

STATE COLLEGE OF WASHINGTON
PULLMAN, WASHINGTON

DEPARTMENT OF EXTENSION
W. S. Thornber, Director

PROCEEDINGS
of the
SECOND BANKER-FARMER
CONVENTION

under the auspices
of the
Washington Bankers Association
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and
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GOVERNOR ERNEST LISTER

Delivering the opening address of the Washington Banker-Farmer Convention which met at the Washington State College on November 9th and 10th, Governor Ernest Lister made a strong plea for patriotism and loyal service in the face of the present world crisis reaching the United States. He said, in part:

"There never was a time in the history of the country when it was so necessary to have united action as it is today. Without united action we are going to prolong the struggle and in so doing, increase its cost in money and human lives."

Governor Lister said that daylight was now visible in matters pertaining to the raising of the army, all principal divisions of the army now being up to war time strength, and training proceeding rapidly and efficiently. He paid a tribute to the principle of "selective conscription" on which the new army was being raised.

"At the outset, most of us had doubts, I think," he said. "I have had some experience with the act, and in the carrying out of its provisions placed in the hands of the chief executives of the different states.

"I want to say that as the days have gone by, and as I have studied it more and more, I have become more firmly convinced that it is the right method. There is not a nook of the United States that is not reached—and if we were relying on the volunteer system, I am afraid that there would have been many communities that would not have responded to the country's call for the reason that we have not yet reached the point where the people all realize the need of a unanimous response."

Governor Lister declared that the establishing of more normal conditions between employers and the employed was a matter of prime necessity.

"We have raised the army," he said. "We no longer fear this problem. Our greatest need now is for stability in American industries—for on this stability depends such things as the getting of ships for the purpose of transporting our troops across the Atlantic ocean; and also, transporting across the ocean, the supplies and munitions needed for our troops and for our allies.

"It will be a sad day for us if we read of great engagements in which our troops gave up their lives, and suffered reverse because of 'lack of munitions' or other supplies which we must send. The war costs many millions a day—and takes over fifteen hundred young men. Every delay in our industrial affairs delays the close of

the war one or many days. If we reckon the cost, we will strive for the end of the war with every nerve and sinew."

Speaking of the war service incumbent upon all, Governor Lister said:

"It is not enough to say that you have subscribed liberally to the Red Cross, to the Y. M. C. A., and to other agencies and organizations interested in this great cause. Certainly we should do these things; but, after we have done them all, we have stopped far short of our duty unless we go out in our home community and fight to establish the right American sentiment.

"We have been hearing a great deal about traitors, disloyal ones—and I am going to say to this audience that it is true that there are some such men in our country, and one of the weaknesses of our government is that it does not handle them as they should be handled.

"The time is rapidly approaching when there will be a clearer cut line drawn in our country. On one side will be the loyal, patriotic ones; on the other, the only half heartedly loyal, the traitors, the ones who talk patriotism much but do little. And the time will be when all must be on one side of the line or the other, and it will matter not what kind of a traitor a man is, or in what way he is disloyal. He will be reckoned for or against, and dealt with accordingly."

C. E. ARNEY

Mr. C. E. Arney, industrial agent of the Northern Pacific railway, spoke following Governor Lister, on "The Responsibility of Citizenship." He urged the need of closer understanding of one another's problems on the part of the railways and the people whom the railway service; showed how conflicting legislation in different states increased the difficulties and cost of railway transportation, a thing highly to be deplored in a time of war when maximum efficiency in every industrial field is an imperative demand. He said, in substance:

"The modern railway is not unmindful of the fact that its welfare rests upon the well-being and prosperity of the people and industries it serves. You may rest assured that railways are not nowadays going to do anything that will injure their clientele. They cast their endeavors in the other direction—they seek to accommodate, to build up, to cooperate to understand and to be understood. There is the same need for cooperation and mutual understanding between railways and the industrial public as between bankers and farmers."

