but that there are no settlers for it. This is an absolute falsehood. The Project is completed, lying out there waiting for the time to open, - but it was never thrown open. As colonization agent of the Burlington I get requests almost daily asking when the Wellwood Project will be open so they can go up there and file.

Tomorrow at Franney, Wyoming, a meeting will be held to save the Franney unit of the Shoshone Project.

There are people up in there who have spent as high as eight years trying to make that project a success, and now the government, through the Reclamation Act and the Omnibus Bill, will cut off the appropriation for the Franney unit as of December 31, 1926.

I do not consider that Project a failure, because day before yesterday I saw a man up there harvest a crop of beets that will make twelve tons. He threshed forty-eight bushels of oats on the land. He told me, "If the reclamation service will give us a chance, we will make good and eventually pay back to the government what they have spent here."

Yet, because we have broken down the morale of reclamation, the people in the east feel we should not continue developing these projects any longer; we should not spend any more money.

This writer tells what these projects would have cost if they had had government money out on interest. He says the government pays interest but he doesn't state the fact that the reclamation fund belongs to the west. No one else has a right to that fund but the states of the west. It should be spent in the West. Only last year we led a fight in Washington against the south or the eastern states getting part of the reclamation fund.

Now I wonder if, by trying to bring about a condition that we feel may be good for us, we are not sometimes doing ourselves injury. Here we have a national paper like the Farm and Fireside, which has always been a champion of reclamation, turning against us. The public mind is being directed against reclamation. That means the future of the west.

MR. STONE: The success of the farmer, as usually advocated today, is based upon the supposition that we shall reduce the production of agricultural products in the United States. If that is the solution of the problem, new reclamation projects are wrong, and I am one who believes they are wrong.

We have a twenty-thousand acre proposition right where I am; we have done all the surveying and put the records in Helena, and it is hung up. I shall use my influence to keep it hung up until farming conditions are different.

MR. CREEL: The state of Nevada has some seventy-one million acres of which only five hundred and fifty thousand acres at the present time are susceptible to irrigation. Actual crops are raised on only about three hundred and sixty-two thousand acres. One would think that with less than one-half of one per cent of its total land area under cultivation. Nevada would be particularly enthusiastic over the expansion of cultivated areas. And with only three thousand, eight hundred and eighty-three farmers in the state, agricultural population would seem to be an important problem.

I believe, however, that the people of Nevada are primarily interested in bringing the land already cultivated to a full water right. This involves the question of flood control on many of our streams, and water storage.

The big problem in the state of Nevada right now is to take care of the farmers on the land and see that they have a sufficient water supply to produce the crops for which we have an abundant market on the Pacific Coast. With sufficient water in the summer, nothing can be raised except hay or forage crops. Livestock at present is our principal industry, but the production of diversified crops is increasing rapidly, and now provides from one-fourth to one-third of our agricultural income. We have a splendid market in California and in Washington for dairy products.

The Newlands' Project is a success, except for the failure of the water supply on a certain portion of the project. The people there are making good along the lines of diversified farming, dairying, poultry and the production of certain crops like cantaloupe and potatoes. The message I would like to have the U. S. Chamber's representatives take back is that we do expect the government to carry that project completion so the people on the land will have sufficient water for a complete supply.

If Federal aid can be extended to bring water to land already under cultivation and settled, so that the area can change from livestock and hay along to cultivated crops for the Pacific Coast markets, it will be a most desirable solution. Such condition should precede any large extension of cultivated land area in the state.

MRS. IVAN D. GORE: (Santaquin, Utah) It might interest this group to hear from a woman who lives on one of these western reclamation projects,-- the Strawberry, in Utah county. We went out on new land eleven years ago, beating the water there by about two months.

I believe the general feeling is that the reclamation service has not had a definite policy. Of late authorities have been studying a policy, and we would like to see it effected, which includes the selection of settlers for such projects.

I live on the newest part of the Strawberry Project, the part which was bought up largely by speculators, then subdivided and settlers brought in. These settlers came from mining districts and other places, some of them from farming sections but very few of them had any capital. I happen to be one of those who remained and I have seen a long procession of people going out and others coming in, hopefully.

When the project was being agitated, and when the government was asking investigations and promises, various prices were set as established prices for the water per acre. Those prices were changed, at various times,-- always upward. Some buyers who had signed up at one price were forced to give a much higher price when the government finally put water in.

Our people have been asking that the recommended policies be put into effect, so that the control may be vested in the settlers themselves. On a large part of the land we have settlers who are trained to manage the project, for they have already managed part of it, they have distributed the water, they have done the actual business work. We hope that some time this month the project will be turned over to us. At the same time, we are trying to get some relief.

The two general types of land that received water were old land, that was highly productive but needed more water, and new land, that had to be brought into a condition where it would produce well. It was an expensive process and it is not entirely complete today, but when this land reaches a stage of high productivity our crop types will change so as to give greater returns.

We have, however, now reached the maximum yearly payment, and under the new contract, which we hope to get, two types of relief will be given. Under our policy the annual payments will be spread over a forty year period; the other is based on the productivity of the land. That is, the land is to be classified into four types, and the amount that any piece will have to have paid upon it yearly will be based upon the productivity of the land within that class for the past ten years.

Thus a man is given a chance to pay out and get out of debt when he is making something, and yet he has a chance to build his farm and make a home there when he is not doing well. Those things are necessary to the farmers of the west and to the perpetuity and success of the farm home.

MR. BENNION: I agree in the statement that there is no justification at the present time for the reclamation service to inaugurate new projects, to attempt to develop them and to put people on the land. The marketing of crops and the securing of adequate returns for those crops is the burning question today. It is the one that ought to be settled before we go out on to new projects and attempt to colonize and settle them.

However, the government is justified in going into the reclamation business from the standpoint of furnishing an additional water supply to the lands already colonized and settled. The colonization of land under a new project is one of the big factors in connection with this development.

I remember in California that they were doing some development work of this kind. The project wasn't considered complete with the water reservoired and the canals built, as has been the practice with reclamation projects generally. The project wasn't really completed until settlers, under the supervision of skilled, trained men, had been placed on the land; and assistance given to them in securing proper livestock and in conditioning their farms. Without such aid there would have been a failure.

However, I think the government is justified in conserving the water and in supplying additional amounts to the land already under cultivation, where people are living and have homes. There are many crop failures yearly throughout this section largely because of the failure of an adequate water supply. We don't want people to plow and plant and cultivate land throughout the year and then fail in the crops because of lack of water. We don't want to reduce agricultural production in that way.

So the first efforts of the reclamation service should be, not to go out onto new projects, but to conserve the water, store it in the mountains and provide an adequate supply for the year of drought; to preserve for the people, who have already colonized and have built their homes, a sufficient and adequate water supply.

In answer to the question which the chairman presented to this body,-
"Is there a justification for the government undertaking to provide power for the pumping of water on to projects that can not be otherwise reached?"- I

think there is certainly such justification. If there is justification for going into the mountains and building reservoirs and storing water there, and building canals and carrying that water out on to the land, then certainly there is justification for pumping that water and putting it into the canals and distributing it in the same way. It seems to me we are perfectly justified in saying that the reclamation service could by every proper method take the water out on the upper land and let it be distributed there. It comes back into the the rivers down here too low to go back on the land but by power. I believe that is just as much a function of reclamation as to build reservoirs and distribute it from that source.

MR. PACE: Men look at things from where they live. In my estimation the government is justified at this time in going out and making new projects. We have one in course of construction in Arizona. We don't have any trouble to get men to go out and live on the land, and we don't have any trouble about an excess of production. The crops we produce in southern Arizona have a market all over the United States, - all over the world.

I live on a reclamation project down there. I suppose the outstanding project of all the reclamation service is the Roosevelt Project in the Salt River Valley; also the one at Yuma, where we take the water out on the California side, run it fourteen miles and siphon it under the river, then run it twenty miles further and pump it up three hundred feet on to a mesa. There we raise crops, - fruit and oranges and dates, and stuff of that kind.

The Coolidge Dam will be started in the next three months. This dam will provide water for seventy-five or one hundred thousand acres of land which will produce lettuce, cantaloupe, fruit, oranges, lemons, grapes, etc.

Reclamation has not been a failure in Arizona. We expect further developments with which to conserve the water of those mountains, to store it and to put it in low valleys where it can produce crops that are not at this time a drug upon the market, and possibly never will be. Grapefruit probably never will be a drug on the market in the United States, because there is so little land that will produce it. We don't know anything about over production, for we don't have it in our land.

MR. EAGLESON: You might as well say that the banking policy of the United States is a failure as to say that reclamation has failed. The banks of Montana and Idaho and all of this arid west have undergone a regular epidemic of failures in the last few months. So have the banks of Iowa, which is not a reclamation state.

Green County, Iowa, lost every bank, and that country has been settled for fifty years. On the other hand, the county in Nebraska in which I lived never had a bank failure. Both these counties are in the Omaha trading district, with the same altitude, same climate, same railroad conditions, and same transportation conditions, yet today the Nebraska county is financing the Iowa county and restoring the banks. I might say that the bank guarantee law of Nebraska solved the problem.

But that is not all. When we examine closely the agricultural situation, we find that in the last six years, the diet of the American people has undergone almost as complete a revolution as has its transportation system.

Today, as compared with before the war, there are millions of meat servings kept off the table and millions of breakfast food servings substituted. It would be logical to expect such a change to help the grain business, but it has not done so. All of the breakfast food and package stuff that we buy has been on a constantly rising market. There has never been at any time a reflection on the market by reason of the breakfast foods or the interstate advertised baking products; there has been no reflection whatever on the up-and-down character of the grain market, either in Chicago, Liverpool, Portland, or any other place.

One explanation is the fact that the breakfast food fellows are the best organized sellers the world ever saw, not even excepting the automobile people. Anybody that can revolutionize the diet of a nation of one hundred and fifteen million people is entitled to a lot of scientific credit. They have done that.

In this change from a meat diet to a cereal diet we have practically scrapped the meat animal; we have substituted the dairy animal, because we are using more dairy products in connection with the cereal products. We are today using an inferior quality of meat compared with what we did before the war. We are using more poultry products, which also come from the farm. But all these things mean a reorganization of the farm business.

Down in our country we have seen building silos, henneries and piggeries,- all these things to diversify our farming; and it is helping out. But it takes time and capital to do these things. A farmer may be equipped to raise grain and hay, but it takes almost the price of another farm to equip himself to produce animals or poultry on a paying scale.

The breakfast food fellows have been controlling our grain markets as effectively as they have been controlling our package food market. In the beginning of the grain marketing season they buy only second, third and fourth quality grains; the No. 1 and No. 2 quality had no market, practically, except for seed purposes. This policy has thrown the surplus over into the latter end of the season, with the result that it drops into the No. 1 and No. 2 classes of grain.

If we make use of our laws for grading grain, and our laws for preventing people from selling under false representation, and then if we feed our people No. 1 and No. 2 grain, and feed our livestock on No. 3, 4, 5 and 6 quality, thus keeping this cheaper animal food quality of grain out of the human foods, there can not be a surplus of No. 1 and No. 2 grains for human food and seed; but we are allowing these manipulators of the market to put No. 3, 4, 5, and 6 qualities of grain into the No. 1 and No. 2 market period, and onto the human breakfast table, and into our breads. In fact, they have been feeding us hog feed, and at the end of the season when a surplus has accumulated we have to feed the livestock the human food.

If we could just divide this thing and arbitrarily assume a line of demarcation, it seems to me by separating the animal food from the human food in the very beginning of the market season, this animal feed will have to stay close at home. It won't encumber the traffic of the land, and it will be fed to the animals at a profit.

THE CHAIR: We are still discussing reclamation, so let us try to hold to that subject, if possible.

R. E. SHEPHERD: (Jerome, Idaho) The term "reclamation" has no fixed meaning. I have seen men undertake to reclaim certain areas of land that were not suitable for the purpose. Either the soil characteristics were wrong, or there was an inadequate supply of water, or the crops that could be produced on this land were not such as to command a ready market. But in other localities and under other conditions it has been a great success. So in speaking of land reclamation you must know more than merely the particular subject of reclamation.

I believe that this all comes back to what are the needs of our country. As population increases, so do the demands upon the land increase. We sometimes get a little over-zealous, and we go ahead faster in certain localities than we should. This has been one inherent difficulty in all irrigating construction. When we go out in the desert it is very difficult to know just what to do, and the engineer has not yet been born who can lay out and anticipate all that will eventually be found to be necessary.

At present we are engaged in building a large reservoir in southern Idaho at American Falls, the purpose of which is to afford a supplemental water supply for some half a million acres of land. When the irrigation works were begun, everybody believed that they were adequate for the purpose, and they were, based on the farming practices that prevailed at that time. But agriculture has advanced. It has been found practicable to grow crops there that were not thought of at the time those works were first designed.

Eight years ago, there were no beans produced commercially in southern Idaho, yet this year, in one county alone, the bean crop will amount to over three million dollars.

New conditions have arisen. The time for applying water to the land has changed with changing crops. Thus, reclamation must be so developed as to keep pace with the evolution of agriculture that is going on under these various irrigation works.

The original Reclamation Act was largely the idea of a few far-sighted men. They stirred the country up to this thing, and they got our government into a business which the genius of our government is not fitted for.

At a meeting of the Society of American Engineers last year I suggested that, if the capital for reclamation work is to come from the national treasury, then our government should create a corporation for that purpose. Such a corporation can follow business rules and business principles the same as are carried out by other concerns. Every time there is a change of administration the policy of the government on land reclamation changes. Every man has his own idea. There have been paths worn over these reclamation projects by new fellows, each one figuring that he has the final solution to the problem.

THE CHAIR: The consensus of opinion seems to be that there should be no further extension of reclamation into areas unsettled; but that those areas which are settled and partially equipped with water rights should be rehabilitated. Nothing has been said as to whether or not power should be considered a legitimate reclamation project, or as to the readjustment of our occupation for the better use of water.

MR. KJOSNESS: It would be a very regrettable thing for this convention to go on record as giving a half-hearted expression in favor of reclamation. While I agree that further reclamation should not be undertaken except as the

need arises, I do think we should also anticipate the needs of the country.

We should take account of the fact that reclamation is the most important economic problem before the people of the West. Those who came here, brought all the capital they had, spent their entire lives in establishing civilization on reclamation projects and they are entitled to a vote of confidence for their courage and far-sightedness. Their work should be continued if we are to realize on their ambition, which means that we must go forward in the future along reclamation lines.

The great economists say that when the population of the United States reaches approximately one hundred and thirty to one hundred and thirty-five million, with our present plan of production the American farm will not be able to feed our own people. Instead of producing two hundred million bushels of wheat exportable surplus, we will have to import wheat into this country. And it is estimated that at the present rate of increase in population, within ten years we will reach that point.

