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Department of Agriculture

Labor and Industry

STATE OF MONTANA

December 1, 1922

Helena, Montana



FOREWORD

THE Montana Department of Agriculture, Labor and Industry was organized by the Seventeenth Legislative Assembly and became operative in April, 1921. This summary of the annual report to the governor is intended to give a very brief view of the agricultural conditions of the year in Montana; a description of the organization and work of the department; and some conclusions concerning the operation of laws in Montana affecting agriculture. The diagram on Pages 12-13 shows in graphic form the organization and work of the department. The Montana State fair is covered in a separate report.



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Letter of Transmittal

Honorable Joseph M. Dixon
Governor of Montana

Sir:

I have the honor to transmit herewith the annual report of the Department of Agriculture, Labor and Industry of the State of Montana. In addition to a brief review of agricultural conditions and causes, and an outline of the work done by this department, I have taken the liberty of suggesting certain changes in the agricultural law that experience in administering it lead me to feel are desirable.

Yours very truly,

CHESTER C. DAVIS,
Commissioner.

Organization of Department

| | |
|--------------------------------|---|
| Chester C. Davis..... | Commissioner of Agriculture |
| John M. Davis..... | Assistant Commissioner; Chief, Division of Grain Standards and Marketing. |
| W. L. Shovell..... | Chief, Division of Horticulture |
| Charles D. Greenfield, Jr..... | Chief, Division of Labor and Publicity |
| George H. Webster..... | Chief, Division of Dairying |
| B. T. Moore..... | Secretary, Montana State Fair; Office Manager of Department |
| *George A. Scott..... | Agricultural Statistician |
| George H. Berry..... | Grain Scale Expert |
| George H. Moran..... | State Grain Inspector, Great Falls |
| J. A. Fossum..... | Chief Deputy Quarantine Officer, Butte. |

*In charge both federal and state crop and livestock reporting.

December 1, 1922.

To the Governor:

The state of Montana as a whole is feeling its dependance for prosperity upon an improvement in the business of agriculture, more sharply now than at any time since the commencement of the marked farming depression. A brief summary of some aspects of the present condition of agriculture in Montana and a consideration of outstanding causes may not be out of place before attempt is made to review the work of the Montana Department of Agriculture, Labor and Industry.

Most of Montana's present agricultural area was settled recently, and under conditions of moisture, markets, transportation costs and price relations, that obtained ten years ago. The farmer's contract to own land and to farm here was made in consideration of conditions which he reasonably expected would continue. Radical changes that have taken place have increased his load while detracting from his power to bear it. It is society's duty, not from any altruistic desire but solely for its own protection, to analyze the conditions that now hold the business of farming at a relative disadvantage, and to work for their betterment.

Stimulation of demand for cereals arose out of the War, following a period of unusually bountiful and profitable grain production in Montana. Led by the government of the United States, every group and person in contact with the farmers united in insisting upon the production of more wheat. Commencing with the crop of 1917, the acreage of wheat and the cost of operation of farms soared, while because of subnormal rainfall and unfavorable weather during growing seasons, both individual and aggregate production dropped off sharply. Indebtedness came easily, especially to plant for more wheat. A succession of "dry years" having no precedent in extent in records of 40 years kept in Montana, withheld a reward to the farmer who year by year sank further into debt. County and national governments became creditors through advances of cash for seed grain and planting costs. This indebtedness was incurred under conditions of vast inflation. In the summer of 1920, drastic deflation was instituted having its first and heaviest effect upon agriculture. In view of what is printed below about the relation of freight rates to the existing agricultural situation in Montana, it is interesting to note that this radical shrinkage in farm values was accompanied by an abrupt rise in transportation costs to market.

Sunk into debt, with a general price relationship operating wholly against him because while the price of that which he sells has sunk to the level of a decade ago, the price of everything he has to buy is way above the pre-war level, the farmer of the United States is faced with the task of paying off his inflated debt with a dollar that is vastly harder to get than when the obligation was incurred. The result has been a curtailment of the agricultural purchasing and paying power that is shocking the rest of the population into attention.

Production and Freights: Where farmers are dependent upon a distant market for their crops as in Montana, freight charges to a great degree direct farm values. Within the last decade, and chiefly since Montana farm lands passed into the hands of their present owners, freight on farm products to terminal has been increased from 30 to 75 per cent. It is as though the farmer who purchased his land under the assumption that it was 1,000 miles from a price-making market, awoke to find that forces entirely beyond his control had shoved it away until now it may be 1,500 miles distant from the point where its value is regulated. This may be aptly illustrated in the

case of wheat. In 1912 it cost 30 cents a hundred for freight on wheat from Bozeman, Montana, to Minneapolis. At this time, ten years later, it costs 42 cents, an increase of 12 cents a hundred pounds, or 40 per cent in transportation costs. Expressed another way, this land, instead of being 1,000 miles away from Minneapolis as he thought when he bought it, is 1,400 miles away and his wheat when he gets it there is worth not one cent more. The situation calls for well-thought-out, constructive policies on the part of all public agencies having contact with agriculture.

Marketing Concentrates: We must work for reduced freight rates but in addition, production must be shaped to meet existing conditions. Producers have no direct control of freight rates, which have increased to the point that old methods simply will not do. If freight takes too great a share of the final selling value of the crops we are growing, then the obvious thing to do is to produce and sell crops of which freight takes a smaller share. That means: (1). The production of that for which the local demand exceeds the present supply, or that for which there is a considerable market near at hand now supplied by shipments from points more distant than Montana; and (2), the production and sale of commodities having highly concentrated value, of which freight takes the smallest possible share of the final selling price. Mainly these are secondary products secured by feeding or manufacturing crops grown on the land.

One outstanding example of the first form of desired production is pork growing. Information collected by the Department of Agriculture on three markets—Portland, Spokane and Great Falls—shows that in the year 1921, the number of head of live hogs shipped through Montana from South Dakota and Nebraska to Portland and Spokane, including 16,000 head shipped into Montana from those states for slaughter at Great Falls, was 212,000. The cost of freight paid on these shipments was approximately double what the same shipments from Montana points would have been.

The second form of production is illustrated by the following table, showing the toll or percentage which freight takes of the final selling price at terminal, of crops sold in their original form compared with the same information concerning commodities of greater concentration of value.

Freight charge, terminal selling value, and percentage of final sales price taken to pay freight. Figured on basis freight from Great Falls, Montana, to Chicago, except wheat, figured Great Falls to Minneapolis.

| Commodity | Freight Per Cwt. | Chicago Price Per Cwt. | Freight Cost | |
|-----------|------------------|------------------------|--------------|-----|
| | | | Per Cent. | |
| *Wheat | .42 | 2.00 | 21 | |
| Hay | .72 | 1.20 | 60 | |
| Barley | .49½ | 1.40 | 35 | |
| Oats | .49½ | 1.35 | 37 | |
| Potatoes | .83½ | .90 | 93 | |
| Butter | 2.73 | 48.50 | 5 | 1-3 |
| Cattle | .71½ | 11.00 | 6½ | |
| Lambs | .76 | 13.00 | 6 | |
| Hogs | .78 | 8.25 | 9½ | |

*Wheat figured on Minneapolis basis.