THOMAS H. BREWER

Thomas H. Brewer, president of the Fidelity National Bank, of Spokane, read a paper in which he discussed the liberty loans from the view point of soundness as an investment.

"Liberty bonds are good investments," he said. "If liberty bonds are forced on people who otherwise might squander their money foolishly or invest it in poor securities, a great public service will have been done. It is not what we make, but what we save that counts.

"The great mass of our people must develop habits of thrift and economy if we are to remain a great nation. Perhaps this war will teach these things to our people as the war of 1870 taught the French people the saving habit which buoys and sustains them in this supreme crisis of their existence."

Mr. Brewer introduced some interesting figures he had himself compiled with reference to war profits that had found their way to the Inland Empire. He said:

"It has been said that the Inland Empire was not receiving much benefit from the high prices brought about by the war; that the great benefit was in the manufacturing districts in the East. I have gone into this matter somewhat, and I find that the Inland Empire has profited considerably from the high prices obtained for our products the past three years. Take the wheat districts for instance:

"The average price paid for bluestem wheat for four years before the war was $73\frac{1}{4}$ cents per bushel, sacked in warehouse at interior points. The price of bluestem October 1, 1914, was 90 cents per bushel. On February 1, 1915, the price was \$1.40.

"The 1914 crop was about 45 million bushels. I have estimated that half the crop was sold at the higher price—\$1.40. In 1915, the crop was over 50 million bushels, the price 85 cents October 1st, and 96 cents February 1st, 1916, but not more than half the crop was sold at these prices. In 1916 the crop was 40 million bushels and the price October 1st was \$1.25 per bushel, and \$1.40 per bushel February 1st, 1917. Half the 1915, and almost all of the 1916 crop was sold at these prices.

"The 1917 crop was 30 million bushels and the price was \$1.90 per bushel. The receipts from the crops for the past four years, if the average price paid for the previous four years had prevailed, would have been \$120,862,500. Actually \$219,962,500 was received, so we find \$99,100,000 war profits has found its way into the wheat districts.

"In addition to this, the increased price received for oats and barley added about two and one-half million dollars to the total, and the increased price paid for horses, hogs, cattle, sheep and wool has

added from five to ten million dollars to the figures, making a grand total of about 110 million dollars of excess profits in the comparatively small wheat district.

"The fruit men have received but little better prices for their products during the war, but the lumbermen have profited the past eighteen months to the extent of 15 to 20 million dollars.

"The Coeur d'Alene mining district produced in 1914, \$24,976,706 of metals; in 1915 \$39,315,312; in 1916, \$49,102,693, and a probable output in 1917 of \$47,000,000, or a gain in three years over the 1914 output of \$60,462,593. Washington mines add \$4,114,000 to these figures, or a total of \$64,576,976 of war profits for the mining districts; or, a grand total of excess war profits, of \$200,000,000 for the Inland Empire over peace prices—and we thought we were doing fairly well before the war.

"This 200 million dollars extra profit is four times the amount the Inland Empire will be asked to subscribe to the 14 billion dollar bond issue. In other words, after subscribing its full quota, the Inland Empire will have three-fourths of its war profits left, and have the bonds, also.

"From June, 1914, to June, 1917, the deposits in Inland Empire banks increased from \$66,680,383 to \$115,245,208—a gain of \$49,564,825 in three years; and the banks in the wheat districts at this time have deposits of from 10% to 20% more than last June, with probably half the 1917 crop yet to sell. This large increase is a remarkable record and illustrates the prosperity of our people, which is very gratifying to everyone. No matter what comes after the war, our Inland Empire people should feel something like the little girl who was naughty and was reproved by her mother who said:

"'Why Clara, you won't go to Heaven when you die if you do things like that.'

"Clara was silent for a moment, and then said:

"'Well, I have been to Uncle Tom's Cabin, and the circus twice; I suppose I can't expect to go everywhere.'