How long does it take to establish a reclamation project and bring new land into its right productivity? As a policy for the West we must consider everything, and I favor further reclamation as the need arises, anticipating that the need will come within a short period of another ten or fifteen years.

On the other hand, we should dedicate our efforts to making our reclamation projects right for the people that are already there. We should give them more water, better power and every other convenience in order to make their investment more secure. We ought to adjust our production program so as to bring relief to the settlers on reclamation projects and to take them into new competitive fields. I believe reclamation settlers should go out of the wheat game for the relief of themselves and for the relief of men who are on other projects.

I don't think reclamation has been a failure. I believe it has been a success. We have made mistakes, and we have had some incidental failures, but no more than on other types of farm lands, or no more than they have had in other lines of business.

THOS. COOPER: (Casper, Wyoming) We of central Wyoming are interested in what the Reclamation Bureau persists in terming a new project, although we insist that it is an uncompleted project. When the Pathfinder Project was contemplated, the Reclamation Service in order to procure a water right in the state of Wyoming, had to comply with our state laws, just as any individual or corporation would have to do. They were obliged to make a preliminary survey and to designate just what land they proposed to irrigate. After they had secured this water right, they irrigated just enough land in Wyoming to make their water right good. Since then it has been increased, but all of the waters of the North Platte River, belonging to the state of Wyoming, have been appropriated and are being used for the rich agricultural state of Nebraska.

The Secretary of the Interior, while attending several reclamation conferences in Wyoming last summer, repeatedly made the statement that the reason the reclamation projects of the entire West were a failure was because they did not have an immediate and ample cash market for what they produced. Here is one project having all of the requirements which the Secretary says no other project possesses. We have a city of twenty-five thousand people; we have three hundred thousand sheep in Natrona county; but we are so remote from other markets and other points of production, - the Big Horn Basin and the Riverton

Project being the nearest,- that it costs from five to eight dollars a ton to deliver alfalfa to us. Thus many of our practical stockmen realize it is absolutely impossible to ship feed in there to take care of our stock.

The statement was made by the Secretary last summer that reclamation projects are a failure. The facts are, however, that the depressed condition of agriculture on the reclamation projects was not peculiar to the West or to the projects themselves; the rich agricultural states of the Mississippi valley have been in the same depressed condition. It is absolutely unfair for him to say that reclamation has been a failure, because the farmer has been in a depressed condition not only in the west, but all over the United States.

The Secretary of the Interior stated that before any more reclamation projects would be contemplated or built, the worn-out farms of the east would be rehabilitated. Now, we are not living in the east, - we are living in the west. I contend that the progress and the development of the west depends entirely upon reclamation. We must stand firm and united upon this principle.

MR. VAL KUSKA: Casper, Wyoming, with a population of twenty-five thousand, is an oil city, located in the oil-producing Salt Creek district. Almost twenty-two million dollars have been spent on reclamation in this area without any return. If a man goes out on this reclamation project and fails the first year, he can go to the Salt Creek refineries and get a job during the winter. Those familiar with the development of the West know that this is the way that the West was settled. When settlers came out here and the crops got short, they would often go to an industry during the winter, make a little money, and stay there. If they could not find such a job, they left the section.

The commissioner of Idaho has told you that we must build for the future,- a future not very far away. The history of all reclamation projects shows that it takes from ten to fifteen years before you get them on a real production basis.

Where are we going to be ten years from today if we don't start now making preparations? I don't mean that we should open this land before it is ready, but build your ditches, build your drainage, develop your lands, and then open them when the time is ripe.

That is what I referred to when I spoke about the Franney unit. Those boys spent eight years of their lives seeding their ground to alfalfa and sweet clover, and today they are reaching a productive basis. They are asked now to go on the Wellwood, where it is salt sage. There they will have eight more years of just as hard work as they put it on the Franney unit.

Ours if not a question of surplus; it is one of building for the future. Fifteen years from now, unless we do something, Casper, Wyoming, will be an abandoned village; and millions of dollars will have been thrown to the winds. While they still have their oil they can build up the project. Instead of shipping in food stuff from California, and from all over the country, why can't we give the Casper people a chance to share some of their own reclamation benefits?

This building is a silent witness to what reclamation has done. Salt Lake City itself is a silent witness to what reclamation has done. Even though blood has been spilled, we have gone ahead, and I hope we will always

continue to move forward.

W. L. STOCKTON: (Clarkston, Montana) To attempt to prove that reclamation has been a failure in the United States would be a big job. Nevertheless, there are in Montana three government projects about fifteen years old which still have thousands of acres available to settlers, and which the railroads are trying hard to colonize. The people on the projects are engaged in diversified farming, very largely dairying, sugar beet raising, and raising of certified seed of various kinds.

Even though it is contrary to "Farm and Fireside", we can very well say that irrigation and reclamation are successes. I can only say I think "Farm and Fireside" is playing true to form in making that statement, for they have been inclined often to take sides against agriculture.

It would be unwise, however, to ask the government to spend additional money for developing new projects as long as we have thousands of acres ready, but which in spite of low priced water - forty dollars an acre spread over forty years - remains unsettled.

I believe we should look for new projects, and should make plans for new projects, but to me it is unwise to contemplate the spending of additional money until these projects that are already in operation are working to somewhere near their full extent.

MR. VAL KUSKA: We learned yesterday for the first time how they computed that figure of six thousand. They included all the railroad right-of-way and the ditch banks, - submarginal land that should never have been figured in these projects. We have them on the North Side Shoshone project. I do not say that every acre of land included in an irrigation ditch is productive, but they added those lands, divided the total by the unit sixty or forty acres, and got their six thousand farms. If you were to question the board personally, they will tell you a different story.

Every time any man gets up to talk he mentions six thousand vacant farms on the reclamation project; but there are not six thousand vacant farms on the project. There may be lands that are idle, but there are also idle lands in New York: Go back and try to develop the New York land, and see if you hadn't better tackle a reclamation project.

I don't like that reference to thousands of acres of vacant land, when we don't seem to be able to find them. We know there are marginal lands that should never have been included, and they will be vacant probably as long as we live. I do not refer to political projects; I do refer to projects having the soil, the climatic and the other economic conditions which will permit the development of the project.

I have no sympathy for a man who goes out to build a project on pure shale, when we know it is a hard proposition to grow crops there. I am referring to land that can be farmed and will be farmed.

MR. STOCKTON: There are thousands of acres in the three projects in Montana that are good farm lands, not marginal lands. They are under the ditch water running from the canals at the present time, ready to be used whenever there is anybody to work them.

Two of these projects have sugar beet factories on them now, working to the full extent, An official of the Great Western stated a short time ago that the sugar content of the beets raised on these projects was the highest of any place in the United States, and the claim is made that the factory at Billings is the largest factory in the world.

There are many, many acres under these ditches now that have never had a plow in them and that have wild grass growing on them. I am not against irrigation at all, or reclamation, it is absolutely the thing; but why not get these lands working that are already equipped?

MR. BERGESON: I got quite excited about irrigation at one time, and thought it was a real money-making proposition. Now I am the president of three projects, and I know about what they cost, and about the taxes and the upkeep.

In 1917 and 1918, and up to 1920, the prices of farm commodities warranted a pretty good price for water. From 1920 to the present time they have not warranted very much of a price.

When farm commodities warrant prices that will justify people going out on these lands, you will find someone there. The reason there are not more people on government reclamation projects today is because it won't pay.

I put in a pumping plant, and I am lifting ten second feet of water fifty-one feet. It went all right when I was getting a good price for my farm products, - when beets were nine dollars, ten dollars and eleven dollars a ton; but since that time I have had to be very careful how much of that juice I used, and how long I used those pumps. I have cut it less than half-time now, because I can't get enough out of the commodity I raise to pay the bills.

This thing of promiscuously bringing in more land and more irrigation, paying no attention to markets and prices, doesn't get us anywhere. It just bankrupts the country, including all of us who are in the game.

When reclamation projects are created so fast, too many competitors are put in the field. Perhaps in ten years we will need them; if so we will find people ready to build them. But why build for the people of thirty or forty years from now? Let those people, when necessity arises, handle it.

My pumping plant didn't pay. Therefore, if I should advise you fellows to put in pumping plants to raise your water fifty-one feet, and tell you it is a paying proposition, I would mislead you.

These are things we must think about. Let's be careful, but let's go forward as necessity requires.

MR. VAL KUSKA: Isn't it true of these reclamation projects in Montana - the Yellowstone Project, the Sun River Project, and the Flathead Project - that the land is in private ownership? And isn't it true that when you go in there to buy it today, you must pay such an enormous price for the land, in addition to the water, that people are staying away?

MR. STOCKTON: No, I don't think so, necessarily, -- not entirely.

MR. VAL KUSKA: This was true on the Yellowstone.

MR. STOCKTON: Yes, there is some trouble there.

MR. VAL KUSKA: The same on the Sun River.

MR. STOCKTON: Yes.

MR. VAL KUSKA: The speculator has gotten hold of this land and he refuses to sell it at a price at which the farmer can go in there and make a living.

MR. STOCKTON: You can get all the land you want on the lower Yellowstone at fifty dollars an acre and assume the water charge against it. In fact, I happen to have some of this land, which I will be glad to sell to you for that. It is under cultivation and under water.

THE CHAIR: The gentleman has brought out a point here that is entirely worth while. The new settler today wants a double chance, and probably he is justified in it. He wants to know that his land is going to increase in value as time goes on, and also that he is going to be paid for the crops he raises. If the land is already up to the top, the man has a handicap.

MR. SHEPHERD: A committee of the Chamber of Commerce of the United States some years ago considered this very question. I happened to be a member of that committee.

We reached the conclusion, that there were already enough men engaged in farming in the United States to supply the people of the nation with farm crops; that it was not necessary, under the economic conditions of our country, to increase the number of people engaged in agriculture. We concluded that there was a great need for better farming, rather than more farming. I am still of that opinion.

CHAIRMAN WINDER

MR. McFARLAND: I know we ought to generalize and not take any specific cases, but I do want to answer this man that lives on cereal foods. He said cereals had come into such prominence that the use of the beef type animal has almost ended. I wouldn't say a word if these people from the National Chamber of Commerce were not here, but I don't want them to get a wrong impression of our people.

Any nation that is not a meateating nation doesn't make much progress in the world. This is a fact. You might suppose that high thinking and plain living go together, but if so, it is purely an accident. The man who is the best fed does the most. It has taken thousands of years to make this body-motor, and it is too bad to force it to run at half-speed.

Unless your ground is well irrigated it will not produce well. If your boiler is not full, you can not run the engine. To me it seems a manifestation of Divine providence that we really enjoy charging this body-motor, but, if we are going to have nothing but breakfast cereals, we aren't going to enjoy it.

MR. EAGLESON: I believe the gentleman misunderstood me entirely. I did not advocate a cereal diet; I was simply stating a fact, that the clever breakfast food manufacturers have put the American people to a large extent on a cereal diet.

The point I wanted to make was that if we segregate these crops of animal food from the human food and the cereals, we will take care of the surplus by putting it into a cheap quality of grain. There can be no surplus in the human food quality of grain. Thus the meat-feeding farmer will be given a chance to feed his flocks or his herds with a grain product in competition with hay and vegetables. It will give the hotel ~~man~~ a chance to feed the human family the No. 1 and No. 2 grains, the only kind that they ought to have to eat.

THE CHAIR: You will all remember that in the very earliest record we have of agriculture, there was some controversy between the meat raiser and the vegetable producer, and the debate ended disastrously.

The next topic is "Taxation," and I want to suggest two or three points which are worthy of debate. Any man, political or otherwise in his aspirations who in the face of our county and state debts, promises to reduce taxation when he comes into office, is breaking one of those good old rules that Moses got from the top of the mountain. It is impossible.

The obligation is already there, and we are not going to reduce our taxation. The question is whether or not we can approach it in a better way.

Today only eighteen per cent of the state of Utah is owned; fourteen per cent is in forests; and thirty-three million acres are still in the public domain. The taxes we get from the forests and from the public domain are very small compared to the burden which the state must carry. But there are natural resources available.

About nine years ago the state of Louisiana, in order to provide for new school buildings and for maintenance of the university, passed what was called a Severance Tax. In January, 1926, they celebrated the moving of their university to an entirely new plant, a plant which had been completed at a cost about five million dollars. The funds for the enterprise had come from this Severance Tax which had been levied largely on the removal of cypress wood from the state, a thing which had never before been taxed.

In Minnesota they have put a tax on the iron removed from State land, and the amount paid to the State for the removal of that iron is easily carrying the entire state expense and the school expenses.

In Wyoming, where each township received two sections of school land, the state enjoys a royalty from the mineral products coming from those school sections. The result is that section 16 in the Salt Creek dome is practically carrying their state government today.

I wonder whether it is not possible to do something of that sort for our State? We have in Utah probably sixty million tons of iron. We have started to develop it; and we will be taking it out soon at the rate of about a thousand tons a day. This may materially increase. Is the state getting anything from it?

We have one hundred billion tons of coal. We are taking that coal out at the rate of about four and a half to five million tons a year. An ad-valorem tax is put on the coal. After it is gone, what is left.

We probably have not more than six billion tons of Gilsonite which is being removed by a company entirely out of the state, at the rate of a hundred thousand tons annually. In a few years we will have only great gashes left in the earth.

We have number of other such resources copper, silver and gold mines; gypsum, salt, etc. Is it possible to get a better distribution of our taxation by placing a tax on those commodities as they are taken out? There is no denying the fact that the burden would rest on the consumer, but, assuming that it did, would he then have any better distribution of taxation?

The subject of taxation is open for your consideration.

MR. SHEPHERD: Do you not have an output tax on your mines in Utah?

THE CHAIR: We do not.

MR. SHEPHERD: In Idaho we have an output tax, based on the net profits of the mine. It is made in that form so as not to discourage prospecting investing, etc.

THE CHAIR: Our method of taxation in the metal mines is this, that the ground is valued at three times its net proceeds.

MR. SHEPHERD: That is based on output, I suppose. Do you support your highways with a gasoline tax?

THE CHAIR: We have a gasoline tax for that purpose.

MR. SHEPHERD: The only fund we have in Idaho for supporting our highways is our gasoline tax of two cents a gallon. That produces a revenue sufficient to keep up our state highways and do some new constructing work.

MR. STOCKTON: In Montana, for a number of years, we had a tax on the net proceeds of the mines. This was not satisfactory, because most of the time the different methods of bookkeeping showed low net proceeds.

Three or four unsuccessful attempts were made to change the law, but finally a bill was passed to levy a tax of two per cent on the gross output. The results have been very satisfactory, and the increase in revenue has been very material.