Make Better Bargainers: The positive service which the state owes toward improvement of the relative position of agriculture is to assist farmers to become more effective bargainers in the sale of their crops. This may not be done by the State fixing the margin of profit of those whose service consists in handling farm crops; nor by fixing a price since a guaranteed price could not conceivably be considered a state function; but by placing the farmer in possession of information and avenues of marketing that shall remove from him as much of

the bargaining disadvantage as possible. Bear in mind that so long as the farmer has no means of controlling the volume of his production he will remain at a certain selling disadvantage.

The first task in effective marketing is the production of what the market wants, its preparation in just the form the market wants it, and all this must be done at the lowest possible cost. It is distinctly a function of the state department of agriculture to assist by establishing grades and encouraging growers' marketing organizations to conform to them, and on inspection to place the state brand of quality upon the product so that sales contracts may be safely and intelligently made. The Montana department of agriculture made a long step along that line during the year just closing in its establishment of shipping point inspection of potatoes and apples, co-operatively administered with the United States department of agriculture.

The state department of agriculture can perform valuable service by bringing wide buying power to bear upon certain highly important but unorganized commodities. Some effective work has been done during the current year along this line with potatoes, with the large surplus turkey crop, and with the bean crop of the Yellowstone valley.

Assist Co-operative Marketing: The state should lend every assistance to make more effective the co-operative marketing organizations of farmers which perform a double function in standardization of production as far as their influence extends, and in carrying the farmer's control over his product up to the final sale or to the manufacturer. Regulation of dealers' profits by direct farmer competition is sound in principle and effective in practice where a proper business foundation has been laid. The trouble in many instances where co-operative ventures have been unsuccessful is that there has been no paid-up capital stock to commence operation with. Farmer stock subscribers gave their notes, and with these as a basis necessary funds were borrowed from banks that were poorly fitted to extend that form of credit, or from commission firms, so that in either case the operations were decidedly hampered from the outset. The chance for any enterprise to succeed under such condition is slender, so it is nothing to the discredit of the principle of co-operative marketing that with such a handicap, there have been failures in the co-operative field.

Montana is competing for the possession of her present farmer residents, and for the attraction of new ones, with the agricultural provinces to the north, as well as with other states of the Union. It is interesting to note that while Saskatchewan, Manitoba and Alberta have worked out definite programs of assistance to direct farmer marketing, Montana has not only made no such provision but seems to be barred by the restriction of a constitution adopted a third of a century ago and practically unchanged since then, from extending such assistance.

The Province of Saskatchewan under certain safeguards, advances 75 per cent of the first cost of co-operative creameries and elevators and is repaid over a long period by amortized payments. If the constitutional bar were removed, the establishment of co-operative institutions under suitable conditions in Montana would result in more immediate improvement of the bargaining status of the farmers than will be possible by state regulation without such competition. This thought is put forth in the conviction that no general or permanent improvement of conditions in Montana is possible unless it arises from the farmers, and that the responsibility and burden of farm conditions rests on all.

State Warehousing Facilities: Legislation is pending in Congress intended to provide avenues of credit for farmers while they are attempting to market crops to their satisfaction. The nation-wide

interest in agricultural welfare at the present time adds to the probability that some such relief will be afforded. That is a federal matter. The state's responsibility is to see that such a safe system of warehousing is provided that Montana grain farmers may immediately be in position to take advantage of the opportunity to replace existing debts with loans more nearly fitted to their need and ability to pay. Changes in the laws regulating grain storage recommended in this report aim at a greater measure of safety in handling grain storage, but the problem that will be presented by federal credit legislation cannot be met by such changes alone.

As long as grain elevators are permitted to ship out and sell stored wheat as has been the practice of many elevators in the spring wheat states, there will always be a certain element of risk in grain warehouse receipts, and to a certain extent the purpose of storage, which is to keep wheat off the market for the time being, is defeated. On the other hand, a strict requirement that each elevator must keep on hand an amount of grain equal to its storage liability, tends to bring about a rapid congestion of stored grain in the country houses that restricts the state's grain handling capacity.

The proper place to store grain which the owner does not desire to sell immediately, is on the farm. If the grain could be inspected, graded and held on the farm under seal, with receipts outstanding against it that would be acceptable as collateral by the War Finance Corporation or such federal agency as may be created to administer the proposed new forms of farm credits, a great deal of the present trouble over grain warehousing, congestion in elevators, and car shortage during the fall months might be avoided. The State of Nebraska has passed such a law which has not, however, been subjected to a real test of usage by the farmers of Nebraska.

State Needs Storage Room: To avoid congestion of stored grain in public warehouses, and to safeguard the owner of the wheat in his title to wheat of commercial value equivalent to that of the grain he delivered in storage, the state of Montana should interest itself to create storage opportunities to which grain stored in public elevators could be moved and held in storage under the direction of the state, until the owner desired to sell it. Such a system should work to the advantage of both farmer and elevator man.

It will be remembered that the people of Montana authorized the construction of a terminal storage elevator at Great Falls, which the supreme court of Montana later held was within the power of the state. Bonds were never sold for this purpose, probably because of the slow demand for bonds at that time, and because of the question that arose over the exact meaning of the term "agricultural lands" that were to bear a tax for the payment of interest and principal on the bonds.

If, in addition to the construction or purchase of storage capacity within Montana, the state would authorize the lease of storage space at Minneapolis, the sale of stored wheat by a warehouseman might then be strictly prohibited. The manager of a country elevator, when it became desirable to move stored grain to provide room for new receipts would notify the owner who would decide whether he wished his grain to be stored within the state or moved to Minneapolis for final storage. There might be times when competition between coast buyers, Montana millers, and eastern trade would make it desirable to keep the wheat within the state for storage. The owner in eastern Montana would not wish to be compelled to stand the back haul cost on his wheat to a state elevator located, for example, at Great Falls. He would probably prefer to have his wheat placed in storage for him at Minneapolis.

Such storage as the state might obtain should be carefully managed by the state to the end that in mingling grain not only federal grade lines would be observed, but sub-classifications as well, so stored grain would not be subjected to the risk of blending to its owner's financial disadvantage.

Adequate warehousing is a problem which the State of Montana must definitely face and it will be unavoidably attendant upon the financial measures which may be expected to pass Congress soon. In this connection consider a statement by Bernard M. Baruch made under this date:

"As a background for financing when the crops are in the process of marketing, there must be established public warehouses, storehouses or elevators to which the farmer can bring his produce * * * When justified by agricultural conditions dependent upon the volume of crop production and the failure of existing agencies to function adequately, an elevator or warehousing system should be established in every grain-growing state * * * by the issuance of bonds of that state; and every bushel of grain * * * should be charged sufficient to pay for the upkeep, the interest and the amortisation of the funds advanced for that purpose. This system is in no sense paternalism or socialism. It is relief paid for only by the farmer. * * * The building of the system I have outlined is not a question for the federal government to decide but a question for each state to determine for itself * * * With the state to provide the machinery through which the produce shall pass, the national government to help supply the credit, the American farmer is due to get a fairer share of what he produces."

Changes In Grain Laws: Finally, it is the duty of the state to examine intelligently and impartially into marketing practices and if it finds that certain laws confer an unfair advantage upon handlers of farm produce, then such changes should be made as will tend to equalize the bargaining advantage between the buyer and seller. Certain recommendations as to needed legislation embodied in this report are of this nature.