"No matter what comes from now on, we in the Inland Empire have enjoyed a season of great prosperity and we are feeling mighty good about it right now and I am sure we will show our patriotism and loyalty by subscribing liberally to Y. M. C. A. funds, the Red Cross and for Liberty bonds."

RESOLUTION

The following resolution was read and approved:

Whereas the territory represented by the delegates here assembled is generally suited for and given to the business of agriculture and horticulture, and

Whereas the purpose of our gathering here and deliberating together is to devise and adopt methods and plans which will enable us to produce from the farm lands of the State of Washington and the Inland Empire generally, a larger and better yield of the various crops grown and one that will net a more substantial profit to the grower and a greater abundance of food for the hungry world that waits upon us, and

Whereas the potato industry is one of great importance and even greater promise to the State of Washington and to the Inland Empire generally, and

Whereas diseases known as Scab, Rhizoctonia, Fusarium, Wilt and other ailments have caused enormous losses in the crops of the last few years, and especially to that of the present year, most of which losses could have been avoided if the seed stock had been field selected, sold under guarantee, and properly disinfected before planting, and

Whereas the Government of the State of Washington has thus far taken no steps or adopted no system of inspecting for the guaranteeing of the purity and freedom from disease of seed potatoes offered for sale in the State of Washington,

Therefore, be it resolved that it is the sense of the Banker Farmer Convention here assembled that there be legislative enactment by the next Legislature of the State of Washington providing for the field inspection, proper selection and grading of all potatoes to be offered for sale as seed potatoes in the State of Washington and requiring the sellers thereof to sell under license. (Approved.)

PROFESSOR B. H. HIBBARD

Speaking of the purpose of the Banker Farmer Convention, Professor B. H. Hibbard, of the agricultural economics department of the University of Wisconsin, said that "the union of the farmer and the banker is one of the most promising things we have developed in the history of American agriculture."

In his address, Professor Hibbard dwelt at length upon the milk situation, made vital by rising costs in feed and labor throughout the country. Citing conditions that had obtained in Wisconsin, he said that prior to the wartime conditions dairymen generally

had not been receiving enough for their milk. Due to striking dairymen, the Chicago price for milk had recently, by long jumps, gone to 13 cents a quart. We believe this price to be no more than the milk was worth, comparative food values and labor and feed costs considered; but that the rise in prices had been so abrupt that consumption had been lowered beneath where it should be, both from the viewpoint of the producers, and nutrition.

His warning to Washington, in the light of Wisconsin and Chicago experiences, was that in any necessary readjustment of prices, "the psychology of the trade" should be taken into account; and that a rise in prices should be accompanied by a campaign of education so that the consumers could know what milk was actually worth, all angles considered.

Referring to high prices generally, Professor Hibbard said that so long as people live in houses unequipped with refrigerators, or basements for the storage of fruits, vegetables, and other foods in large quantities, but buy in small lots, meal at a time, they must expect to pay extra costs for small and numerous deliveries.

Referring to milk, he said that about 500 pounds of milk was as much as one man could deliver in a day, driving nine miles or more to do it—in many cases—and using milk bottles each of which had to be replaced with a new bottle after 22 deliveries. The delivery cost for milk was seldom less than 2½ cents a quart. The instance could be paralleled with many other food supplies brought to the door in small quantities.

ASHER HOBSON

Asher Hobson, director of the Washington State office of farm markets, said that standardization in farm produce was one of the vital needs of the day, illustrating his point by saying, "It is no more reasonable for a lumberman to dump 2x4's of all lengths into a car and start this jumble of material to a discriminating market, than it is for the farmer to sack his potatoes, big and little, diseased and good, all together, and ship them. Potatoes as well as lumber or shingles, must be graded, and any grade designation must stand for something that is definite and unchanging."

He said it was unfortunate that the laws permitted one man to act as both buyer and commission man. He said:

"Apples or potatoes, or what not that a man buys and owns, he will sell first, into the best market. The farmer's produce which he is holding on commission, will be sold last. This works a hardship on the farmer, and should not be tolerated."