MR. BERGERSON: This state needs still more taxes. Under the present condition nearly everybody is dissatisfied with the tax system, and we feel we should have a different method.

Agriculture is just about at its limit with its ability to pay. We can pay only from the earning power of our business, but we must have taxes, with which to maintain and improve our state and public institutions, our schools and our business. It is a thing we are all interested in, and we should reach a fair basis of taxation in a fair and legitimate way, without wrangling and quarrelling. It is perhaps the biggest issue before the people of the state of Utah.

JAMES A. HOOPER: (Salt Lake City, Utah) Taxation in the states where there is a vast area of public land owned by the federal government sitting in Washington as an absent landlord, collecting all of the fees, returning but a small proportion to the state, leaving the state entirely to police those lands and taken care of them, is a problem that will sooner or later have to be met. It seems unfair that the fees collected from these vast areas of public lands should be turned over to the officials at Washington. Such lands are exempt from taxation, and when any article, either real property or personal

property, is exempt from taxation, it means shifting the burdens to the lands that are taxable and increasing the taxation on those lands.

It would seem only fair that the state which polices and protects these lands should receive, not a proportion of the fees, but probably the entire fee collected for the grazing or for the cutting of timber on them. Thus, taxation for school and road and other purposes could be reduced.

There is another problem confronting the Utah farmer who lifts his water by electric power. Some of our western states have laws that exempt from taxation that portion of a power system which raises water for agricultural purposes. If land is producing wealth, it becomes taxable because it is worth more money. If land is not being irrigated in the state of Utah, it can not be agricultural land. If power is introduced to raise water to irrigate that land, it makes the land more valuable; and today, not only the power system that raises the water to make the land more valuable, but also the resulting improved land itself is taxed.

Many of us who are pumping water fifty, seventy, or one hundred feet, raising that water for the development of our irrigation projects, feel that this part of the system should be exempt from taxation.

Therefore, these two observations are submitted: first, that the fees from the arid lands of the West, controlled by the federal government, should be returned to the State; second, that the power plant, already taxed for the purpose of irrigating, should be placed with the land, or it should be exempt from one or the other; there should be no double taxation there.

THE CHAIR: One point Mr. Cooper brought out may have given a little misunderstanding, If a power plant is used exclusively for pumping in Utah it is not taxable unless it is owned by a pumping company.

The power consumed in the state of Idaho for pumping is not taxed, and the Utah Water Storage Commission has already recommended in this state that a similar law be put in operation.

I will now ask Mr. Rutledge, who has charge of the forestry work in our district, to make a statement as to the distribution of fees*received.

R. M. RUTLEDGE: (Logan, Utah) Of the total fees collected for grazing and from timber sales and other receipts from the national forests, twenty-five per cent goes back to each state and to the county thereof, in proportion to the national forest area in that county; and ten per cent comes back to the forest service for the use of roads and trails within those national forests.

All the rest of it goes directly into the treasury, and is not usable by the government agencies. The forest service is entirely dependent upon appropriations for its operation, and the amount of money received has no bearing on the appropriation. We depend upon Congress for that.

MR. SHEPHERD: In other words, the government retains sixty-five per cent of the amount of fees collected -- is that it?

MR. RUTLEDGE: Yes. Let me add that this thirty-five per cent which is returned is an arbitrary figure. I don't know how it is arrived at, but in discussions in Congress, the basis for it was a return to the states and counties in lieu of taxation. However, I don't think any figures exist which will

show that it meets the shortage in taxation.

ERNEST WINKLER: (U. S. Forest Service, Ogden, Utah) For this district,- which includes southern Idaho, south of the Salmon River, western Wyoming, Utah, Nevada and northern Arizona, the Arizona strip,- the total receipts of the service for all commodities amounts to seven hundred and forty-five thousand dollars. The annual receipts for grazing are about six hundred thousand dollars, and the costs for administering that grazing is a little over two hundred thousand dollars for the district.

MR. KJOSNESS: In Idaho ten years ago the taxation was five per cent of the total agricultural income of the state. Today it is two per cent. Our total agricultural income has increased so much that we have been able to effect this reduction.

I think the answer to the tax problem out here is "Begin to develop, and thereby increase your income."

THE CHAIR: Our next topic is "Grazing."

Utah has fifty-two million, five hundred thousand acres of land, and although we have been farming since 1847, we have today but one million, seven hundred ninety-two thousand acres of plowed land. Of this, one million, three hundred seventy-one thousand acres are irrigated.

With the inauguration of our new reclamation project of seventy-four thousand acres, no addition will be made to the irrigated land, but that water will be used to provide a full water right to the land which is already listed as irrigated.

Only 2.6 per cent of our state is under irrigation, and we will never irrigate to exceed four per cent. The total amount of water available is but eight million acre feet, a large part of which is so far removed that it never can be used. So three million acres is the largest goal we may look to at present as irrigated land within this state. With this as the nucleus of the farming industry, the balance of the fifty-two million acres must give returns in grazing if it gives any return at all.

At present about fourteen per cent of the state is in forests, and the balance is in the open, so we are open for suggestions which may prove satisfying regarding the grazing problem,- a problem which confronts all the western states today.

MR. MARSHALL: Let us carry this a little farther and examine the eight states which are represented in this conference, together with the three coast states. These may all be called public land and national forest states.

Here there is a total area of seven hundred fifty million acres, with forty-four million, or six percent, listed as improved land. The best estimate we have of the actual or potential lumber land is another six per cent; so approximately eighty-eight per cent of the area of these eleven states must be utilized, if used at all, for the grazing of livestock.

Of the entire area forty-two per cent is owned by the federal government, including the forests and public domain, and some of the other reserve. Therefore, in considering the question of grazing, it is fitting that we also consider federal policy.

In those states we have also one-half of the sheep of the United States, with one-third immediately dependent on the forests for grazing; and there is no antagonism between the timber interests and the sheep owners. There are also nine million cattle, exclusive of dairy animals, in this same area.

The utilization of that eighty-eight per cent of our area in the support of a large proportion of the country's sheep and cattle presents a question of national as well as regional importance. The meat and the clothing supply for the rest of the country depends very largely, upon these so-called grazing lands.

In addition to that, agriculture and the livestock production of these states is intimately bound up with the agriculture of the corn belt states. We furnished to them a large proportion of the animals which they finish for market, and in so doing we aid in the utilization of a large part of the corn crop.

As to a federal policy, there is none expressed. The only policy involving any part of this government land is that which has been made by regulation of the bureaus, or, from time to time, by those who temporarily hold bureau positions.

Regarding grazing on the forests, it is now generally agreed that a federal policy can be formulated which will be satisfactory to all interests involved.

MR. RUTLEDGE: I want to call attention to the section of the Clark-Hillary Act which provides for the cooperation of the federal government in the production and furnishing of plant stock to farmers for wind-breaks, shelter belts and feed lots. Only one state represented here is taking advantage of that provision. Idaho, through the university, is planting stock which is being distributed at cost, or free of cost, to the farmers, and in that way they are planting the waste corners of their farms, starting shelter belts, etc.

Here is a chance for the farmers from the forest states to get something at a very reasonable cost, or perhaps at no cost, if the machinery can be worked out. Fifty thousand dollars is available annually under the Act, and Idaho is now taking up three or four thousand dollars of it on a fifty-fifty basis. It is not necessary that that stock be grown by the states, for it can be purchased and furnished to the farmers at the lowest possible cost.

Now, in regard to forage.

Forage, composed of grass, weeds and browse, is an integral part of the National Forest resource. In but few regions is the timber stand so dense or so continuous that it can be said that there is no forage.

There are forest areas that have been burned and re-burned that have no forests but still have possibilities for timber production.

There must always be within the National Forests in mixture with the timber, large areas upon which, because of exposure, soil, moisture or climate, the crop will be forage rather than timber; and in many timber stands there will always be much forage which can be utilized in the proper manner without damage to future timber production.

The National Forests are not only not solid bodies of timber, but natural and economic laws will prevent them ever becoming such.

If we accept the proposition that forage is an integral resource of the National Forests, which can and should be utilized, mixed throughout and in places overlapping other resources, we should consider the effect of its utilization and methods thereof upon other resources, and upon the forage itself, the liability of injury, and the possibility of benefit.

Damage to reproduction in the process of utilization of forage is the most important question to be considered.

The principle should be that utilization of the forage crop should in no instance be carried on so that it will materially decrease the future timber crop upon timber-growing lands.

Fire prevention and control derived from the removal of excess grass and weeds are important benefits in forest protection. Proper stocking, use only in proper seasons, and proper distribution and handling of livestock are important essentials in securing maximum value of forage.

Protection and care of the forage cover, as outlined above, will in general solve the watershed and erosion problems. There are instances where the protection of domestic (city) water supplies make it impossible to utilize the forage. Forage must be used so as not to interfere unduly with the production and protection of game.

Forage must be also used in harmony with the use of the National Forests for recreation, which is increasing rapidly.

In view of the overlapping and complication of uses the Government must retain complete control over (1) the number of livestock grazed even to the extent of total exclusion; (2) the season when livestock enter or must leave the National Forests; (3) the distribution and methods of handling livestock on the National Forest ranges.

For the protection of local agriculture, also, it is necessary that the Government regulate the question as to who shall use National Forest ranges.

Range improvements are imperative, and provision should be made for continuous funds. It is recommended that Congress provide that ten per cent of the grazing receipts be currently appropriated for this purpose.

There is need for more accurate information pertaining to the effect of range livestock grazing on plant life, and for the best practices in range use. There should be extension of experimental work along range management lines.

To prevent further depletion of the grazing resources within the public domain some means should be made to regulate their use. These should carry means for range improvement. This will preserve future value of the lands for grazing purposes and stabilize the industry for grazing.

The past season has again demonstrated the magnitude of the fire problem. It affects both the timbered and grazing regions. State legislation should be strengthened to minimize the hazards to private, public and state lands from fire.

DONALD McLEAN: (Twin Falls, Idaho) Nearly one-third of the area of the United States is grazing land, and in the West 75% to 95% of the area of the twelve western states is grazing land only. A solution of the problems of the West must take into consideration the economic use of this vast area.

Only 16½% of the state of Idaho is in cultivation. Idaho's agricultural lands are so far from market that they are almost entirely dependent on livestock to market their products. Over 65% of the market for all agricultural products in Idaho is furnished by livestock. A solution of the farm problem in Idaho calls for consideration of the needs of the livestock industry.

There is a controversy between the Western stockman and the Forest Service, in which the stockman takes the following position: (1) Denies the right of the Forest Service to redistribute grazing rights; (2) Insists that the full commercial value of the forage crop on public range lands has long since become incorporated in the values and costs of the ranches dependent on the range; (3) Insists any attempt at redistribution now can only result in a corresponding depreciation in the value of these ranches; (4) Deprecates the bureaucratic methods of the Forest Service; (5) Maintains that redistribution is based on a socialistic theory.

The present system is one of continual cuts and is accompanied by all the disruptive results of socialism.

A policy toward agriculture which is based on the theory of dividing the units to irreducible minimum amounts, in the final analysis, to a policy of peasantry.

Large operators effect economies and it is unwise to reduce holdings below the point of economical management, or standards of decent living. Few

Few people realize the topography and actual physical conditions affecting the raising of sheep and cattle. Distance of summer ranges calls for large operations. Farmers with small herds cannot go to far off ranges, nor can any community where the herds are made up of small flocks.

The only way to make it practicable for the small operator to use the forests is to move the mountains nearer the farmer. But the Forest Service can no more do this than Mohamet of old.

Beginners find that it is necessary to have good sized outfits to make a success and this means whittling down the rights of the established users. There is no end to this "beginner" process once it is begun.

Who shall be the grazer upon the balance of these public lands, the stockman already established or the newly come homesteader? Is it better to protect and encourage the man who is using the forage crops of the forest reserves efficiently and economically, and who is supplying the beef and mutton which is later finished in the feed lots of the corn belt, or to go on with the process of redistribution until the final irreducible minimum is reached and we have fully established a peasantry under circumstances which must result in want and woe?

That the present system of the Forest Service is fallacious is indicated by the statement of one of its officers that as a grazing question, "How far should the breaking up of livestock production, as a form of industry, into smaller and yet smaller units be sanctioned?" The Forest Service speaks

of "the greatest good to the greatest number," and emphasizes "equal opportunity for all" - yet questions the policy of breaking up the livestock industry into smaller units.

In an effort to carry out the above principles government bureaus will have to supervise personally every stockman's business.

All this interference and minute supervision must come from a bureau which administers a resource which is used at best on an average of three months or less per year by the people whose entire business he must control.

The effort of the Forest Service to dispense forage so as to give a square deal for all in one instance compelled an outfit to buy property so as to have a standing entitling them to the forage. The Forest Service forced the sheepmen into the rancing business to get the range, but of course gave them no assurance that they could keep the range. This outfit ultimately found its sheep range reduced to one-half. Is this procedure giving "equal opportunity for all?"

Where cattlemen have been obliged to buy property to care for their operation this property is worthless without summer range. This range becomes an integral and essential part of the unit and until some more valuable use can be found for it the stockman has a right to expect protection of his range connections.

To replace the experimentation, and supplant this bureaucratic domination, the stockmen ask that they be made criminally liable for any damage, and that then they be given freedom to carry their business as they please, free from government domination or interference.

When the stockman asks for an area basis he wants the benefits of improving and increasing the carrying capacity of his range; but the privilege of running greater numbers has in almost no cases been given him. The surplus has been given to others.

We Americans here a tendency to swing from one extreme to the other. Now in recent years, we have tasted something of the bitterness of having a considerable number of our population blundering about as rulers over the rest of us, and of being taxed fearfully in order to pay the wages they demand for their inexpert exercise of unaccustomed authority. If this tendency is not checked, and if the theory the government is working on in the Forest Service is carried out consistently, other departments will likewise have to start personal supervision.

President Coolidge has promised us relief from the strong-arm methods of government. In his late message to Congress, he said:

"I should put an even stronger emphasis on the desirability of the largest possible independence between government and business. Each ought to be sovereign in its own sphere. When government comes unduly under the influence of business the tendency is to develop an administration which closes the door of opportunity; becomes narrow and selfish in its outlook and results in an oligarchy."

Secretary Hoover is speaking of this deep-rooted evil said: "Executive offices of the government have power over the people which is oppressive

not only in theory but in fact."

The Forest Service thinks it must have all functions - it must have legislative; make the rules and regulations; administrative, which is the proper function; as well as judicial functions, that is, be judge, jury and prosecutor concerning any infraction of its own rules and regulations - on the national resources on 88,000,000 acres of forage-bearing lands or the National Forests will be wasted and destroyed.