State Land Policy:...Thousands of farm homes have suffered complete financial extinction because settlement of lands was permitted by state and federal land policies in advance of knowledge as to the proper utilization of such lands. In this mistake Montana has not been singular but has followed in the trail left by other states earlier in date of settlement. Montana needs more information concerning her lands upon which to base a sane policy of guidance of the present farmer, and the settler to be, toward successful homemaking on the farm. Our land policy must be worked out with a proper understanding of the factors of production, marketing and transportation that surround us.

Very Satisfactory Co-operation: Work of the department of agriculture touches at many points with that of the United States department of agriculture, the Montana State college, and the Livestock Sanitary Board of Montana. Without exception, the co-operation afforded in all contacts in the work, have been valuable, generously given, and without friction of any sort. With federal departments, three specific co-operative agreements have been entered into since the creation of the Montana department of agriculture, covering statistical and crop reporting activities; direction of labor and employment; and shipping point inspection of fruits and vegetables. Each joining of forces in this manner has resulted in more work accomplished at less cost than would otherwise have been possible.

Organization and Plan of Work: Attached to this report is a diagram which shows more clearly than written paragraphs might do, the form of organization into divisions, and the scope of the work of each division, in the department of agriculture. It should be kept in mind in considering the following more detailed review of the several lines of effort of the department.

GRAIN GRADING AND MARKETING

During the current season bonds have been secured and licenses issued covering 597 elevators, 18 grain dealers, 9 track-buyers operating at 19 stations, and 7 commission or brokerage firms. In percentage of grain warehouses under bond to the state, Montana leads all states in the northwest, as only such houses that accepted grain early in the season have been unable to provide bond, and these are under close supervision to prevent risk of loss to patrons. Total collections this season for license fees were \$9,615.00. Income from grain scale testing including outstanding accounts, \$9,831.73; income from state grain inspection office, Great Falls, \$3,356.63; total earnings Grain Division, Dec. 1, 1921-Dec. 1, 1922, \$22,805.36. Report in detail appears in the financial statement. All of the cost of the Grain Division is met by its fees and earnings.

Safer Bonds Required: All bond forms in use with grain elevators and dealers were rewritten this year in order to define exactly the liability of the surety. No personal bonds were accepted. Experience has shown that when conditions are such that collection must be attempted, personal bonds are not collectible. Most of the licensed firms have given surety bonds. The policy of requiring regular reports as to the outstanding storage, and grain on hand to meet it, was continued and when the storage liability exceeded the grain on hand, additional surety was asked for. These safeguards are insisted on as necessary if public warehouse receipts are to be safe bases for credit, or adequate to protect the interests of the owner of the grain.

There has been no loss to bona fide storage ticket holders resulting from elevator operations since supervision passed into the hands of the Department of Agriculture on April 1, 1921. Under the present administration there have been four elevator failures, all directly due to the failure of the E. L. Welch Grain Company of Minneapolis. Immediate settlement was made with storage ticket holders so that no one who had actually stored grain with the houses lost through the failure. Four trackbuyers during this period have been unable to meet their obligations, but in each case collection was undertaken by the Department of Agriculture and no losses resulted.

During the past year the Grain Division has continued its efforts toward settlement of the affairs of the 37 elevators which were found by examination on assuming office on April 1, 1921, to be insolvent and indebted to farmers who had previously stored grain with them in the amount of approximately \$300,000 which could not be collected. Collection has been difficult because of the fact that the bond of one line of 20 houses had been written by a company that soon thereafter was found to be hopelessly insolvent and because most of the rest had given personal bonds which under existing conditions were found to be non-collectible. Nevertheless since that time progress has been made on all these cases, and payments to the storage ticket holders have been made amounting to from 10 to 90 per cent.

The Grain Division of the Department has offered its services to act as receiver of the Montana Grain Growers, the most important of the failures of the grain season of 1920. This is done in the belief that a net cost of at least \$6,000 a year could thus be saved to the

creditors. Up to this time no action has been taken by the creditors on this suggestion which was originally advanced by groups of creditors themselves.

Grain Inspection at Great Falls: During the period Dec. 1, 1921 to Nov. 20, 1922, the work of the Grain Inspection station at Great Falls, and its earnings, were:

| | | | |
|---------------------------|-------|-----------------|------------|
| Carloads inspected..... | 2,378 | Total | \$2,972.50 |
| Mailed samples..... | 560 | | |
| 252 at 25c | | | 63.00 |
| 308 at 75c | | | 231.00 |
| Carloads reinspected..... | 13 | | 26.00 |
| Miscellaneous receipts | | | 66.15 |
| <hr/> | | | <hr/> |
| Total Inspections..... | 2,951 | Total Fees..... | \$3,358.63 |

Grain Scale Testing: All scales at grain elevators in Montana were inspected and either approved, adjusted or rejected this season, by a very efficient force of scale men composed of the head expert, who is on the work the year around, and two assistants in the field four months each. This year 2,921 scales were tested, of which 212 were rejected, 410 adjusted and the rest approved. This work is entirely self supporting from the fees collected. Some trouble has arisen over the fact that much grain is weighed over scales that are not at elevators, and which consequently do not come within the scope of the scale work of the Department as the law defines it. The law should be amended to provide, at least, for the inspection of scales used for weighing grain.

Study of Grain Marketing: One result of the general economic situation is evidenced by the numerous complaints over the margin of profit of elevators and grain dealers that have been lodged this fall, and by complaints that many advantages are possible under the Montana law, and are being unfairly taken by the grain trade in the handling of public storage. To arrive at the facts which can then establish a basis for an impartial conclusion, the Department of Agriculture is conducting at the present time an investigation of country grain marketing in Montana. This is not undertaken with the idea that the state can regulate the margin of profit the grain traders take; no one of the United States attempts that. It is with the thought that the study will provide a basis of fact rather than hearsay for consideration of the whole subject of grain marketing. Two of the phases of the study are: (1) public hearings held by the Chief of the Grain Division in conjunction with the office of the Attorney General, where specific rather than general conditions are presented, and where suggestions may be secured that will be incorporated in the wider quiet investigation; and (2) tabulation of confidential statements or audits showing buying and selling figures for a representative period of time this season, secured from a number of elevators selected because of geographical situation and because they are known to operate under varying competitive conditions.

Federal Grades Inadequate: The existence and use generally by the grain trade in Montana of sub-classifications that are not recognized in the Federal wheat grades has brought about complications that may easily be made to work to the disadvantage of the farmers who store wheat. This can be partially overcome by requiring that all grain storage tickets accurately describe factors and qualities of the grain stored that go to fix its commercial value. This the official grades should do, but as now applied to Montana they do not always run parallel to the un-official factors upon which the trade bases its price. To apply beyond the state borders, it is necessary that such grades be adopted by the United States Department of Agriculture. In effect, what is sought is the establishment of grades of wheat based

upon the percentage of dark, hard, flinty kernels and the percentage of gluten in the grain so that wheat of exceptional quality can be so recognized and graded on the storage ticket so clearly that the substitution of inferior grain which under present federal grades would officially rank the same as the higher quality wheat, would be impossible.

For over a year the Montana Department of Agriculture has been pressing this problem with the United States Department of Agriculture, and now has the attention of Secretary Wallace who has arranged to have the situation studied during the present winter. In the event no changes in grade such as requested are made, it will probably become necessary to establish them for the state. To market his wheat intelligently, the grower should be thoroughly acquainted with its grade and quality. This sample inspection of wheat is a service offered by the state which should be more generally taken advantage of than it is. A few grain grading schools are to be conducted this winter by the state grain inspector as an experiment to determine the amount of interest in the subject.