He asserts that without an adequate "market news service," in which sellers, or selling organizations for farm produce received

prompt telegraphic advice as to the supply and demand in market centers throughout the country, it never would be possible for farmers to sell their produce other than blindly, with much risk of loss by getting into markets overstocked, when another market was overstocked with the same produce. Concerns handling farm produce found it a paying proposition to allow as high as \$20,000 a year for the market news—with only one firm considered.

CHAMBER OF COMMERCE DINNER

F. O. Brownson, Presiding

At the Friday evening dinner given the Banker Farmer Convention by the Pullman Chamber of Commerce, short, impromptu addresses were made by Judge Thomas Neill, of Pullman, G. W. Peddycord, of Colville, R. C. McCroskey, of Garfield, W. J. Langdon, of Sumner, W. S. Peachy, of Seattle, Edwin T. Coman, of Spokane, Riley Rice, of Cottonwood, J. K. McCormack, of Spokane, Commissioner of Agriculture E. F. Benson, State Bank Examiner W. E. Hansen, and others. Mr. Langdon said that after the war, farmers must find a way of carrying on their work more economically, or go under.

E. F. BENSON

Comimssioner of Agriculture

Commissioner Benson spoke of the necessity of promoting potato growing in Washington, and said that through the campaign for gardens which was carried on last spring, 4000 acres of potatoes had been planted in city lots alone. He said that Germany upon entrance to the war was producing two billion bushels of potatoes; that the United States was producing only 270,000,000 bushels. He urged that a crop planting campaign should be started at once, and that no land capable of crop production be allowed to lie idle next year.

R. C. McCROSKEY

Member of Board of Regents

R. C. McCroskey made the war outlook graphic in the minds of those present when he stated that he had fought in the Civil war for four years, on the Confederate side, when the South was being most earnestly entreated by the North to come back into the Union and could have done so "with unimpaired rights" so far as the states were concerned.

"Yet, having nothing left to fight for but 'states rights'—and that was only a dream—we fought for four years. How long will

65,000,000 Germans fight, believing as they do that defeat means the quartering of the German empire, and complete destruction of the German nationality? Answer that question yourself. It is my belief that we shall be raising wartime wheat for several years to come."

GEO. J. CANON

Geo. J. Canon, of Buckeye, introduced a new angle to the potato growing situation, when he said that farmers on the dry uplands should produce more seed potatoes of quality, for the use of farmers in the irrigated river valleys.

"In quantity yields, the dry farmers cannot compete with the irrigated valleys in the growing of potatoes. However, the irrigated potatoes are not the best for seed. Many growers of irrigated potatoes will tell you this. So they have been sending to Minnesota, Wisconsin, Iowa, Pennsylvania, all over the country for their seed—and, in consequence, are often buying poor seed, saying nothing of potato diseases which they bring in.

"Let the Inland Empire farmers produce a good, clean quality of seed potato for their brother farmers in the low irrigated valleys, both will profit, and both will be better satisfied."

Potato growers present said they would be willing to pay \$50 a ton for first class potato seed. In response to inquiries, Secretary Meyer, of the Yakima Valley Potato Growers Association, said that in the valley the Netted Gem potato was desired. County Agricultural Agent J. H. Shinn, of Spokane, said that he would be glad to use the office of county agricultural agent to get the potato growers of the irrigated valleys, and the dry farmers of his county, together on the seed potato proposition.

The needs of the Red Cross, and Y. M. C. A. work in the war, occupied the time of several speakers. Secretary W. H. Martin, of the Washington Bankers Association, of Ritzville, stated that the Y. M. C. A. campaign at Ritzville, he had by personal solicitation raised \$3,000, by asking each person who came to his bank for \$12.50. Only two had declined to pay while he was raising the three thousand at \$12.50 per capita.