The stockmen do not want the Forest Service destroyed, but they do want its officers to get their feet on the ground and their heads out of the clouds, and manage the grazing as any true American institution should be managed. They want to see a much more coherent policy formulated and more practical men in authority.

Let us repeat: The stockmen want the Forest Service. Such a vast and important group of resources as the Forest contains must be administered. This fact is too self-evident to all Americans to need arguing, and the livestockmen being also true Americans, are intelligent enough to realize the forest's economic value and want it administered. When we say "administer" that is all we mean. "Administration" covers the whole proper function of the service. At all events the stockmen want the legislative and judicial functions taken definitely away from the Forest Service. In no other way can they be rid of the continual experimentation that is so detrimental to them now. In no other way can they stave off the gradual elimination of the range livestock business. In no other way can be avoided the constant injury to our great West, that will affect all branches of agriculture and industry, and undermine the foundation of her prosperity.

MR. STONE: Forty-five per cent of Beaverhead county, where I live, is in the Forest Reserve, under the supervision of the foresters, and we have much discussion as to its administration.

Prior to the creation of the Forest Reserves, our range was used by cattle and sheep men who had not vested rights, but rights which were respected by one another as range rights. When the grazing area went under Governmental administration, these men were very largely curtailed in their range rights; and one of the very live issues with us, even at the present time, is whether that reserve should be given chiefly to large producers of cattle and of sheep, or whether the man with only a limited number should be given a preferential right. Both have very, very cogent arguments for the position they take.

At a hearing in Dillon only about three months ago, attempts were made to fix as a basis for our own grazing fees the present value of pasture in the East. Factors such as freight rates and distance from markets were ignored, however, in considering our Western conditions.

At present the grazing fees on our Forest Reserves are as high as they should be.

MR. YEAGER: There are more than seven million acres in the state of Nevada, and over ninety-per cent of this is public land.

We have a vast area of such land over which the forest service has no control; where any person with a farm unit adjacent to it uses it, and expects

to continue to use it, in order that his farm may pay.

We think the government should have control or supervision of this public land. We strenuously object, however, to any raise in the forest fees, as has been recommended by the forestry bureau.

MR. STONE: The people of our community object seriously to having the government assume control of any more land.

MR. PACE: The same conditions prevail all over these western states, - governmental control of land not taxable by the states.

Arizona controls about sixty per cent of its land, including Indian reserves and other land withdrawn from entry. Although we receive about thirty-five per cent of the revenue derived from the sale of timber on the reserves, still we pay the entire policing expenses of all the lands in the state.

We pay exorbitant grazing fees, particularly on the Indian reserves, where a charge of two dollars and a half or two dollars and forty cents a year for a cow, is quite common; and they move us off whenever they please to do so. In the mean time the Government collects the money which ought to remain here at home.

MR. MCFARLAND: The carrying capacity of grazing land in the public domain is now fifty percent less than it was twenty years ago, and unless something is done to conserve that natural resource, we are going to lose the real value of it.

The man that grazes cattle on the public domain today, takes them there to starve. The forage is so scattered and the land so run down that we can scarcely keep cattle there at a profit. And I believe that the general government or somebody ought to look into that question. It is a question of conservation and it merits careful study.

MR. HOOVER: We people of the West do not have our industries confined by natural territory or natural boundaries to any particular state. Our winter range may be the winter range of Utah, and our summer range may go to Idaho, to Wyoming, or even to Colorado; and we do not know when we cross those borders except that the tax collector notifies us that our sheep or our cattle have been assessed in another state.

Cattle and sheep that pass from one state to another are assessed as migratory property, and the states enjoy the advantages of this taxation. The administration of the grazing, however, is not under the jurisdiction of the states themselves, and rightly so, for it would be unfair to deprive the Wyoming sheep man of the right to graze on the federal lands of Colorado, for example. Some states not only exact the tax on migratory property, but they have even attempted to pass laws to require the payment of grazing taxes for the use of government land in their areas.

Two years ago Colorado adopted a law to exact a tax of twenty-five cents per head on sheep and fifty cents per head on cattle coming in to graze. This in addition to the personal property tax. Arizona has a similar law; and two years ago the state of Nevada tried to effect such a law, but when the matter was called to their attention it was done away with.

The winter ranges of Utah probably harbor more foreign stock than any other surrounding state, and I, for one, shall oppose any law in this state designed to tax such grazing. Any law of this nature, is not only un-American, but it is unconstitutional; and no state legislation on grazing taxation has ever proved constitutional.

We should adopt a policy which will help the neighboring states, rather than build up barriers against their soil and livestock products.

Even our inspection laws should cover districts rather than states. For example, during the epidemic of foot-and-mouth disease it was possible to go from one end of the long state of California to the other, but to cross an imaginary line into the state of Nevada was prohibited. Had this quarantine been placed by districts rather than by states, it would have worked out better.

This grazing tax, not the personal tax on livestock, forms the barrier between states. The Colorado district court has ruled the law unconstitutional, but I don't think it has yet reached the Supreme Court. However, money is being spent in the state and federal courts which could be used much better for some other purpose.

We in the state of Utah are opposed to the administration of public lands by the states themselves. We feel that this power should be exercised by federal agencies with all states on a uniform basis.

MR. COOPER: Abraham Lincoln said this nation could not exist half slave and half free. It is equally true that these western states cannot exist under half state and half federal ownership.

At the time our Constitution was adopted, the only land provided for federal ownership was a tract ten miles square upon which the capitol of the nation was to be built; together with such sites for forts and arsenals as might be purchased from the states.

Following the Revolutionary War, our treaty with Great Britain stipulated that all lands belonging to the colonies should be formed into states as soon as they had sufficient population. About that same time the government was in desperate financial straits, and Virginia, North Carolina, and several other states later deeded over the Northwest Territory, with the understanding that the lands would be held in trust by the government until they passed into private ownership.

The treaty with France, at the time of the Louisiana Purchase, specified that these lands were to be held in trust by the federal government until sufficient population warranted their creation into states.

The same was true with the treaty with Mexico, and no other principle was ever thought of until 1891 -- after the creation of the forest reserves.

We of Wyoming want to see every acre of land within the state go into private ownership. We believe it is better for the state. The large owners are disappearing, and the bulk of our sheep men in a few years will be running from one hundred to five hundred head of sheep; and we think it is much better to have one hundred men owning a hundred head of sheep, than to have one man owning ten thousand.

A prominent official in one of our livestock associations tells how a neighbor of his in Arizona was put to the terrible expense of keeping three or four line riders for a period of six weeks in the winter to keep the sheep men from New Mexico from coming over there and grazing their sheep on the public lands. He didn't say those line riders were armed, but they were.

These are the men that are trying to get federal control of the public domain.

At a hearing before the Senate Public Land Committee in New Mexico, one individual, referring to drift fences, said, "The term drift fence is poetic license. They are a complete enclosure over which we have absolute control; no homesteader dare go inside of one of those enclosures." Certainly the homestead law is a failure, when the United States government permits men to control, by coercion and intimidation, lands rightfully belonging to the people.

In opening the public land conference here a year ago, President Hagenbarth stated that federal control of the public domain should have been put in operation fifty years ago. Had that been done, Wyoming would still be a vast pasture for some fifteen or twenty cattle men, and the great progress and development which has taken place in the past fifty years would never have been possible.

The land policy of the United States is absolutely fair and is about the only policy that can be devised to settle these western states. We of Wyoming ask that present conditions be left alone, and that the lands pass into private ownership under the present laws.

Frequent statements are made as to the deterioration of ranges in all of these states. My hobby is the early history of this western country, and I find that the statements of many of the early explorers, who were intelligent, educated observers, are not in accord with some of the modern theories regarding range deterioration.

Major Long, campaigning in 1819 and 1820 near the present site of Denver, told about the desperate straits they were in because they were unable to find any feed for their stock.

The Reverend Samuel Parker, going up the Platte Valley in 1836, noted in his diary that there wasn't any feed for stock. He attributed this to the fact that the country was grazed by vast herds of antelope and buffalo, and also to the proximity of the snow-clad mountains. William Ashley, one of the first men to explore the southern part of Utah, had the same difficulty. Father DeSchmidt, who went over all this country in the '40's, and Peter Skeen of Ogden, one of the first men in this valley, - both have recorded similar stories.

As a pioneer, and a son of pioneers, I am becoming tired of hearing eastern people discuss the despoilation of these valuable natural resources.

The question of erosion is presented frequently, and it is often attributed directly to the grazing of sheep. With the Grand Canyon of the Colorado as one of the world's best examples of the effects of erosion, it is pretty far-fetched to blame erosion on over-grazing. Except for the geysers in the National Park, practically all of the scenic beauty of these western

states is due almost entirely to the natural processes of erosion; and the powers of all the governments in the world cannot stay those processes.

MR. YEAGER: How many acres in Wyoming in the public domain?

MR. COOPER: According to the last figures, Wyoming has fifteen million, eight hundred thousand acres in public land, with some five million acres of entry land cancelled. Practically all homestead entries in the state for more than a year have been held up pending the passage of some sort of federal control. If federal control does pass the homesteader is not going to get it.

MR. VAL KUSKA: I know of land that can be colonized and settled; I know other land that can not be settled. We have land today in Wyoming that would be developed if it were privately owned.

Twenty years ago western Nebraska was nothing but sand. Today, under private ownership, it is most wonderful grazing land, and hogs and other crops are being developed. The same thing is possible for Colorado, southeastern Montana and northern and eastern Wyoming if private ownership can be established.

I would like to see something definite in this regard carried to Congress, for I understand there is a movement on hand to abolish the homestead law.

THE CHAIR: There are those who have argued for government control of the public domain, but were that to carry, would it not still allow public lands to pass into private ownership, even under the government supervision of grazing?

This conference is trying to express the opinion of the people who are concerned. We are only expressing those things which form a possible working hypothesis for the problem.

MR. HATCH: (Wyoming:) I have in my hand "The Story of the Range", by Will C. Barnes, a piece of propoganda put out at public expense, and passed all over the United States through the mails. It is supposed to be the story of all this western grazing land, but it contains a larger per cent of falsehoods than anything I have ever seen.

MR. YEAGER: From what has been said by the Wyoming representatives, I believe we are agreed that the present public domain should be placed under private control. In Nevada we can not expect ever to have the land under strictly private control, but the present method can be changed to one which will stabilize our farm unit.

MR. HATCH: Do you think people would be willing to take out a homestead if the area were large enough.

MR. YEAGER: No.

THE CHAIR: This meeting will now adjourn until nine o'clock tomorrow morning.

Adjourned until 9:00 A. M., October 2, 1926.

SECOND DAY

Saturday, October 2, 1926

9:00 A. M.

M. S. WINDER (Secretary, Utah State Farm Bureau in the chair): Yesterday's discussion of grazing was not closed, and, from my own experience with stock men, I am of the opinion that the subject will never be closed. Turning now to the general topic of "Marketing", which we are disposed to consider as one of the very great problems of agriculture, we will discuss first the question of transportation.

MR. EVANS: In the United States there are six and a half million farms, 3.79 per cent of which are located in these eight mountain states. That means a quarter of a million farms in the area represented by this conference; it means two hundred fifty thousand separate enterprises.

In certain respects, however, all of those separate enterprises should have common interests. For example, there should be a more sympathetic cooperative relationship in regard to problems of marketing and distribution. Our productive areas are characterized by a great variety of soils, climatic conditions and even altitudes. Some crop is being harvested and placed into the channels of trade almost every month in the year.

If we can, therefore, bring all these interests together on a basis of commodity lines, and if a proper working relationship can be established then we may expect eventually to gain a fair return for our agricultural products. However, we must recognize that we face many difficulties when we attempt to improve our present conditions through organization.

To organize perfectly along commodity lines means to put considerable power into the hands of the members themselves; it means largely a disregard for the laws against monopolies and restraint of trade. Fortunately, in the last ten years we have largely overcome the resistance of these laws, and with cooperative marketing laws enacted in about forty states, the way has been opened for the organization and the successful operation of those institutions.

There have been some fears that this power, placed in the hands of people who have taken themselves out of competition with each other, might be abused; but experience has shown that it cannot be abused without bringing a direct and immediate punishment upon those who are most concerned, - the producers themselves.

The results of cooperative efforts, so far as they have gone, have been in favor of the producer as well as the consumer. They have tended to establish better standards, higher grades, better grading, and more systematic business procedure in every way; and there is no tendency to abuse.

The whole program has been one of construction, with no desire to destroy established agencies so long as the work can be carried on without unnecessary changes in existing conditions. Wherever an agency or an enterprise is operating along similar lines, no well-organized or well-directed cooperative effort will arbitrarily injure or destroy that agency. If the cooperative can carry on its own work consistently at the same time permitting other agencies to continue, it will do so; but if it is necessary to make changes, they will be made with as little loss and as little disturbance to existing conditions as possible.

We are not seeking high prices or fixed prices. We do seek stable prices, established at a level which will guarantee an adequate return to the investor in agriculture.

Let me direct your attention to some figures for these right mountain states.

In 1921 in Utah, the per capita income for the non-agricultural population was \$543, or 5.9 less than in 1919. The agricultural worker in Utah the same year received \$237, which was 47.2 per cent less than he received in 1919.

In Nevada the non-agricultural worker received \$850, or 3.7 per cent more than in 1919. The agricultural worker received \$628, or forty-seven per cent less than in 1919.

In Colorado the non-agricultural income was \$729, which was 3.6 per cent more than in 1919. The agricultural income was \$328, or 46.1 per cent less than in 1919.

The total shows that in this region, in 1921, the non-agricultural worker received \$641 for the year, or 6.6 less than he received in 1919; the agricultural worker received \$315, or 41.6 per cent less than he received two years before.

So what we need in this industry is stabilization; and we never can get stabilization until we get organization.

A unified capable control of any of our commodities would insure an orderly flow to markets, the elimination of wastes and a real bargaining power. Such a stage is not easily reached, however, and we are proceeding slowly.

The outstanding characteristic of this entire movement has been the unnecessary resistance with which it has been met, although, I am not complaining about the attitude of other interests or individuals outside our industry. In addition to all the natural obstacles that we have had to overcome, we are confronted with other obstacles which should not exist, obstacles which can be removed through an adequate mutual understanding.

It has been said that every time the agricultural interests propose anything, it is suspected of being radical or ill-founded. An examination of such proposals will demonstrate that they have been almost uniformly conservative and sound. Undoubtedly there have been some proposals which were not well wrought out, and immediately the conservative agricultural leadership has resisted them. To adopt an ill-advised system would mean a reaction against the very ones seeking the benefits; and injury to the general welfare and the general interests.