HORTICULTURE, FRUIT AND VEGETABLE INSPECTION.

The most important development of work in this line during the past year was its extension to include commercial grading and combined state and federal inspection of potatoes. If Montana is to develop as a potato growing state it can only be through marketing a fancy article which sells above the normal market average. This state will not be able save in years of exceptional potato shortage, to pay freight on an inferior quality of potatoes and sell them in terminal markets at a profit. The Montana potato grower's problem is four-fold, and the Montana Department of Agriculture has undertaken to work with him in each of the following steps to market:

1. To produce potatoes of the least possible loss as culls in sorting out a strictly No. 1 sack to ship.
2. To grade and sort to conform to grade requirements.
3. To secure state-federal inspection at shipping point so that the distant buyer knows exactly what he is going to get when he places an order or accepts a consignment. Without such inspection the shipper invests his money in a long freight haul with no quality guaranty before shipment to protect him on the car's arrival.
4. To get in touch with reliable and efficient marketing agencies.

This has been a most unsatisfactory year for growers of apples and potatoes. The Western Montana apple crop was light because of hail and other conditions. The market was weak, and the car shortage prevented prompt movement of the fruit. Up to November 18, 1922, 273 carloads of apples had moved from Montana points compared with 621 cars up to the same date in 1921. There was an extension of potato acreage this year and a generally good crop, estimated at 6,174,000 bushels for 1922 compared with 5,060,000 bushels in 1921. Notwithstanding this increase, the car movement amounted to but 523 cars up to November 18, 1922, compared with 1,024 cars by November 18, 1921. Some of the Montana potato crop was not harvested and much is in storage. A large surplus in competing states and the shortage of cars when the crop should have moved, prevented a satisfactory market condition. Then Montana growers have much to learn in the production of potatoes to meet the select market demand. Commercial potato growing is no business for an "in-and-outer"; most of the plungers will probably be eliminated next season, and the steady and experienced potato growers will have every chance of experiencing a good market.

Inspection of Fruit Shipments: During the period commencing July 1, 1920 and ending June 30, 1922 shipments aggregating 2,251,121 boxes of fruit were inspected to prevent the introduction of insect pests and diseases of deciduous trees into the state. No new insect pests or diseases have been introduced into the state during this period.

In addition to our inspection for insect pests and diseases the department has issued certificates as to grade on approximately 300 cars of apples. Practically all of the Montana McIntosh apples shipped to the New York market have been certified to by this department. The value of this work is shown by the reception of the McIntosh in New York. Its reputation is second to none and the high standard maintained has enabled it to command the top market price throughout its entire season. Under the agreement between this department and the Fruits and Vegetable Inspection service of the United States Department of Agriculture, joint state and federal inspection certificates at shipping point will be issued in the future. During the past two years twelve carloads of nursery stock, together with the smaller shipments, totaling 485,273 plants, were inspected and 538 plants were condemned.

The present method of handling this work we do not consider at all satisfactory. The work is being done by inspectors located at some twenty-four points in the state. The men work on a fee basis and receive the amount of fees collected for the inspections made. It is difficult to get men who are competent to make these inspections, and impossible at many of these points to unpack a shipment of nursery stock and repack it properly with the facilities at hand. Inspection of nursery stock at points of entrance into the state, is now proposed.

Service With Potatoes: At the request of the potato growers of the state the commissioner of agriculture entered into an agreement with the Fruits and Vegetables Inspection Service of the United States Department of Agriculture under which our inspectors are licensed to issue joint state and federal grade certificates on apples and potatoes at shipping point. The certificates issued being joint state and federal are accepted as prima facie evidence in all courts of the United States.

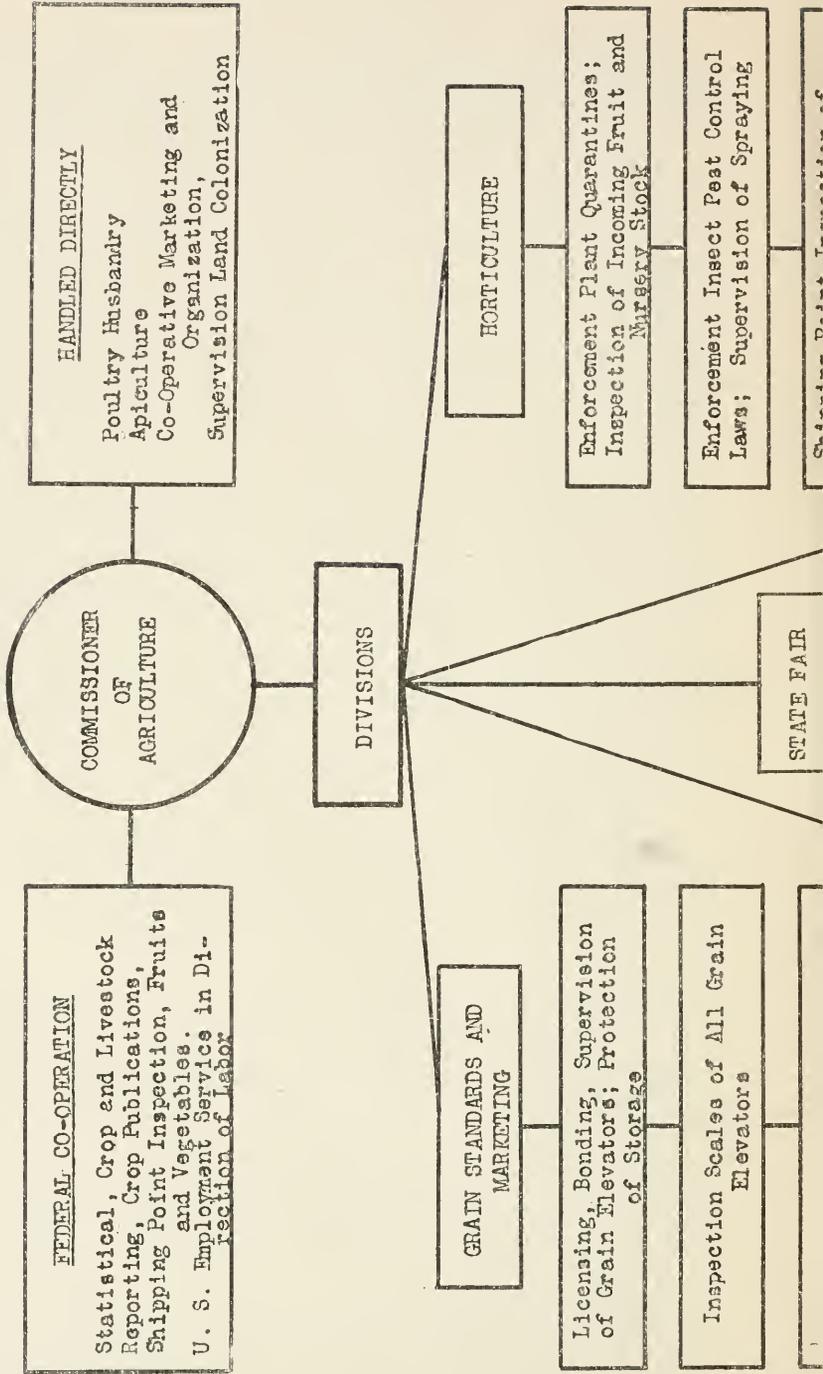
The federal department placed a supervisor for some three months in the state, the state paying his salary and expenses during that time. Some 22 men are now qualified to inspect potatoes at shipping points and to issue joint state and federal certificates. The results have shown that the service is well worth while and in time will be used generally over the entire state. It enables this department to give a statewide service and does not confine activities to western Montana.