A. H. REYNOLDS

Mr. Reynolds of Walla Walla, made a stirring appeal to the bankers and farmers, urging them to put forth their best to help the Y. M. C. A. in its war work, saying that this Christian organization was now about the only hope the nation had to safeguard its young men socially and morally while training for war, and while in active service.

E. O. HOLLAND

At the Friday evening dinner, President E. O. Holland addressed the Convention briefly, outlining financial needs of the College in the enlarged work before it, and referring to the difficulties which many students were finding in remaining in College, owing to financial problems. He was followed by Thomas H. Brewer, president of the Fidelity National Bank, of Spokane, who proposed that the Banker Farmer Convention assist in providing a student's loan fund which the President of the College could lend in necessary amounts to worthy students. The University of Montana had a student's loan fund amounting to about \$7,500.

Mr. Brewer stated that he knew of a young man who returned to his home farm from the Washington State College; and there, in the last year of drought and crop failure, produced a crop of wheat making 42 bushels per acre, by applying in a practical way the knowledge of crop management he had learned.

He stated that he believed it would, regardless of all questions of sentiments, be a sound business proposition for the bankers to help keep up a loan fund at the state's agricultural college, to help other students who might apply their training in ways beneficial to the industries of their home communities; and on behalf of the Fidelity National Bank, offered to start the fund with a subscription of \$100.

J. A. SWALWELL

J. A. Swalwell, of Seattle, president of the Washington Bankers Association, stated that he believed the matter should be handled by the Washington Bankers Association, rather than by individual members of the Banker Farmer Convention. He offered, if the Convention would leave the matter of raising the student's loan fund in abeyance, to himself carry the matter before the Washington Bankers Association, and said further that he was certain that the state's bankers would be glad to assist in maintaining a student's loan fund at the State College.

PERMANENT ORGANIZATION FOR FUTURE CONVENTIONS

Because of the success of the first and second Banker Farmer Conventions, a permanent organization was effected. Following is a report of the committee:

"Your committee recommends that the Chairman of the Agricultural Committee of the Washington Bankers Association be the

presiding officer of the Banker Farmer Convention which is to be held annually at the State College of Washington and that the General Secretary of the College be Secretary of the Convention.

"It is further recommended that the President of the State College be asked to appoint annually a Committee of five representative farmers who, together with five members of the Agricultural Committee of the Washington Bankers Association, shall constitute the Executive Committee of the Convention. It is also recommended that this Committee shall act as the Legislative Committee as to the interests of the bankers and farmers of the State of Washington."

Signed:

C. T. Tupper, Vice President,
Farmers and Mechanics Bank,
Spokane, Washington.

WHAT THEY SAY ABOUT THE CONVENTIONS

Secretary Banker Farmer Convention:

It was my pleasure and privilege to attend the Banker Farmer meeting at the State College of Washington in 1916, also the meeting held in 1917. I was deeply impressed with the importance of these meetings and it is my opinion that the Banker Farmer Convention will develop into one of the largest conventions of any organization in the state.

There is no question in my mind but what a great benefit can be derived from these meetings by the farmer as well as the banker. The subjects presented for discussion are of a practical nature and bear directly upon the farming and banking business. An exchange of ideas among men engaged in any line of business is always beneficial, and I am pleased to note that time was given to all of those who attended the Convention to fully express their ideas on any subject.

Many of the farmers with whom I talked after the Convention was over, expressed themselves as being highly pleased with the results of the meeting and that they looked forward to the time of the Convention next year.

The banker also can reap a great benefit by attending these meetings for he receives a great deal of authentic information relative to the different crops raised in the State, their value, the difficulties under which the farmer is laboring in the different sections of the State and as a result of this information can better judge the value of collateral offered to him as security for loans. This information is not only of value to the banker doing business in a small community, but is fully as valuable to the city banker.

I would urge all farmers and bankers to attend these meetings knowing that they will not only be rendering a service to the greatest industry of our State, but will be placing themselves in possession of valuable and useful information. I strongly advise continuing these Conventions, and urge all bankers in the State to give greater publicity and to take a greater interest in these meetings.