With the tendency of the farmer to remain independent, it is difficult to convince him that he should ask for any affirmative help from other interests. At the same time, however, he does welcome assistance and advice and the benefits of experience along commercial lines. Our progress will be aided immeasurably if commercial and industrial interests can remove the unnecessary resistance to our efforts to organize.

These proposed movements require a great deal of study and thought. The cooperative marketing laws in the various states have been built out of

legal and economic experience, and yet everywhere they receive more or less resistance.

Any new proposition should not be accepted arbitrarily, but should be studied with the view of determining its merits. If commercial organizations can discover any weaknesses in these organization proposals, we will be only too glad to receive their suggestions and help. Above all, help us to eradicate this unnecessary resistance and in time, if given an opportunity this effort at organizing agricultural products along cooperative lines will be successful.

Of course it is no job that can be readily accomplished, and until the organizations are perfected we cannot do much along lines of transportation, surplus, credit, tariff and arbitration. To be effective in handling these problems presupposes that we are going to be well organized.

MR. SHEPHERD: Is the income of the agricultural laborer the average per capita, -- men, women and children or is it the individual?

MR. EVANS: The worker.

MR. SHEPHERD: Has that income figure been the same since 1921?

MR. EVANS: No, it has increased since 1921.

MR. SHEPHERD: I was wondering about the automobiles they have bought during these years. There has not been a farmer in our country that has not paid more than that for an automobile alone.

MR. EVANS: I have used these figures only for the purpose of comparison; I am not using them to emphasize the difficulties agricultural workers have been going through.

The data are taken from the Industrial Conference Board report which came, not from the hands of farmers or farm economists, but from the industries. This report has been circulated all over the country, and it seems to have stood the test of the most careful examination.

MR. SHEPHERD: Perhaps that is the net figure, but it cannot be his gross revenue. I know it wouldn't apply in Idaho, because there is hardly a farmer that has not bought an automobile. I merely mention that; he must have had more of an income.

MR. EVANS: Some of the farm organizations were asked if they were not overstating their own case when describing the actual condition of the farming business in America, The reply to the Industrial Conference Board was, "We certainly do not want to overstate the case. If we are ever to succeed, we have to succeed upon facts, not upon speculation and theory. But there is no group of people who can command the resources that you people command, and there is no group of people which has a more efficient agency for the purpose of determining what the agricultural conditions are than you. Will you make that determination and tell us whether or not we are overstating the case?"

The result was that this is a very much more emphatic statement of the difficulties under which agricultural interests are laboring than any

farm organization had dared to state.

A DELEGATE: Of the two years you used for comparison, the first was 1919?

MR. EVANS: Yes, and the next 1921.

A DELEGATE: 1921 was just at the lowest period of the depression.

MR. EVANS: Yes, it was. There was no other interest, however, which showed such great fluctuation. That was the only point I wanted to illustrate here - the necessity for stability.

We don't want artificially high prices, and this has been an error in the minds of many people. We do want stability of prices, and I used this to illustrate how unstable agricultural prices really are when a crisis occurs.

A DELEGATE: Do those figures omit the findings that go to farm help, that is, the board and lodging? Was that the actual cash for the services, or does that include board and lodging?

MR. EVANS: I think it includes all the things which could be legitimately regarded as a net return to the worker.

MR. VAL KUSKA: You are not using these figures to really show the relative return to the farm laborer against the industrial worker?

MR. EVANS: Not at all.

THE CHAIR: You may recall that in 1921 there were more business failures than in any other period of American history. It was particularly true of business institutions in rural communities. In this state, nearly all the banks south of Provo failed because of the failure of agriculture. So if you will just recall 1921 and not think in terms of present-day conditions, I think there will be no occasion to question the figures.

We will now discuss the subject of transportation as it relates to marketing.

MR. KJOSNESS: Everyone feels that the railroads are entitled to the same opportunity that the farmers deserve - that they should have a fair return on the capital and labor invested. There is an increasing general feeling that railroads are not overpaid in the main, but that a scientific study should be made of the freight rate structure in order to make it more equitable and more just.

We owe a great deal, however, to the transportation companies for the service they have rendered lately in overcoming car shortages.

At a conference held recently in Los Angeles, Mr. Fisher of the Fisher Flour Mills explained that at one time the flour that was milled in this intermountain section had to be sold below premium because of its reputation for being poor. He told how finally he succeeded in bringing it above premium by advertising its quality, with the result that there were demands for the flour from foreign markets. He then found, however, that

ne couldn't secure an export rate for the California market.

If we are to have a premium outlet for our surplus, our flour mills should have an export rate on flour to the California ports. Those are our natural outlets. This conference will do well to give consideration to that item, for it means a great deal to this country.

J. W. WEBSTER (Rexburg, Idaho): I presume I am the largest individual grain shipper in the state of Idaho, although this does not say much for anyone else in the farming game. In 1922 it cost me over thirty-five thousand dollars to transport my crop to the California market. From Canada we could have transported the same amount of wheat the same mileage for half that money. Had we been located in Montana, just over the line from where I reside, we would have saved ten to eleven cents on every bushel of wheat we shipped, for the Montana rate is less than ours.

Last year we went to Portland to meet the vice-president of the Union Pacific System and to discuss the rate question on farm products for the Northwest. We found that the Montana farmers were putting their grain down in Portland for eleven cents a bushel less than we were laying ours down in Portland; and when I asked the grain dealers why they did not buy wheat from southeastern Idaho, they said the rates were against us. They could buy cheaper in Montana.

We have asked the Union Pacific System to make us a rate equal to our neighbors on the north, but up to this time they have not done so. They excused themselves by saying "We give you better service than the Montana roads can give, therefore we feel that we are entitled to a higher rate." I don't think wheat would be much hurt if it were ten days or a month on the road from our station to Portland.

High transportation is one of the things that is crippling the agricultural industry of our state.

MR. STOCKTON: A little over a year ago Mr. Hall, president of the Manhattan Bank of New York City, got out a very well written little pamphlet on the railroad situation. Among other things, he stated that the freight rate question, was of no consequence to the farmer whatever, and that the farmer would not be particularly better off if he didn't have to pay a cent for shipping. His theory was that the ultimate consumer pays the freight.

In writing to Mr. Hall and commenting on his pamphlet, I said it was very evident that he hadn't sold any farm products of any nature, for in all cases we realize that our price is the terminal market price less the cost of getting it to that market, and the more that cost is, the less we have left.

Speaking of the freight rate on wheat, and the export rate to the Pacific Coast, I am glad this matter has come up. Six or eight years ago an export rate of seven cents was placed on wheat from the central part of Montana to the Pacific Coast. Since we have three transcontinental railroads in Montana our grain and farm products can move west or east with equal facility. When they found that, due to this export rate, quite a volume of our wheat was moving west, the buyers of Duluth and Minneapolis took active steps to force the grain to go east. After a two months' fight as to whether that

rate would be maintained or not, we won out and got everything we asked for.

The trouble in Idaho is that you don't have any strong farm organization to make your demand to the railroads. You can try individually, and you won't get very far; but if a strong farm organization goes up to the railroads to make demands, they are going to see what they can do to eliminate the trouble. That is the only way we got what we demanded in Montana, and they admit now that our demands were just.

While the Farm Bureau has had the reputation of fighting the railroads to a certain extent, I think the officials of those railroads will tell you that we have been absolutely fair in every case. You must stand up and fight for your rights collectively, and not individually. That is the answer to Idaho.

MR. WEBSTER: Isn't it a fact that you have benefited by having three railroads in competition?

MR. STOCKTON: There may be some truth in that, but I would not say it is due wholly to that. The Great Northern goes through the northern part of the state, the Northern Pacific through the southern part, and they are a good ways apart, so there is not very much competition in that respect. The Milwaukee does parallel the Northern Pacific, of course, a great portion of the way.

It is not so much railroad competition as it is a concerted demand for organization. The railroads, due to the fight that we have made, are putting forth every effort to please the agricultural interests of the state. They want our agricultural industry built up, and they are very careful not to create the ill will of those who are speaking for the industry. We in turn have been especially careful not to make demands that we didn't think were justified.

W. F. JENSEN (Los Angeles, California): My business is that of dairying, creamery and dealing in produce. When we started here it was more or less of a pioneer proposition from the transportation standpoint. At that time freight rates were practically prohibitive; but during the course of years we have been able to get a good many adjustments.

It is an expensive thing for an individual or even a group of people to fight for rates. Right now we have a case before the Interstate Commerce Commission in reference to the refrigerator charges on perishable products handled by cooperative organizations as well as our own organization. It seems that this western territory is distinctly discriminated against when it comes to the charges that are made for refrigerating perishable products, such as butter, eggs and cheese.

Apparently the Continental Divide is a line that has heretofore constituted the division in making rates on many of the services given by the railroads. I doubt that we can estimate what it has meant to the prosperity of the western states over so many years, these excess charges for refrigeration and other services.

After all, it is the money saved to the farmer and other business men whether on labor, cost of production or transportation, that in time creates an accumulation of wealth which can be used for development purposes.

Now that we have reached a point where the tonnage produced in our

western states is as large as that of any of the other agricultural states, I cannot understand why we should have a higher rate structure and a higher price for the services which we must use in our business. It seems to me that that is something that the United States Chamber of Commerce can make a study of.

DAVID F. SMITH (Salt Lake City, Utah): I believe the markets of the United States should be open to the people of the United States without any discrimination in Utah. There is an imaginary line against Utah and Idaho which we can't get over, known as the Silver Bow Gateway. It is more or less elastic in that it applies to some things and not to others.

For example when we route a car of oranges from Los Angeles to Salt Lake and on to Pocatello and Butte City, it takes what is known as the "through rate", but when we route a car of peaches from Utah, or a car of apples from Idaho, we can go past Butte City, then we are done. After that a local rate applies.

In other words, the railroad company sets up a certain gateway to protect the people that grow commodities on their lines. For instance, Utah tomatoes can't get beyond the Silver Bow Gateway; and Utah peaches can't get beyond the Silver Bow Gateway; nor the Idaho apples nor the Idaho peaches. It applies the same way for things that we need from the northern lines. The Silver Bow Gateway may be necessary from the standpoint of the railroad, but it seems to me there is something there that is wrong.

The markets of the United States should belong to the people of the United States; and I object to the fact that I can't ship commodities from this district into other districts simply because there is no rate into these districts. It doesn't apply against most of the commodities from California.

MR. YEAGER: There is another local problem involving discriminatory rates, - that of paying more money to transport an article a short distance than for transporting the article a longer distance.

From Hudson, Nevada, the freight rate on a double deck car of sheep or a single deck of cattle to the San Francisco market, is one hundred and forty-nine dollars. The rate on the same commodity from up in Wyoming over 600 miles farther east, is a hundred and thirty-eight dollars a double deck car of sheep, or a single deck of cattle.

In shipping the same commodity to the river markets there are certain privileges. From points in Nebraska a shipment of cattle can be diverted to Kansas City, Omaha, Joseph, St. Louis or other markets along the river without a change in rate; and the diverted distance may be several hundred miles. It costs us three hundred and three dollars from Hudson, Nevada to any of these river markets, so the freight we pay is a very big item in our ultimate profits. Unquestionably there is a problem about those discriminatory rates which outweighs anything else that can be brought up in this western country.

As a member of the Pacific Coast Regional Advisory Board of the American Railroad Association, I want to give the railroads credit for having brought about a very satisfactory car service distribution. We have no

complaint in this regard and there are other developments which have proved helpful to shippers in adjusting the big problems of the long and the short haul.

From Hudson, Nevada to San Francisco is probably three hundred miles; from Evanston, Wyoming it is practically a thousand miles. A double-deck car of lambs from Evanston is hauled under a blanket rate and the commodity reaches the San Francisco market for ten dollars less a car than we can ship it from Hudson, Nevada, which is less than half the distance. There is nothing right or just in such a rate structure as that. The railroad companies say, "You are on a branch line." We admit we are off on a branch line, which is only twenty-eight miles long, but we need that line. We must either drive our stock these twenty-eight miles or pay the local rate. One of the largest livestock companies in this state sent their buyer out to Hudson, Nevada two years ago, and he bought twenty-four thousand lambs, but he didn't know what he was up against until he landed those lambs back here. That was two years ago. Last year he didn't buy a lamb, and this year he came in to buy some stuff and said, "I have got to lop off a quarter of a cent a pound on your product or I can't ship it."

I know at least three San Francisco men who buy wool and lambs in Wyoming and then pass the lambs up into our country, one-third the distance. It is not that our commodity is not as good as the rest of the United States, but it is because they can get this stuff a quarter of a cent and a half a cent cheaper some place else, and therefore they let our stuff go or let the market change before they come in there to buy.

This is a condition which is being paid for directly by the farmers and not by the consumers.

THE CHAIR: We will conclude this subject of transportation, although I appreciate the fact that we can talk about it all day and then still have something more to say.

We will go on to the subject of surplusage.

MR. KJOSNESS: For a number of years I had charge of the county agricultural agency work in the state of Idaho.

Prior to the war we had no acute marketing problems in agriculture, although they did receive some attention and discussion. However, at that time the chief endeavor of the county agent was to increase production, -- more bushels per acre and more acres to the man if he could handle it. This was only natural, for efficiency in production was a large problem before the American farmer at that time.

During the war our county agents did their utmost to increase production in order to provide a tremendous working surplus and these very surpluses proved to be an acute problem for our farmers later.

After the war, when agricultural conditions became so tense, we held a series of conferences and decided to make a detailed study of the situation.

As a result of our studies we found that, following the war of the Revolution, the economic unit of the farm was about forty acres; and that the entire colonial family, averaging eight in number, was required to operate the farm. They had no modern farm machinery and could not engage in large scale production.

We were surprised, however, to learn that even under those conditions, the American farmers were producing a relatively great surplus of farm products and that this surplus was transported to the Old Countries of Europe. Over ninety-seven per cent of the people of the United States at that time were dependent upon agriculture for their living; less than three per cent were engaged in the industries or manufacturing enterprises.

Following the Civil War, our internal conditions changed. Approximately sixty per cent of our people were engaged in agricultural pursuits, and only forty per cent in manufacturing enterprises.

Then came the "Age of Invention". Modern farm and manufacturing machinery were invented and this country, as no other nation in the history of the world, engaged in large scale production. The result was that in 1914 at the outbreak of the great war, our population had again made a great change. Approximately thirty-three per cent of our people were engaged in agricultural enterprises, and about sixty-seven per cent were engaged in industrial and commercial enterprises. Thus the United States was changed from an agricultural to an industrial people and the economic effect was tremendous.

As a result of this great change, one might think that agricultural production would be decreased. This, however, was not the case. Up to 1914 we were producing yearly from one hundred to two hundred million bushels of wheat in excess of our domestic needs, and this was being sold in Liverpool and other foreign markets.