Inspection of Seed Labels: The enforcement of the seed law has been handled by this department at very slight expense. Samples of grain and forage crop seed from some 54 dealers in 27 different towns in the state were taken and sent to the seed laboratory at the State college at Bozeman for analysis. With very few exceptions we find the law requiring the labeling of seed offered for sale in Montana has been complied with.

Montana Quarantines: There are four quarantines established by the state of Montana which have been rigidly enforced, covering the alfalfa weevil, white pine blister rust, barberry and tuber moth. As the greatest portion of the quarantine work is handled through Butte, J. A. Fossum, inspector at that point, was appointed chief quarantine officer.

Orchard Inspection: During the past two years the department has continued the work of orchard inspection. Inspectors are making personal visits to the different orchards in their districts and acting in an advisory capacity upon all matters pertaining to better horticul-

ORGANIZATION: MONTANA DEPARTMENT OF AGRICULTURE, LABOR AND INDUSTRY



Investigational--Grain Marketing
and Grain Grading

DAIRYING

Supervision Cream Stations and
All Users Babcock Test

Enforcement Laws and Regulations
on Butter Weights, Labels, etc.

Assistance in Selection and
Importation of Dairy Cattle

Investigational--Conditions of
Marketing

Extension Work--Dairy Cattle
and Dairy Marketing

Extension Work--Potato Grading
Schools

LABOR and PUBLICITY

State Publications & General In-
formation: a. Statistical; b.
Home-seekers; c. Tourists.

Administration Child Labor Law
and All Laws Relating to Hours
of Labor

Direction of Municipal Free
Employment Offices

Direction--Harvest and
Emergency Labor

State Director, U. S. Employ-
ment Service

ture. Fruit growers' meetings have been held from time to time and horticultural subjects discussed and horticultural knowledge disseminated.

In co-operation with the Department of Entomology of the State college an experimental spray program of considerable magnitude was conducted in an orchard tract donated for the purpose by the University Heights Farms Co. Methods for the control and eradication of all the known pests and diseases threatening the state's horticultural interests were demonstrated and particularly the Colorado leaf-roller, which for a time threatened to wipe out the apple industry of the Bitter Root valley. Practical methods have been worked out assuring a 90 to 95 per cent control. This work was in charge of Dr. W. S. Regan of the State college and the machinery, materials and spray crew were furnished by the Department of Agriculture. During the fruit packing season the department's inspectors have given instructions and demonstrations of how to grade and pack.

Shipping Point Inspection: The potato and apple inspection under joint state and federal agreement should be continued. The principle of establishing the grade of a product at shipping point is to be preferred over the old system which permits the receiver to establish the grade. Montana's geographic position in regard to market centers makes it necessary that high standards be maintained and we should avoid paying a high freight rate over a long haul on a low grade product. Shipping point inspection will help the producer out of many of his difficulties.

State Publications: Policies

Commencing this season, three publications will be issued by the Division of Labor and Publicity of the Department of Agriculture, for general distribution and to answer inquiries, in addition to smaller pamphlets.

The Montana Farm Review, compiled by the federal and state co-operative crop reporting service will be a statistical and graphic history of agriculture in Montana and will give production by counties. It will be issued annually.

Resources of Montana: An illustrated publication for homeseekers and investors with all information presented by counties.

Vacation Land: An illustrated publication devoted to Montana's scenic and recreational resources.

Encourage Land Settlement: So far as homeseekers are concerned the time has passed when generalities will make an appeal strong enough to induce them to remove to Montana. Competition for the right kind of settlers is keener than ever before, and because Montana has made no provision for obtaining authentic, detailed and specific information for homeseekers, it is falling behind such states as Minnesota, Wisconsin, Michigan and many of the older states in the east. For instance, nearly all these other states, in their land settlement programs include detailed soil surveys and climatological data. This information enables the prospective settler to determine where he can best follow hte particular type of farming he has in mind, and it practically insures him from going upon a piece of land where failure is foredoomed. Practically no data of this kind are available in Montana at present. The only available soil survey covers the Bitter Root Valley. There are 21 counties in the state where official mean precipitation and temperature records are not to be had.

The publications this division has issued are useful to introduce the resources and possibilities of the state, but the detailed, follow-up information required for a successful land settlement program is not available. The foundation should be laid for a systematic campaign to get in touch with desirable settlers, through small classified adver-

tisements in the farm journals and other publications of the middle west as soon as such information has been worked out. In view of the sharp competition from other states and the mass of detailed facts and figures that they have available, a systematic campaign to find settlers for Montana will not be very successful until this state can match the information now offered by its competitors.

The contrast between the interest in the state's agricultural resources for which existing information is inadequate and the state's recreational resources for which information is available, is striking. During the period from April 1, 1921 to November 15, 1922, only 91 inquiries were received from persons who wanted to purchase land, besides 291 inquiries concerning free homesteads, while there were 1,070 direct inquiries concerning the state's tourist attractions and automobiling. Through the various highway and trail associations and automobile clubs, contact was established with thousands of other prospective tourists. That the information furnished concerning Montana's recreational resources is adequate is indicated by letters concerning "Montana 1921, Tourist Edition."

It is probable that quicker and more direct returns in cash can be obtained for citizens of Montana upon the state's recreational resources, through an advertising and publicity campaign conducted upon slightly broader lines than pursued in the past, than upon any other single resource. A tourist edition of 10,000 copies instead of 5,000 if the money be available, is desirable. In 1921 a total of 58,211 tourist cars, whose expenditures averaged \$5.68 per car for each stop, were reported from the tourist camps of 20 commercial organizations. This office has just sent out a questionnaire to obtain the tourist data for the 1922 season.

Two editions, totaling 15,000 of an envelope insert descriptive of Montana's resources and its agricultural winnings at recent fairs, were published. A directory of federal, state and county officers in Montana and a Montana newspaper directory were issued. Co-operating with the State Board of Health a poster was prepared, designed to improve the quality of eggs marketed in the state. Co-operating with the Montana Association of Commercial Club Secretaries, a poster was distributed and a campaign waged through the press urging consumers to lay in a season's supply of potatoes early and thus create a market for the potato growers of the state.

At the request of the Montana Seed Growers' Association this Division undertook last year and again this year to raise the funds by private subscription for a Montana exhibit to the International Hay and Grain Show at Chicago and to hold the State Pure Seed Show at Bozeman. In 1921 Montana swept the boards at Chicago and took many world prizes including sweepstakes on wheat. The show this year will be held in December, 2-9 inclusive.

This division is called upon for much miscellaneous information. The requests from out of the state come chiefly from investment houses and large business concerns that desire to keep abreast of the state's progress in various lines, and of its resources. The requests from within the state are largely for information relating to the various laws pertaining to agriculture and stock raising.