Yours very truly,
J. A. Swalwell,
President Washington Bankers
Association.

Secretary Banker Farmer Convention:

I wish to congratulate you and the College for the fine entertainment you provided for the Banker Farmer Convention that was held in your beautiful city November 9 and 10. I feel that this was a very beneficial Convention, and I heard nothing but the highest words of praise from every one in attendance.

I was delighted to have the action taken making this an annual event and to be held at the Washington State College.

The Convention last year was a big success and it was the first of its kind held in this country. I had one farmer with me this year that attended last year, and he was in the bank today. I do not believe that he can be kept away from the Convention next year unless we break his leg.

Such Conventions have a tendency to broaden all of us, and get us acquainted with the social side of our farmer friends.

Yours very truly,
G. W. Peddycord,
Chairman Ag. Com.
Wash. Bank. Ass'n.

Secretary Banker Farmer Convention:

I want to compliment and congratulate you for the success, assistance rendered and entertainment in connection with the last meeting of the Banker Farmer Convention held in your city on November 9 and 10.

I consider the meeting a success in every way, the assistance rendered by the College was most valuable, and the entertainment afforded the visitors by the faculty, Chamber of Commerce and the citizens of Pullman was splendid.

The action of the Convention in making it an annual affair and the permanent place of holding it at the State College will, in my opinion, make it the most important of any in the State. I believe each banking institution in the State should consider itself an agent

of the State College, that the State College should cooperate and keep in touch with the bankers.

Agriculture is something in which all bankers are vitally interested. No bank or banker, regardless of the size of the community, is so situated but what both the State and the institution can be greatly benefited by cooperation through the Banker Farmer Convention. The wonderful agricultural resources of our State can be greatly advanced by combining education and capital.

This department stands ready at all times to render all assistance at its command for the advance of the Banker Farmer Convention.

Awaiting your command, I am

Yours very truly,

W. E. Hanson,
State Bank Examiner.

SCHEDULE OF EVENTS

Friday, November Ninth

- 1:30 p. m. Visitors were given an opportunity to see the College Farm and Buildings. There was also a show of beef and dairy cattle on Rogers Field, beginning at 2:00 p. m.
- 2:30 p. m. Football game between the Freshman team of the State College of Washington and the Freshman team of the University of Idaho.
- 4:30 p. m. Program in the College Auditorium given by the visiting farmers and bankers.
- 6:30 p. m. Dinner given by the Pullman Chamber of Commerce to the visiting farmers and bankers in Ferry Hall.
- 8:30 p. m. Entertainment given by the Department of Music of the State College of Washington under the direction of Dean H. Kimbrough of the School of Music.

Saturday, November Tenth

- 9:00 a. m. Program in the College Auditorium given by visiting farmers and bankers.
- 12:30 a. m. Luncheon given by the College to the visiting farmers and bankers in Ferry Hall.

SPEAKERS

- Governor Ernest Lister Opening Address
- C. E. Arney, Industrial Agent of the Northern Pacific Railway The Responsibility of Citizenship
- Thomas H. Brewer, President Fidelity National Bank of Spokane Liberty Loans
- Professor B. H. Hibbard, Professor of Agricultural Economics at the University of Wisconsin Marketing
- Asher Hobson, Director of Washington State Office of Farm Markets Marketing
- Judge Thomas Neill Pullman, Wash.
- G. W. Peddycord Colville, Wash.
- R. C. McCroskey Garfield, Wash.
- W. J. Langdon Sumner, Wash.
- Edwin T. Coman Spokane, Wash.
- Riley Rice Cottonwood, Idaho
- E. F. Benson Olympia, Wash.
- W. E. Hansen Olympia, Wash.
- George J. Canon Buckeye, Wash.
- W. H. Martin Ritzville, Wash.
- A. H. Reynolds Walla Walla, Wash.
- President E. O. Holland Pullman, Wash.
- J. A. Swalwell Seattle, Wash.