We produced a surplus in cotton, tobacco and other products. In 1914 when the World War broke out we shipped in one month nine million pounds of lard - more than we had ever shipped in any one year prior to that time. This demonstrated the producing power of the country.

Thus we may say that surpluses have been the rule with the American farmer, and that the problems resulting from them are not new ones.

Another thing, the invention of farm machinery permitted us to homestead all of this land. I think you will all agree that no man could have subdued this western soil with his two hands and the spade and the sickle and the scythe. Modern farm machinery was needed to bring the land into tillage.

In developing this great country, however, we did not finance it from our own resources. Our studies revealed that the farmers of the west, up to 1914 had borrowed money from Europe and had mortgaged their land; western railroads borrowed European money for their development; and other big enterprises had borrowed money from Europe to finance western development. The people of the United States in 1914 owed to the people of Europe seven billions of dollars.

That was a healthy condition for us, because it was conducive to a fine foreign trade. We paid the interest on that seven billions of dollars with our export surplus of wheat, with our export surplus of cotton, etc; and moreover the people of Europe had abandoned their agriculture very largely. This latter change favored the agricultural development of the United States, and fostered industrial development in England, Germany and other European countries. They were glad to extend us even more credit with which to exploit the natural resources which they needed in their industrial enterprises.

During the war our foreign trade situation was intensified. Because of the tremendous demands for our products we were able to cancel our seven billion dollar indebtedness within two years; and in addition to that, we loaned money to Europe to the extent of twenty-one billion dollars by the end of the war. A further loan of more than four billion dollars was made by the business men of the United States to the business men of European open account.

This great change in the credit situation is what has brought about the acuteness around the surplus problem in America. Europe no longer will take our surplus to apply on interest, on indebtedness, or towards retirement of indebtedness. They owe us, and they prefer to return to us their commodities to apply on their interest and on their indebtedness. Consequently the markets of Europe are closed, to a very large degree to the agricultural products of the United States.

We have been able to inaugurate economic devices lately through the Dawes Commission and other means, whereby there will be reestablished a condition under which they can again begin trading with us. The fact remains, however, that Europe is still in debt twenty-one billions of dollars to us, and if you have followed the Debt Funding Commission you will find they will continue to be indebted to us for many years.

When the market disappeared for wheat in Europe -- not the demand for it, but when the German mark wouldn't pay the cost of production -- then we were confronted with a situation of over-production without justification. And if the American farmer continues to indulge in such over-production then he must take the punishment.

We must study the market situation; we must go back and produce the thing for which there is a certain market. Because of that wide-open export market before the war, we never gave consideration to our domestic markets. Thus when our recent difficulties developed, we were at a loss to handle them. Even our colleges were unable to cope with the situation. So in Idaho we decided to start an economic survey, a study of the market situation, a study of our production, a comparison of our production with the producing areas of other sections. We wanted, if possible, to adjust our production along specialized lines for specific market demand.

As a result of our study we have effected great changes in our production program in Idaho. We have found, for example, that dairy products have a certain and good market; we are going into the dairy game. We have found that our eggs have a limited good market; we have therefore, gone into the egg business.

To the United States Department of Agriculture and the college of agriculture belongs the entire credit for the success of our survey. We gave only the impetus to it. However, we have appointed an Economic Commission made up of representatives of every interest in the state: banking, business, orcharding, livestock, beef cattle, sheep, dairying and so on. These men, acting as a board of directors for the great business of agriculture have cooperated with the economic experts in our studies and they have pledged themselves to go forward with a program of adjustment of the products of Idaho agriculture to specific market demands.

We are not convinced, however, that we should abandon the production of surpluses entirely. On the other hand we feel that we should produce our surpluses in proportion to our ability to market them. It would be fatal to the American farmer not to continue to supply the people he has supplied in the past with food products, -- not to maintain his market advantages by the production of surpluses. But let us produce these surpluses in proportion to our ability to market them.

I am very much concerned with what Utah is doing in production. Our problem is one of production before it becomes one of marketing. If the people in Utah continue to go into the egg business, we are going to be constrained to go out of it. If you people continue to go into the alfalfa and clover seed business in tremendous acreages, we will be obliged for our economic well-being, to get out of it, not because we cannot produce as cheaply as you can, but because we will all get into a competitive line that will mean no profit for anybody.

I would therefore like to see economic studies conducted in all of these states, so we may plan our programs together, and not separately.

THE CHAIR: We will call on Mr. Critchfield of the United States Department of Agriculture.

B. H. CRITCHFIELD (U. S. Dept. of Agri. Washington, D.C.): This type of economic study is somewhat new, while the federal department has been making farm management studies and market analyses of various* kinds for a long time, it was only four years ago that we started to analyze the market situation. By studying the market outlets for the products of an area and tying this up with the producing possibilities, we can render the same service to an agricultural area that a business engineer or accounting firm would to a business industry. That is, we study what the institution has been doing, and what the market possibilities are in order to gain facts and background for a future program.

In our discussions we have said that the farmer must do things to make farming more profitable before we engage in new reclamation work. An economic survey is designed to furnish background and a line of thought and a way of thinking and operating for the farmer which will enable him to make his business more profitable. The farm problem, therefore, is an internal problem.

The work in Idaho consisted of organizing the agricultural forces there, -- the university with its specialists U. S. Department of Agriculture field men, the chambers of commerce and farmers' and business organizations -- in order to gather facts about the farm business of the state. Then we studied the

competing marketing areas for a product, the nature of the competition, the shifts that had been made from one market to another during a series of years, figuring that the farmers of the area should know what their competitors were doing. If, for example, the trend of egg production was upward in Utah, and if they were competitors in the market for Idaho, the Idaho farmers should know that, so they could gauge their program and not run into a production that would be hard to market at a profit.

Our work originally consisted of an analysis of the national as well as the state condition of the enterprises and industries that are carried on in Idaho. In this manner we hoped to tie up the national and state situations and give farmers and farm leaders a background for a program; but we soon found Idaho agriculture to be so diverse that it was necessary to divide the state into regions and to study those regions as such. Locally, then, we attempted to find out what the farmers were doing, what they were producing, where it was going, what they were getting for it, what the returns per acre or value per acre had been over a series of years and what the out-of-pocket expense of the crop was. We wanted to know the out-of-pocket expense rather than the costs, because the farmer had to keep his plant in operation, -- he couldn't close and leave it. His management problem is that of utilizing his plant to best advantage, of selecting the combination of crops and livestock which will return the largest maximum net result above the out-of-pocket expense.

A farmer either voluntarily or involuntarily makes a selection, when he is planning his business program for a year or for a period of years. Up to this time, unfortunately, he has not had the facts upon which to base his program. If at the time he made his plan, for instance, potatoes had been giving a good return for one or two years, the tendency has been for him to put in potatoes rather than to look at the average figures for a period of years and to determine the crop hazards, price hazards, yield hazards, and so on. One of our greatest weaknesses in agriculture has been the shortsighted policy of basing future plans on the present or the immediate past, rather than on the possibilities reflected by a longer period.

It is not the role of a public agency to attempt to make a program for the internal management of the farm. I think we have looked upon the farmers too much with a paternalistic idea, and made programs for them, rather than looking upon them as a business institution. We should leave it to the farmers themselves to make their own decisions.

But it is the role of a public agency to gather together facts, interpret them to a certain extent and then present them to the farmer. These are things he cannot do himself.

Let me give you an illustration of some of the outstanding things we have done in our surveys. Idaho has been making tremendous strides in the dairy business, but people supporting the program haven't had a complete background. They knew dairying was a good thing, but they did not know how far they could go. Was Idaho safe in expanding further, or would a change in the price of dairy products put them out of business again soon?

We studied the national situation in dairying, the local conditions and the conditions in competing areas for the last six years. Using 1920 as

the basis we found that the number of dairy cows and heifers, two years old and older, has increased in the United States about four per cent in six years; it has been about thirty-eight per cent. The expansion of dairying in Idaho and these other regions in the mountain states is a little over twenty per cent; the Pacific coast states, around fourteen and a half per cent. In other words, the rate of expansion in Idaho has been considerably faster than any other section.

Are we safe in continuing that rate of expansion? That is the question that confronts the farmer himself, and the leaders in the state in the dairy program.

So we took some other factors. What are they doing with the keeping of dairy heifers, the foundation stock that becomes the dairy cows next year? In the United States as a whole it has been generally 189 per cent, a drop of 13.6 per cent in six years; with Idaho, 136; the mountain states, around 120 per cent.

In other words, if the demand for dairy products continues about the same and the dairy industries of the country are not keeping heifers, isn't there an opportunity for Idaho and the Pacific states, if they have favorable conditions, to make up this slack? That is one of the things that we believe is optimistic for dairying in the Intermountain section.

The production of condensed or evaporated milk in the United States has fluctuated around the average; in Idaho it has gone down, but has kept up in the Pacific and mountain states. This is not such an important factor in Idaho as it is in some of the other states where the industry is larger.

Cheese production in the United States has just gone up a trifle. Idaho has expanded very largely, because of the coming into Idaho of the Kraft Company, but the Pacific states have gone down. Idaho has made a tremendous increase in its production of creamery butter since 1920 and the United States has also increased one hundred and sixty per cent during the same period.

Studying further the possibilities for dairying, we compared feed costs over a period of years for Idaho, California, Wisconsin and Minnesota. Idaho has the lowest average hay cost of any of the dairy sections, the price of alfalfa along the Twin Falls section, the Boise valley and the Minidoka section for the last six years averaging around seven dollars and seventy-five cents. In Minnesota, as I recall the average has been around nine dollars; Wisconsin around twelve or thirteen dollars; and California around fifteen dollars. Idaho's dairy products are produced largely on this alfalfa and on feed which otherwise would not be used, and we have found that the practical dairy farmers have been making excellent returns on their labor and their feed.

The indications are that Idaho is favorably situated for the expansion of dairying; that dairying furnishes an excellent opportunity to market home-grown feed, and that it affords a constant income upon which to live and have some luxuries.

In regard to the per capita consumption of dairy products. If the consumption had remained as it was in 1920, then the present dairy expansion all over the country would have resulted in a production surplus. But the consumption of milk has increased about twenty-five per cent, butter around fifteen, and the other dairy products in about the same proportion. All the campaigns for the greater use of dairy products are having their effect.

At the same time, there has been an extensive increase in the production per cow in the United States, and, comparing producing conditions in Idaho with others, the indications are that farmers can use the dairy cow as a machine through which to market the surplus of foods to a decided advantage. Unfortunately, there are no facts available as to whether that is a very much better way of marketing it than through sheep or through cattle, but the indications are that it is safer and furnishes a more constant profit than sheep feeding or cattle feeding. I am not referring to feeding range sheep; I am speaking of feed lot use of the feed, rather than for wintering.

Another problem that confronted Idaho farmers was what had happened to their early potato business. Four or five years ago they were shipping four or five thousand acres of early potatoes, mainly from the southwestern part of the state. In recent years it has been a problem to market very many of them satisfactorily. We analyzed the matter with the help of the railroads and compiled records of the final destination of cars of perishables from Idaho for six years.

The flow of our early potatoes in 1921 had its main outlet in Chicago and the middle-western section; in 1924 the flow had been diverted to the southwest, to the Texas points and entirely out of the middle west. Studying this situation, we found that Idaho early potatoes were meeting the competition of the Maryland, Virginia, New Jersey, middle-western and north-central states early potatoes. In other words, these other sections have advanced their markets and Idaho today does not hold the strategic position it formerly enjoyed.

Idaho early potatoes don't have the quality advantage over other sections although the late potatoes do, in many markets have such an advantage. At the same time, however, Idaho has to sell potatoes in Chicago in competition with Kansas with the freight from Kansas thirty cents less per bushel than from Idaho.

Thus, in studying competition of this nature, we should emphasize the trends or regular changes. The costs are not necessarily so important. If the trend in a section is upward, it means the business there is profitable; otherwise they wouldn't be increasing and expanding it.

With the trend in Kansas and other sections upward, it looks as if Idaho hasn't very much chance in the early potato business.

During the period of 1909 to 1913 and 1914, the Intermountain and Pacific area was not producing enough hogs to supply the Portland market. They had to go to the middle west for a certain amount. Again in 1919 the area became a deficit area and Portland had to go to the middle west, and is still going there, for its hogs.

If the hog business in Idaho, Washington, Oregon and this western section is expanded to a point where they can supply Portland fully, and there is a balance to ship east of the Rockies, the same price basis will undoubtedly prevail; and the farmers who now, at this point, can make a profit on the hog business, then may have their profit completely chopped off.

The farmer, and the farm leaders, who are backing a hog expansion program should try to hold that expansion to a point where it will not bring about the price discount. In our scheme of agriculture when we get a surplus of any staple, it goes into world trade, and the world price prevails; but when it gets into a deficit position, our domestic price prevails.

During the war the production of wheat went up; now it is going down. It probably will go down even more, although Idaho has some sections on which they can't grow much else but wheat.

In conclusion, one result of our studies is that regional conferences will be held throughout Idaho, -- some in counties, others in groups of counties,-- at which complete analysis of the facts we have gathered will be presented by the university and state department specialists who have been helping study them; and they will be tied up with the local conditions.

C. BEN ROSS (Pocatello, Idaho): I am not interested in surpluses. I happen to be a farmer and I might say, if you have a mortgage on your farm and you know you must meet the obligations, you don't like to have anybody tell you to cut down your production. You do like to have men tell you the things to grow that will leave you a profit to take care of the long freight rates and get it to the center of production. That is the information we farmers want. We don't want anybody to tell us we must cut our production, because we can't do it. We have to pay taxes, and we have to pay interest on our mortgages. We must live in Idaho and go ahead producing; but we do want to produce the kind of things that we can ship to the markets and have a profit left.

I am very much interested. I was born and raised on the farm on which I am now living. We used to raise about three or four carloads of products on that farm, but last year I grew over forty carloads of produce. I have a Federal Loan on the farm, and if I don't continue to grow everything the farm will produce, I can't pay that loan and live.

We have talked about alfalfa seed. Seventy-five per cent of all the Grimm alfalfa seed grown in the world is grown in a little district within a few miles of where I live. You can't tell those farmers to cut production of their alfalfa seed.

Then there is clover seed. The average yield in the United States is around one bushel to the acre. The average yield in Idaho is around five bushels to the acre. We can't have anybody tell us not to continue to produce that five bushels to the acre. The United States produces only seventy-five per cent of the clover seed consumed in this country; the other twenty-five per cent comes from a foreign country.

A committee from the central west visited Idaho a few years ago, and reported that foreign seed was introduced in this country and blended with the seeds grown in higher altitudes; that the farmers of the middle west were paying an annual tax of twenty-five million dollars for this importation. Something should be done to stop the blending of seeds from foreign countries, -- from Italy, Spain and low altitudes, - for the seed grown in low altitudes is easily winter-killed.