THE LABOR WORK OF THE DIVISION

Until the legislature makes more definite the laws relating to labor that the Division of Labor and Publicity is to enforce, it will not be possible to obtain more than a lax enforcement. The principal activities of the division have been an attempt to secure compliance with the law requiring cities of the first and second classes to establish free public employment offices, and efforts to secure settlement of wage claims. An agreement was entered into by this division with the U. S. Employment Service, under the terms of which the chief of this

division has been appointed federal director of the U. S. Employment Service for Montana at a salary of one dollar a year. A number of the municipal employment offices have entered the federal service. The U. S. Employment Service, under the terms of the arrangement, pays the salary of the clerk and stenographer in this division, and also makes an allowance of not to exceed \$30 a month for traveling expenses in connection with the employment work.

The most constructive accomplishment of the labor division was the effort to secure laborers for the 1922 grain harvest, particularly in the counties of northeastern Montana, in the Judith Basin, and to a lesser extent in the southeastern part of the state. The need for men was greatest in northeastern Montana. The U. S. Employment Service agreed to assist in northeastern Montana, in connection with the North Dakota harvest labor campaign, if arrangements were made to clear the men after they were obtained. This department agreed to pay the salary of a clearance agent to co-operate with the U. S. Employment Service. Bainville, permitting distribution in three districts—west over the main line of the Great Northern, north over the Plentywood branch, and south over the Sidney branch—was selected as the location of the main clearance office. Mr. W. B. Shoemaker of Glasgow was placed in charge, and distributed harvest hands in Valley, Roosevelt, Sheridan, Daniels, Richland, Garfield and McCone counties.

The division of labor undertook to secure harvest hands for the other districts where men were most in demand; and their distribution through the municipal employment offices of Lewistown, Billings and Butte. Mr. W. W. Wheaton, in charge of the Lewistown office, Judge F. L. Mann, in charge of the Billings office, and Miss Anna McDonald, in charge of the Butte office, heartily co-operated. Crops being short in the state of Washington, a series of five advertisements was run in Seattle and Spokane papers, and also in a paper at Ogden, Utah, that being an important railroad junction point from the south into Montana. The campaign was at least partially successful.

There is every reason to believe that farmers of Montana will be confronted with a similar situation next year, and the work will be continued and broadened if funds are made available.

The effort of this division to enforce the law that requires cities of the first and second classes to maintain free employment offices, conducted "on the most approved plans" has been reasonably successful. The offices started operating in October, 1921. Commendation is warranted for the sincere and conscientious efforts of the officers in charge of the employment bureaus of Billings, Butte, Great Falls, Lewistown and Livingston. During the past 13 months a total of 5,465 men registered, of whom 1,655 were placed, and 1,227 women registered of whom 465 were placed, by municipal employment offices in the 12 cities affected by the law. Of these, the five foregoing offices registered 5,269 males and placed 1,821, and registered 1,166 women of whom 456 were placed. It is only recently that the Kalispell and Missoula offices began functioning. Lewistown, Butte, Kalispell and Missoula have also entered the U. S. Employment Service, which gives them the mail franking privilege and the stationery and cards required for the transaction of business.

If it is the desire of the legislature to have municipal free employment offices, it should amend the present law, impose a penalty for failure to comply with the act, and specifically require these offices to report weekly to this or some other office that can act in a clearance capacity. The law regulating private employment agencies, now administered by county treasurers, should be administered by the same office having supervision of the municipal employment offices. Aside

from the collection of a license fee, the act remains a dead letter. It should be further amended to provide that weekly reports shall be made by private agencies to the administering office.

'Proceeding under that section of the law charging this division with the enforcement of "all the laws relating to (among others) the protection of employees,' this division has endeavored to assist in the adjudication of disputed wage claims. The efforts have not been successful. Claims aggregating \$5,822.22 have been presented on which settlements aggregating only \$329 were made. Many of the claims were just ones. Most of the claimants belong to the migratory class.

REVIEW OF DAIRY ACTIVITIES

In reviewing the progress of dairy farming and the manufacture of dairy products in Montana during the year 1922, the results are not satisfactory. Compared with the progress which many other states are making in dairy production and methods, Montana is drifting farther behind every year.

In 1921 there was produced in Montana 7,464,679 pounds of creamery butter, and 158,599 pounds of cheese in factories. A full report from the creameries and cheese factories will not be received for several weeks; but if the production of butter shows an increase, it will not be large and the production of cheese will show a net loss. Owing to unsatisfactory prices in many parts of Montana, a large amount of cream has been shipped out of the state. This practice is on the increase. Conditions are not right when cream is shipped more than 500 miles to points outside of the state in baggage cars without refrigeration or proper storage facilities. Montana with an area suitable for dairying totaling more than several of the eastern states put together, in 1920 was twenty-fourth in the production of creamery butter, thirty-seventh in ice cream and twenty-first in cheese. The third largest state in the Union, with all its natural advantages, Montana is surpassed in dairying by a state the size of Tennessee, which made no pretensions to dairying five years ago.

Improvement will follow if we change the methods of gathering and handling the cream from which the butter is made. It is useless to try to stimulate a larger production of low grade cream. There is already too much of that kind. We need some constructive work done in the way of producing good cream and then in properly handling that cream. We need a system of paying for cream which will return to the producer pay for the extra work and attention which he must give to the production of high class cream.

The Division of Dairying through two men made a complete survey of all of the creameries and cream buying stations in the state, to get accurate information regarding the general condition of the places where dairy products are bought and handled; methods of conducting the Babcock test to determine the butterfat content of cream bought; to check up previous tests, compare them with the tests made at the time and get the prices paid at all of the creameries and stations, for comparison. This is the first time work of this kind has ever been systematically done covering the whole state.

It was found in many places that no difference in price was paid at the stations, between the best cream and the poorest. This was particularly true in some places where the local creameries were trying to grade and were making an honest effort to encourage the production of better cream by paying more for it than for cream of poor quality. In places where the stations pay one price for all, the competition which they offer of course causes one of two things to happen—either the creameries must discontinue grading, or close up. It was found in the majority of stations that not enough attention was paid to the methods of testing, to secure an accurate test. Many of the

operators are not competent to do the work, through ignorance of the methods necessary to make a correct test and not a few operators have said, when their attention was called to their improper methods, that they had not sufficient time to bother with it.

The equipment in many stations is poor and inadequate. Hardly any of them are equipped with a bath to bring the contents of test bottles to the right temperature before reading the tests and many of the operators had never heard of such a thing. This is a serious matter, as it is impossible without it to get a correct reading in cold weather where a machine which is turned by hand is used. Not one of the stations was equipped with means of testing the acid used to make a test. Acid too weak to make a correct test was found in several places. Scales for weighing samples of cream for testing, were found in many places to be not accurate.

Cream Stations a Grave Problem: Added to the improper methods of the cream station operators, is the utter lack of proper storage facilities for cream at the most of those places. Many of the stations are rear rooms of general stores where almost everything that is sold at a general store is piled up and the cream is kept in an atmosphere charged with the attendant dust and smells of such a place. Sometimes the station is an annex to a store or meat shop, which is little more than a shed, where the temperature cannot be controlled, frequently going above 100 degrees in summer and as low in winter as it gets outside. Cream frequently boils over the tops of the cans in summer, in those places, and unless removed to a warmer place, must certainly freeze in winter.