One reason for Idaho's success in the dairy business is based upon the fact that we grow the raw feed to convert into the manufactured product.

Then there are other problems. I have had some experience in the egg business in Idaho, having two or three farms, in a section where we progress a little too fast, where we build too many good roads, and build too fine schoolhouses. Our taxes at the present time are something terrible. However, I can't quit the egg business, I can't quit the dairy business, I can't quite raising those forty cars of products on the old farm I was born on, because I I do I can't meet my obligations; but I can be educated, I can be protected in the things that I grow.

In analyzing the egg situation we find that if every farmer in Utah and every farmer in Idaho raised all the eggs he could, they wouldn't feed New York City one day, -- nor three days. What we need is protection in the egg business. What we need is to keep the eggs of China out of the United States.

That is the way with the farm problem. There are so many things we can do to help the farmer.

It is a satisfaction to know that the feeling between the business man and the farmer has changed. When I went to town a few years ago with a load of wheat, I sneaked up the alley and slid in the back door, sold my wheat and sneaked back home, because everybody called the farmer a poor hayseed. Today I am glad to have that sign printed on my back, and let everybody know that I am a hayseed; because the farming business has changed, because you business men have changed your attitude towards the farmer. And we are changing towards you.

MR. EAGLESON: From my economic observations around the farm, I have concluded that the surplus must be handled by grading. We must adhere to the grades of our grain, the grades of our hogs, the grades of our cattle and the grades of our milk. We must eliminate the inferior end of farm production.

Now, if we can get the federal government to supervise the grading of grains, the federal government will be taking over and handling the one thing that is in competition in every state of the United States. If we can properly grade this surplus grain and thereby eliminate the No. 1 and the No. 2 quality of cereals for seed and human food, we have put into competition with other human foods the major element of our grain production; and we have cast into livestock food all of the inferior qualities of grain. There must be an arbitrary line between human food and livestock food. If we don't make that arbitrary line effective all over the United States, it can't be done any better than it has been done.

Mention has been made of the blending of seed grown in lower

altitudes with our higher altitude seed, which has a good color and will stand winters. All blending is done from the perfect down, never from the imperfect up, and as a result there are inferior qualities of grain on every market in the United States. Only recently one of our large grain companies was brought before the Government on the charge of adulterating first quality grain with screenings, at the same time maintaining a high grade price. Such conditions as this occur from the time the farmer brings his grain to the elevator at his local shipping station clear up to the time it gets into the breakfast food and the interstate shipped crackers and biscuits that we pay a very high price for.

It seems to me if this body is to present anything of value regarding the grain market to the people of the United States or to this National Chamber of Commerce, it must be done through grading.

MR. STOCKTON: I am surprised that more is not known about the alfalfa and clover seed business. Under a recent change in regulations all alfalfa and clover seed coming into the United States has to be dyed a distinct color. If some blender in New York or Michigan or Indiana wants to buy that stuff, he can't help but know what he is buying, and know he is buying inferior seed.

This has been accomplished largely by the work of the Farm Bureau, through Congress, and it is one of the best things that ever happened.

MR. JENSEN: I am a manufacturer, but I think I can say that whenever there is a surplus of any of our commodities, we usually sustain a big loss, -- just as big a loss as the producer suffers in proportion. This question of surpluses is one that underlies the entire situation of depression in the agricultural industry, and also the industries that are allied to agriculture; because when agriculture suffers, the industries that are dealing in agricultural products suffer too. I know it is true in our line of business.

I am very much interested in the studies being conducted in Idaho, and it is the first time I have ever seen that work carried out. If every state in the Union can do that same thing, and if the data can be assembled in some central place, then there should be some wonderfully good results.

Such work will help, but it cannot solve entirely the problem of surpluses. There are so many other factors, such as the weather, climatic conditions, etc. which must be considered. For example, right now, butter prices are good; but prices are good because the prairie states have had the worst drought they have had for forty years.

Regulating the production of commodities can be done to a limited extent, but it would be a very unfortunate thing if we in this country had to limit our production. It is good business to have some surpluses, for that is what brings money into this country. The people in Europe must continue to eat, and if they don't buy a bushel of wheat from America they are going to buy it somewhere else.

On the other hand we must organize because in raising wheat we have to compete with the Argentine and other countries. We must also realize that the emigration from Europe, which heretofore came to America,

is now turning to other countries, and that these fundamental foods will be produced in other countries as well as here. This fact probably has a great deal to do with the present value of wheat, livestock products and so forth.

Personally, I don't think we will ever see the time, in our lifetime, anyhow, when the United States will not be producing a surplus. With large areas being cleared of timber and being put into cultivation throughout the country, one must realize that production is going to continue to grow.

The farmers in the United States cannot govern their costs, that is true. The laboring man is protected by the emigration law, transportation charges are fixed; in fact, the entire cost of production is based upon the standard of living in the nation. This is a good thing for if the American people are prosperous they are then able to buy the farmers' products, and that means good prices. So our problem simmers down merely to the handling of the surplus.

I have seen times when a few of the larger creamery operators would get together and relieve American markets of as much as ten million pounds of butter. They would send the product to Europe, and voluntarily take a loss of maybe two or three cents a pound on it. Dividing the loss between a number of operators, however, it doesn't amount to very much, and they benefited in other respects by having very good local domestic markets. It is peculiar to note what a small amount of surplus sometimes will depress an entire industry, or the entire production of any commodity. With labor protected by the emigration laws, with our industries protected by tariffs, and with agricultural production, where there is no surplus, also protected by a tariff, our chief concern is with those commodities that produce a surplus in this country.

Take a depression in wheat, for instance, -- it is only a question of a year or two until wheat will have the effect of depressing other commodities, because a farmer that naturally would raise wheat will go into something else if wheat doesn't pay. Likewise if every wheat farmer can raise wheat at a profit, this would stimulate every other line of farming industry in the country.

The same is true of livestock. If the surplus of livestock can be exported at a profit, it will establish a profitable domestic market.

Therefore, why not ask our Congress to establish some system whereby the surplus of different commodities in this country can be exported at a profit to the producers. The whole question will then solve itself, and I think it is the only way it will be solved.

It may be a radical suggestion; but if the people of this country will put twenty-five cents a bushel as a subsidy on wheat for export, and if that bushel of wheat sells at a dollar and a half in Europe, it will bring into this country a dollar and twenty-five cents a bushel. Surely that would be good business from our standpoint.

What the farmers need is protection on those crops that we have a surplus of, just the same as the manufacturer has protection of his

products. The tariff on imports is absolutely no different in principle than a subsidy on exports; and it has as its sole purpose the upkeep of American standards. Therefore, if we can keep up American standards by spending one hundred or two hundred million dollars a year as a subsidy on our surplus exports, then we have solved the problem for the American farmer.

MR. KJOSNESS: Yesterday in our discussion, I advocated, not an abandonment of production, but a maintenance of production for this country; with an adjustment of production so that all surplus will find a market.

Take the egg business. It is a well-known fact that Virginia has gone into the egg business, that the Atlantic Coast states have gone into the egg business, Louisiana, Alabama and those states have gone into the egg business and if they are doing it all over the whole United States, soon we will reach the saturation point. Thus if we get on an export basis with eggs as we are with wheat, the protective tariff will do us no good.

Therefore let's adjust our production; let's go into the egg business but, with a measured tread. Los Angeles and San Francisco form our market, Utah competes with Idaho for that market. Let's play the game together.

The same is true with alfalfa seed. The facts are that we have reached the point of saturation in the production of Grimm alfalfa seed, at present, at least. I think there will be a great future demand for Grimm alfalfa, but it must come through an intelligent sales campaign among the growers of alfalfa in the East. So our sales program must go before our production program in order to ever increase and broaden our market for this crop.

MR. JENSEN: Isn't it a fact that those seven states, and other states which are going into the egg business, are doing it because the crop they have produced for export is not paying them?

MR. KJOSNESS: Yes, I think you are correct. A depression in one crop will soon lead to depression in others, by virtue of change of production. We should exercise a little more discrimination in our adjustment program.

MR. CREEL: Nevada is very much interested in the type of study which Idaho has been making. In fact, we have been working on a similar plan, although we approached the problem from a commodity basis rather than trying to cover the entire field.

We tackled first the dairying and the poultry problem. Up to five years ago, Nevada was an exporter of beef, wool and lambs, and an importer of most other products, with the exception of potatoes and possibly cantaloupe. In other words, practically all of our dairy and poultry products had to be brought in from outside the state. So our extension program focused on feeding ourselves.

We speeded up production along dairying and poultry lines to such an extent that about a year ago we began to get worried. We saw our production machinery getting ahead of the demand.

Hence the beginning of this type of study which has been outlined to you this morning covering those two important products.

We have had the cooperation of the United States Department of Agriculture in our study, through its extension service, also the cooperation of the United States Department of Commerce. We have made good progress, particularly along the lines of these two products and we are now taking up the study of the beef cattle industry in the same manner.

We plan, after our studies are complete to present the results to each project and to a general economic conference to be held at the University of Nevada. These groups will consist of representatives of the producers of these commodities, the bankers, business men and chamber of commerce representatives, so that a program for dairying and for poultry and for beef cattle and sheep can be outlined for the state. Following that, a series of regional conferences will be held in the different sections of the state.

In regard to the poultry industry, we have reached a saturation point in Nevada. We have had a fine market to date, but production is now at its peak and the market is weakening. At a poultry conference held by the state of Washington recently, I found this same problem being emphasized. The market apparently is in the east, but it demands organization. I came back from Washington impressed with the thought that if the western states did not get together, we were in for a whole lot of trouble and grief in the marketing of poultry products, due to the very rapid expansion in production in the west as well as in the east.

The dairy situation is different, with a fine market on the Pacific Coast. Price, of course, governs there, but at the same time, there is a large deficit out in California which we feel we can take our place in filling. We found from our study that if we double our present dairy production in Nevada, we can only take care of California's increase in population for six months at the rate it is going now; or, if we threw every acre in our state into dairy production, we could only take care of California's increased population two years. So the market there from that standpoint looks very good.

MR. PETERSON: Rather than wait, or have the farmer wait, to discover that there is a surplus, there is real necessity for some agency which will present facts to individual farmers so that they may know when to expect a surplus.

If we realize, for instance, that a million people require about six hundred thousand acres of wheat, we can analyze our own state and see whether we are going to produce a surplus of wheat for the state. Of course, we must take into account the good and bad weather. However, we would have some guide to the situation.

On the basis of the support of a million people, eight hundred twenty-five thousand acres of corn are required; seven hundred fifty thousand acres of hay; thirty thousand acres of potatoes.

It takes but two hundred acres of lettuce to feed a million people. We discovered a few years ago we had about two hundred acres of lettuce in Utah, and about four hundred and fifty thousand people to eat it. There was

practically no place to put it, because everybody else had about that much overplanted.

I believe we need more machinery to instruct the people as to what the country needs and what the surplus is going to be.

THE CHAIR: The next subject for discussion is the subject of tariff as related to marketing.

That is now open for discussion.

MR. KEESNESS: The Idaho onion growers would like to have an increase in the tariff on onions.

THE CHAIR: Of one-half cent per pound?

JOSEPH HOLBROOK (Syracuse, Utah): Davis county would also like to have an increase in the tariff on onions of half a cent a pound.

MR. MCFARLAND: An industry which needs a tariff and which has none at all is the cattle industry. While there is a tariff on beef, hides are on the free list. It does not seem right.

The cattle industry, representing something like five billions of dollars here in the United States, and distributed among many million people, for the last five years has been carried on at a loss. Some may have made a little, but we have been losing at least three hundred and fifty million dollars in interest. Therefore, with this great resource lying practically idle, the people in the industry have had a very limited buying power. That is what has hurt business.

We thought a year ago last January that we were going to have a tariff on hides, for we had been promised it. Thus far, however, we are still unprotected.

We have been talking about the surplus. There is no surplus of cattle; we have a shortage. The cattle man is so discouraged that he is just waiting for the chance to get rid of these cattle that have been losing him money for the last six years.

If we are to have a tariff, it should apply to everybody. I think we ought to have it in our American industries, but I am not willing to have a tariff on manufactured goods and not have it on the things that we produce on the farm. That is what is hurting us today.

J. B. WILSON (McKinley, Wyoming): I was in Washington when they were considering the last tariff, and for a few minutes we thought we had a tariff on hides. The wool men appeared for the cattle men and asked for a tariff on hides of fifteen per cent ad valorem. When it came to a vote on the compensatory duty on the manufactures of leather, some of our western members, particularly one from Kansas, became obstreperous and voted in the negative. Had the western members been ready to accept a compensatory duty on leather, in my judgment we would today have a duty of fifteen per cent on hides.

Without wanting to inject politics, I find a good many people in

Washington are in favor of a duty on hides, but cannot vote for the whole tariff bill.

THE CHAIR: If there is nothing further on tariffs, the matter of credit in marketing will be taken up.

MR. SHEPHERD: So far as the government is concerned, it has set in motion the machinery for extending credit in the aid of orderly marketing. Where it is not otherwise available this may come through the intermediate credit banks. These banks, twelve of them, serve the entire United States. Wherever the farmers or those interested are willing to avail themselves of this credit, it can be obtained; and there is enough to cover the whole field of marketing of agricultural products.

One of the troubles in our wheat industry has been that we tried to force the wheat on the market at an inopportune time. There are only two people that ought to buy wheat from the farmer; one is the miller, the other is the exporter. The millers, however, are not prepared to buy wheat out of season; the exporters are not prepared to buy wheat in advance of the foreign market, so you have injected into the wheat game the wheat merchants or grain buyers.

If I were a grain buyer not engaged in milling, I would have just one object in mind - to buy wheat just as cheap as I could. That is what every one of you men would do; that is what every farmer would do, if he were in that line of business. After I had acquired this wheat, I would bend every effort to put the price as high as possible to the miller and to the foreign buyer.

Through our own lack of interest in orderly marketing, we have forced into business the intermediate dealers. They have done nothing except warehouse the wheat, put it in commercial form, borrow money on it to carry it and then wait until they can put the price where they want it.

The government, in aid of orderly marketing, has created these financial institutions. They are prepared to make suitable advances where advances are required, to anyone, to any group of men who will put their wheat in commercial form. That is what the grain dealer does when he gets it,-- he puts his wheat into standard grades, places it in warehouses that are bonded and then goes to the banks and gets the money at the lowest rate of interest. Wheat growers can borrow money today at four and a half per cent from any of the intermediate credit banks, and carry the wheat for three years, if they so desire.

In studying the fluctuations of wheat prices, I find that every year during the past ten years in Idaho there has been a fluctuation in the price of wheat from the time it was threshed until it was finally sold to the millers and this fluctuation has reached as high as twenty-five to thirty per cent.

If you have your wheat on deposit, so to speak, and you have a certificate of deposit showing the grade and the weight, and if it is properly protected by insurance, then the transaction is completed by simply endorsing the certificate.

Many troubles can be well taken care of through local organizations. I am in favor of them.

Up to three years ago our woolgrowers frequently found themselves in a terminal market glutted with lambs. As a result prices went down. Today, however, this problem no longer worries us. The woolgrowers' associations have met the situation for their members in a most satisfactory manner. Once a week the railroads furnish a statement of the car orders to the secretaries of the growers' organizations, and this information is sent out immediately to the members. As a result, the sheepmen now know how many cars are to be loaded during the coming two weeks, the actual car-loadings for the preceding week and all changes in car orders. Since this system was begun there never has been a glut in any market on our western lambs, and we have had a good price.

This same plan should be successful with other products. For example, if information had been available as to the number of cars ordered, the number rolling, etc., our cattlemen could have saved over a quarter of a million dollars on the Denver market in one day. As it was, however, that market was flooded with cattle and the loss sustained.

After all is said, we must analyze our business and decide how things best should be done. You can't become a guardian of the farmers; you can't make them wards of the government; and you can't go into a scheme in that business any more than in any other.

The information the government has been putting out is all a matter of history before it ever gets to us. We find out what happened to us, in these agricultural reports, a year ago. What we want is some way of getting right-to-the-minute information. When we have that, then we will know how to handle our business and I believe the railroads can aid us in this respect.

I am a strong believer in the Farm Bureau; I believe in all farm organizations that tend to get the farmers together so we can deal with them in groups. We cannot deal with them individually, that is not possible, but we can deal with groups of people, and pass out information and secure information for them. Once they have this information, then they will have to work out their own salvation, the same as everybody else has to do.

We all know that Congress has been trying to find a way to handle this surplus problem. One major proposal, the McNary - Haugen bill, included a system of subsidy, but the farmers were not at all agreed among themselves. Certain farm organizations were opposed to it, and others were favorable. After all their debate, however, the whole surplus question narrowed down to wheat. The people in the south preferred to handle their cotton situation in their own way; they weren't willing to have the same principle applied to surpluses in cotton that would have to be applied to wheat. We must be careful. We cannot make our government socialistic; we cannot make it paternalistic. The modern farm today is a complex organization, and the farmer himself must be a scientific man, an entomologist, a botanist, a chemist, a good salesman, and so on. The one thing he needs most, however, is accurate marketing information at the time when it is going to do him the most good.

MR. STONE: I think there has been extended to agriculture in every possible way all the credit which can be used, and more.

On grain, for example, we have facilities for financing the crop. A farmer can, with the aid of Mr. Shepherd's concern, or through the banks locally, any time finance the carrying of his crop. There is no difficulty about that.

The Department of Agriculture made a study of the expense of carry-over and they reported that there was only about four and a half per cent difference between the September and April prices on wheat.

This last year we had some farmers in our country who wanted to carry their wheat; I insisted on those who were indebted to the bank selling their wheat for \$1.50 last fall. These who wanted to carry their wheat had a chance to gamble on the market, and some of them did; they carried through to September this year, and lost from eight to twelve cents a bushel from speculation.

With regard to the market on lambs. One reason why there has been no congestion in the market recently is that for the last two years sheep have been so high that the ewe lambs have been kept on the ranges, and only about fifty per cent as many lambs as usual have been thrown on the market.

MR. MARSHALL: The lamb market problem has not been solved by any means. I wish it were solved.

I think my office was the first to ask the railroads for those figures that have been referred to. The fact is, the railroad reports of weekly marketing and car orders that come in, while we hope they will lead to something and we appreciate the help that the railroads have been giving us, are not a very good guide as to future supply from any one market. There are many instances where the anticipated reports have been one hundred per cent too high or too low when applied to the actual figures.

The unfortunate distribution of our lamb supply is not as simple, and has not been rectified as much, as it may appear. This present week at Omaha and Chicago and some of the other markets we have had a very bad glut in the lamb market.

MR. McFARLAND: I agree with Mr. Shepherd that it is organization we need worse than anything else. I don't think that one industry ought to work to the detriment of the other; we all ought to work together.

Cattle problems are not problems of the cattle industry any more; they are farmers' problems. We have in Utah something like five thousand permits on the forests, but less than fifty of them have more than fifty head. Therefore you can see it is simply the farmer's problem.

Why was it that the bankers, when the emergency came, raised the interest on all farm loans at least one per cent when the farmers were getting less than one per cent on their investment? Simply because we are not organized. That is the trouble with the cattle industry today, we can't organize them. There are too many of them. I think we ought to work with the sheep men, we ought to work with the wheat men, and we all ought to work for agriculture.

I don't say the cattle men are blameless, but they are helpless; and they need some help, and we all ought to work together. Organization, it seems to me, is the one thing that is going to save agriculture.

J. O. STONE (Provo, Utah): I am interested in farming and dairying both in Utah and Idaho, and I can appreciate with the rest of the farmers, just how little profit there has been in agriculture in recent years.

In Idaho I have a Grimm seed farm where we produce a good deal of hay and Grimm alfalfa seed. Just a few years ago we sold over three hundred tons of hay at three dollars and a half per ton, and you know what that means. Our seed losses occurred through excess moisture, excess drought and severe wind storms, until now we have had to make our own adjustments. A part of my farm is in Grimm seed. However, we are keeping sheep on the farm, lambing them in February and selling the lambs in June and July. This last year our return on the farm has been greater than it was prior to that time as a Grimm seed farm. We had to get away from raising alfalfa hay, except as feed on the farm.

In Utah I have a dairy farm. We have been growing sugar beets and producing dairy products. Two years out of three we have had practically a beet failure. My last resort is to add poultry, so that I can convert our farm products into eggs and dairy products. We will devote most of our farming to grain and alfalfa, perhaps silage, and feed it on the farm. That is about the only solution I have been able to come to in my farming experience.

I sincerely believe that the farmer has had about all the credit he ought to have. A good many of us would have been better off a few years ago, at least about 1921, or just previous to that, if we had not been extended credit so freely. But we have the farms, -- a good many of the farms have us, -- and now it is up to us to work out a solution.

I believe in cooperative marketing. It seems to me as though the farmer's affairs, that is, his home life, the schooling and education of his children and everything, is so intermingled with his business success, that he essentially must have credit if he is going to carry over.

The average farmer has his bills to meet, his taxes, his interest to pay; and I think the majority of the farmers are people who are acquiring land, who have mortgages and interest to pay. Therefore it is impossible to meet those obligations, take care of his family, unless credit is extended. I believe that credit should be extended, and extended freely, to assist the farmer in cooperative marketing and also in orderly marketing.

We are trying to build up the dairy industry in this state. We are being flooded with butter substitutes and we tried to enact a law in the last legislature to tax these butter substitutes equal to what the cow and the land is taxed. Production of dairy products means building up an industry in this state and providing employment for our people, lowering our taxes, increasing our revenues, increasing labor employment for our people; yet only eight out of fifty-five representatives voted for this bill in the House at the last session of the legislature.

This butter substitute is laid down for approximately fourteen and a half cents at Seattle, and includes one and a half cents per pound tariff. It comes into competition with the butter on our local market. I believe such products as that should have a higher tariff. We ought to raise the price of that in order to stimulate our home industries.

Then there is the question of the adjustment of home production. There are thousands of farmers that cannot cut down their production; but it seems as though we could have some competent advice as to how to adjust our crops. For instance, during the last two or three years in Idaho, a good many people have been cutting down on the production of potatoes and of other crops, and turning to the production of clover seed. There are plenty of other crops which we could turn to and still keep up our production; and by doing so perhaps reduce our overproduction in other lines.

I believe the United States should cooperate in a large agricultural marketing association. They should place at the disposal of a board millions of dollars, in order that they might reach out, find new markets for our products and, if necessary, subsidize some of our surplus. Perhaps that could not be done exactly but these great marketing organizations would have the money with which to handle this proposition, and perhaps they could help stabilize and handle the surplus.

MR. EVANS: We have been discussing the closely-related questions of credits, surpluses and tariffs.

It has been suggested that, by proper investigation and full understanding of the facts, surpluses may be avoided by regulating production according to the consumptive demand. There is no doubt that information resulting from careful study may be made of value for the guidance of producers, but it is an absolute impossibility to regulate production accurately according to market demands.

There is one important factor over which we have no control, namely, weather conditions. Acreage may be controlled, but it is only one factor. As an illustration: Utah last year had 71,000 acres of sugar beets, which produced 1,034,000 tons. This year with the same acreage the official crop estimates report a production of barely 300,000 tons; and as a result it is said only five out of fourteen factories will be in operation. The shortage was wholly attributable to unanticipated weather conditions; the dry, hot weather in June weakened the plants and made them susceptible to disease.

It would be bad policy to attempt to produce only what was immediately needed. One author has gone so far as to say that surplus is the distinction between savagery and civilization. For generations, we have been taught to provide against want by having something in excess of our actual needs. Every well-regulated business has its reserve fund; the human body has its margin of safety; every efficient machine possesses a surplus of power and energy. So, even if it were possible to limit production to actual needs, it would be a very unwise policy.

You know the resentment that is aroused when a farmers' strike is suggested. Fear is at the basis of this resentment, and it is wholly justified. My opinion, is, therefore, that we will always have the question of surpluses

to deal with, and we might just as well face it now.

The farmer must be put in a position to handle his surpluses intelligently. Under present conditions, he is penalized for producing an abundance of the things that sustain life for it takes only a small excess to break and destroy the market on the entire volume. This is because the surpluses are not handled in a systematic way.

There is no business that does not at times produce a surplus, but there is no well-regulated business that permits the excess to go into the hands of speculators and to determine the price of the entire output. In this respect, farmers are helpless because their business is so intricate and complex that, up to the present time, it has been impossible to make it as efficient as other businesses.

We are accomplishing much, however, along the lines of cooperative marketing, but this is a slow process and it will take many years effectively to organize all the commodities. In the meantime, agriculture must not be permitted to languish and to suffer from the intense fluctuations to which it is subject. Some immediate remedy must be found and applied in order to supplement our efforts.

For a number of years, farmers have made a careful study of this very question and they have invited into their councils the representatives of other industries. One result of their efforts was the proposal known as the McNary-Haugen Bill. It is not claimed that this was a perfect measure, and it was not word for word according to the outline proposed by agricultural organizations, but it would have been a beginning, and defects developed in practice could have been corrected by amendment. The Federal Reserve Act was amended sixteen times in thirteen years.

There has been no time when the proponents of farm legislation were not ready to take helpful suggestions from any source. This measure was not proposed in an arbitrary spirit, and yet it met with unreasoning and arbitrary opposition. It was criticized as a price-fixing measure; and it did not have an arbitrary price-fixing provision in it. It was criticized as providing for a subsidy, notwithstanding a special means was provided by which the producers themselves should initially accept the costs of its operations. It may be, and probably is, true that the burden would finally have been passed on to the consumer; but consumers were not objecting to this, for they recognize the necessity of sustaining the source of their food supply. It was said to be economically unsound, and yet the greatest authorities uniformly declared it to be economically sound. Its constitutionality was challenged but equally good authority maintained that it was constitutional, and many decisions were cited in support of it. Where there is a mere doubt, this question should be determined by the courts and not by the legislative body.

But whatever may have been the weaknesses of this proposal, nothing better was suggested, and it did possess virtues which won for it the support of some of the ablest and most conservative statesmanship of the country.

Something must be done to give to agriculture the benefits of our protective system. We have, in America, deliberately adopted a higher standard of living than that which prevails in most other countries. We are maintaining that standard by what may be called artificial devices, of which the tariff is one.

A tariff, however, upon a product which is producing an exportable surplus is of no value to the producer of that product, unless the exportable surplus can be so handled so as not to depress to foreign levels the price of the entire commodity. We have a 42¢ tariff on wheat, and yet with a surplus of wheat, buyers here can purchase it and sell-it abroad at a profit, and thus bring the level of the domestic prices down to the level of the world prices, in spite of the tariff. It would make no difference under these circumstances if the tariff were 84¢ instead of 42¢; the producer would get no more for his product.

Mr. Dean in his opening statement yesterday spoke of the desire to remove all misunderstandings so that we might work together in the interest of the common good. This is a most commendable attitude and certainly will lead us into a unity of purpose. Some means must be recognized and put into operation for the effective handling of surpluses, and there is no way in which the Chamber of Commerce can be of greater service than to cooperate in support of such a remedy.

THE CHAIR: Our last topic for discussion is that of arbitration.

DAVID F. SMITH, (Salt Lake City): Due largely to the fact that much produce is very perishable there has grown up a custom in the United States of rolling a great number of tramp cars of fruits and vegetables or cars that are unsold, in hopes that a market can be found before cars have rolled very far. Thus the marketing of perishable crops becomes very hazardous.

Again there is a large amount of fruits and vegetables that is consigned to different firms over the United States. Because of this practice the market price on the big markets of the United States fluctuates. Due to this practice, the dealer or grower that sells f.o.b. may, at the time his produce reaches the market, be at a great disadvantage as the market may be under the price of purchase. Whenever this happens, among a large percent of the receiving dealers, the said produce that has been sold f.o.b. is rejected on any pretext. If this practice of buying produce and rejecting it could in some way be stabilized and corrected it would go a long way towards solving most of the problems of the farmers.

During the war there was a requirement that every dealer in produce have a Federal License and when any cars were rejected they had to answer to the Government and accept the decision of the Food Administration.

Something should be done towards removing this very great abuse. Some seasons as high as 40% to 60% of certain crops is sold more than once before delivery is made. More than 50% of the apples that were shipped from the State of Utah during the season of 1925 were sold more than once before delivery was made.

The United States Secretary of Agriculture, Mr. Jardine, has outlined a plan whereby the Government may render a service in the matter and become the arbitrator in such cases; the penalty being that publication be made in the Trade Journals. Whether this plan is perfect or not I cannot say. I do know, however, that if the farm crops when sold would stay sold, and that delivery could be made, it would remove many of the perplexing problems that now confront the industry.

More attention should be given by the Commercial bodies of the United States to this problem, with the view of solving it. It will help materially if Chambers of Commerce, executives of farmers cooperative sales agencies, county, state and Federal officials will urge alike on growers, shippers, and receivers that they voluntarily accept the plan of the Secretary of Agriculture.

THE CHAIR: The time of our conference has expired.

MR. STONE (Montana) There is only one solution for the farmers today. Seventeen percent ~~must~~ be ruined and driven off the land.

(Conference adjourned sine die.)