Cream Price Situation: It was found that prices differed greatly in certain sections of eastern and northern Montana during the spring and summer, but with the approach of winter the wider gap in prices has gradually closed. As very little cream is produced during the fall and winter in those parts of the state, the apparently good price which is now being paid will be of only slight benefit to the farmers living there. In western Montana comparatively good prices have prevailed throughout the year. The disparity in prices between western Montana and the eastern part of the state is due to the better quality of cream produced by the dairymen of the former, the fact that prices are stabilized there by the competition afforded by one of the best managed and successful co-operative creameries in the west, and by their closer proximity to a good market. There are very few cream stations west of the main range of the Rocky Mountains.

The result of all this lack of a sufficient understanding of the dairy business and I may say too, a lack of proper regard for the rights of others, is a low grade of products with no profit and nothing but discouragement for everybody engaged in the business. On November 21, 1922, at the four principal markets of the east, creamery butter, scoring 92 and known as extras, brought an average of 51 cents. Creamery butter scoring 88 brought an average of 40 cents, a difference of 11 cents. It has been said that butter scoring 92 cannot be produced in Montana, but that is not true, for several tubs exhibited at the Montana State Fair scored more than that, some scoring 93 or over. With proper care and attention paid to the production and handling of cream, a grade of butter can be made in Montana as high as any in the world.

The Legislature at nearly every session in the last twenty years, has taken a turn at fixing the dairy laws of the state until now we have quite a number that are ambiguous, conflicting and so worded that they cannot be enforced. Examples are the dairy trade marks law and the law attempting to prohibit sale of colored oleomargarine, useless because of its wording.

Experience has shown that Section 2630, the "Anti-Discriminatory Price" law, is worded so as to be impossible of enforcement. The trouble with this law is, that the intent to create a monopoly or destroy the business of a competitor must be proved. To illustrate: Two or more large creameries secretly enter into an agreement to make a low price covering a large area of territory. They agree not to compete with each other by raising prices. At some point within this territory a local creamery or some outside buyer begins paying several cents per pound more for butter fat; the large creameries raise the price at that point to meet the local or outside competition, but leave the prices as they are, at the points, where there is no competition. In a case of that kind, it is not possible to prove the intention of creating a monopoly or destroying the business of a competitor. At the same time in places where there was no competition the prices might be ruinously low for the producers.

In the province of Alberta and in some of the states there is a law which prevents the payment of higher prices in one place than in another, after considering the difference in transportation costs. It is not necessary to prove the intention of creating a monopoly or of destroying the business of a competitor.

Selecting Dairy Cattle: In passing it may be well to call attention to some of the activities of the Division of Dairying in extension work. Since the office was created, in April 1921, the Chief of Division of Dairying has visited more than half of the counties in the state to attend the farmers' meetings and talk on dairying and kindred subjects. In addition to that he has bought in other states a herd of high-grade cows and a purebred bull for the State Vocational School for Girls; thirty registered Guernseys for the Plains Guernsey Breeders' Association, Plains, Montana; twenty highgrade cows for the Montana Mutual Dairy Loan Association of Missoula; thirteen registered Guernseys for a club of five individuals living in Ravalli and Missoula counties, as well as some for individuals in other places, where the work could be done at the same time that it was done for those getting a larger number. This work has been done at no expense to the state.

Co-Operative Crop Reporting Service: The work of this division embodies mainly the collection of original data on crop and livestock production for the state, and the publication of monthly and special reports on crop production and conditions, together with an annual summary of the chief crops produced in the state, their farm value, and the number of livestock with their farm value. This office is a link in the federal department's organization for assembling all crop and livestock data. Information is collected monthly on prices of farm crops, and prices of articles bought by farmers. Special data relative to the potato crop are collected during the growing and marketing seasons, and reports issued covering them. This division also assembles and tabulates the Montana farm census reports collected through the county assessors' offices. All inquiries for statistical information on agriculture and livestock are handled in this office.

Direct Marketing Assistance: The foregoing activities of the department have been conducted through one or the other of the divisions. Many lines of work are conducted direct from the Commissioner's office, chiefly those having to do with assistance in marketing. Carefully prepared lists of potato buyers, brokers and commission dealers in all markets to which Montana ships, whose financial rating and business reputation were first-class, were furnished potato growers, organizations, county agents and others interested. Investigations were conducted during the year of disputes between growers and selling agencies. Probably the most important was the hearing of the difficulties between potato growers of the Madison and Jefferson valleys,

and the Northwest Potato Exchange conducted by the Commissioner. The findings of the Commissioner of Agriculture and Mr. Fred C. Sumner, who was asked to sit as joint commissioner in the hearing, resulted in modifications of the marketing contract of the Northwest Potato Exchange, which have resulted in much more satisfactory relations between grower and seller during the past year.

In September, complaint was made to the Commissioner of Agriculture that there was no market for the bean crop of the Yellowstone Valley, reported to exceed one million pounds. Immediately the department got in touch with over fifty firms in the east and on the west coast which handle beans as a specialty. The numerous inquiries and offers received by the department were turned over to the growers and to local dealers with the result that a number of car lot sales were made, the price for beans at Billings rose one cent a pound within a week, and an ample buying market was brought to the growers.

This fall the Commissioner's office undertook to bring the growers of the turkey crop of the state, which this year was considerably larger than usual, in touch with the buyers and dealers in all the important markets, in order to prevent a glut of local markets and a fall of prices. An early bulletin was issued describing turkey grades, giving instructions as to proper methods of killing, dressing and packing turkeys for the best marketing advantage, and giving lists of over one hundred big dealers and their needs. This was supplemented by later bulletins giving specific price quotations and offers by these dealers, any one of a dozen or more of which controlled a demand sufficient to absorb the entire turkey crop of Montana. This work is now under way and no check on results are possible as yet. Next year the service should be extended by holding schools in connection with the poultry department of the Montana State College, to instruct turkey growers in dry picking and proper methods of packing for shipment.

Numerous investigations were made direct from the Commissioner's office. A study of the possibility of transporting wheat grown in Garfield and McCone counties to rail shipping points by steamer on the Missouri river reduced the project to a definite plan with definite figures of cost which cannot be profitably met at the present price of grain. Investigation of conditions in Clark county, Idaho, from which place it was desired to ship timothy hay into Montana, was made, resulting in refusal to modify the quarantine which prohibits shipment of hay from that part of Idaho into Montana. In co-operation with the office of the State Entomologist, a careful examination of all alfalfa fields between Dillon and the Idaho boundary along the Oregon Short Line Railway was made, during the summer when damage by alfalfa weevil would have been detectible. No sign of weevil was found.

Investigation of Colonization Projects: Two applications were made to the Commissioner's office for certificate of approval of land colonization projects, one by the Shields Valley Colonization Company of Wilsall, and the other by the Great Western Land Company of Polson. Neither had arranged an amortization payment sales plan as definitely required by the law, and certificates were withheld. In the case of the Shields Valley Project, extensive investigation into the agricultural possibilities and the water rights were made by the Montana State College and the Montana Irrigation Commission, at the request of the Department of Agriculture.

Aid to Poultry Shows: The Department of Agriculture was made heir to the duties of the former Board of Poultry Husbandry without having been given any financial appropriation for its work. The sum

of \$2,000 a year for each of the years 1921-22 and 1922-23 was set aside by the Department from its operating appropriation, however, to assist and encourage standard-bred poultry shows.

State support under the former Board was confined to one annual state show. A departure from this plan was made by providing some financial aid to make possible the holding of county and district poultry shows, in the belief that many more persons are reached through the local shows. Aid for the annual state shows was continued. In the winter season of 1921-22 the state show was held at Helena, and state aid was provided by the department for local shows at Great Falls, Billings, Forsyth, Hardin, Eureka and Glendive. The success of this plan of division led to the allowance of a greater share of the total for local shows, and for the season of 1922-23, while the state poultry show at Billings is allowed adequate aid, assistance is going to local shows at Miles City, Fort Benton, Forsyth, Hardin, Great Falls, Stanford, Glendive, Deer Lodge, Eureka, Hot Springs, Hamilton and Polson.

In the future state aid to local poultry association shows will probably be more effectively given in the form of judging service. Competent licensed judges could be secured for the winter season.

Alfalfa Seed Marketing: The demand that exists for northern-grown and particularly Montana-grown alfalfa seed throughout the northern Mississippi valley and the east has caused some abuses to develop. Many times as much alfalfa seed is sold as Montana-grown each year as is produced for sale within the state. A plan is being matured whereby the Montana Department of Agriculture in co-operation with the Extension Department of Montana State College and with the state departments of agriculture in eastern states to which shipments are to be made, will investigate and certify to the Montana origin of carloads of alfalfa seed. These shipments, after such certification, will be sent out under seal, and arrangements are being made for inspection service on arrival at destination of the seed, which will follow its sub-division into smaller lots with the guarantee of its identity as Montana seed. It is felt that this service which will be available to all seed buyers and shippers who want it, will eventually put a stop to adulteration and substitution in the alfalfa seed trade as far as it effects Montana seed.

SUMMARY OF LEGISLATIVE RECOMMENDATIONS.

Grain Marketing and Storage: The grain laws of Montana as embodied in Chapter 254, Revised Codes of 1921, should be amended as follows:

- a. To define specifically the rights of the grain owner, who places grain on storage, to the end that he shall have his choice as to place of delivery, and shall be protected in his right to receive out of store, grain of value equal to that which he placed in storage.
- b. The storage of grain should be defined as a bailment, and not a sale.
- c. Groups of farmers organized to market their own grain solely, should be exempted from the requirement that they procure licenses and give bonds.
- d. All scales where grain is weighed in wagon loads for the public should be included in the scale testing law, and not only scales at public warehouses.

Bonding and surety houses who write bonds in Montana should be required to deposit with the state treasurer, for the protection of their obligations, a fixed amount of bonds or negotiable securities.

In order to provide for the safe movement of stored grain and to preserve the commercial value of stored grain, the way should be paved for the state to:

- a. Own and manage grain storage space within the state.
- b. Lease and manage grain storage space at Minneapolis.

The owner, when the country elevator has to vacate space by moving stored grain, should have his choice as to which place it is shipped for storage.

Horticulture and Inspection: That portion of Chapter 276, Revised Codes of 1921, which fixes apple standards and grades should be repealed and authority given to the Commissioner of Agriculture to establish them as required. Such an arrangement would give the Department authority to change or modify the grades whenever conditions might arise making such changes advisable, without the necessity of waiting for the next legislative session which might be too late to meet the special need.

In addition to giving the Commissioner of Agriculture power to fix grades and standards, Chapter 254, Revised Codes of Montana, should be amended to:

- a. Give the Department of Agriculture definite authority to inspect farm products at shipping point on request of owner or shipper.
- b. Make such certificate of inspection prima facie evidence as to quality, grade and condition of such product in any court in Montana.
- c. Declaring it a misdemeanor to tamper with or remove inspection tags or certificates placed in a car by an inspector.

Cities and towns should be given authority to conduct compulsory spraying campaigns in co-operation with the State Department of Agriculture, to prevent destruction of shade and fruit trees by disease or insect pests. The Department of Agriculture receives many requests to perform this service directly, from many parts of the state, but it cannot be satisfactorily handled in this manner, and is scarcely a proper state function.

If the legislative assembly believes in the necessity of protecting the western white pine from blister rust destruction, it should at this time enact a measure authorizing the removal of the cultivated English black currant where found, similar to the law for barberry eradication passed by the Seventeenth Legislative Assembly in 1919. This is recommended to the western states by the Western Plant Quarantine Board.

Creameries and Cream Buying: Authority to enforce laws regulating butter fat content, weight and labels of butter is divided between the Livestock Sanitary Board and the Department of Agriculture. Regulation should be lodged exclusively, either in one or the other of the two departments.

The Montana dairy law should either eliminate, or insure cleaner and better cream stations than now operate in the state.

The present law prohibiting discrimination in prices is not workable.

The entire dairy law might well be repealed and a comprehensive and up-to-date measure passed to replace the statutes which have been changed and added to for the past twenty years so that many ambiguities and conflicts have crept in.

Labor and Employment: For the protection of small wage claimants, this state should create in the justice courts, courts of "small

claims" to dispense speedy justice between laborers having small wage claims to collect, and their employers, similar to the Washington law, copy of which is attached. Proceedings are informal. Attorneys are not allowed to practice in these courts. Jurisdiction should cover claims up to \$50.

Sections 4157-4172, Revised Codes of 1921, regulating private employment offices, now administered by the county treasurers, should be amended so that enforcement should rest with the Division of Labor having supervision of municipal free employment offices. Section 3636, Revised Codes, which provides that the Division of Labor shall supervise municipal free employment offices should be amended to provide a penalty for non-compliance with the law.

Definite authority and an appropriation should be provided for the operation of labor clearing houses during harvest season.

Note—The Nebraska Act providing for issuance of grain storage tickets covering grain stored on farms, is Chapter 4, Laws of Nebraska 1919-1921.

The Washington Act making justice courts, courts for the collection of small labor wage claims, is Chapter 187, Session Laws, 1919.

COMPARISON OF APPROPRIATIONS.

COMPARATIVE STATEMENT OF APPROPRIATIONS MADE FOR THE CONSOLIDATED DEPARTMENT OF AGRICULTURE, LABOR AND INDUSTRY (For two years 1921-23) AND FOR THE BUREAUS, BOARDS AND DEPARTMENTS ABSORBED IN IT (For two years immediately preceding, 1919-21).
TWO YEARS—July 1, 1921-June 30, 1923:

APPROPRIATION FOR:

| | | |
|---|--------------|--------------|
| Department of Agriculture, Labor and Industry | \$77,250.00 | |
| TOTAL APPROPRIATION UNDER NEW PLAN..... | | \$77,250.00 |
| TWO YEARS—March 1, 1919-February 28, 1921: | | |
| APPROPRIATION FOR: | | |
| State Board of Horticulture (Deficiency claim)..... | \$ 1,338.53 | |
| State Board of Horticulture | 31,000.00 | |
| Bureau of Agriculture and Publicity..... | 32,600.00 | |
| Bureau of Labor and Industry..... | 15,600.00 | |
| Dairy Commissioner (One-half biennial appropriation of \$31,600, account division of duties between present Department of Agriculture, and the Livestock Sanitary Board)..... | 15,600.00 | |
| State Board of Poultry Husbandry..... | 4,000.00 | |
| | \$100,138.53 | |
| TOTAL APPROPRIATIONS UNDER OLD PLAN | | \$100,138.53 |

FINANCIAL STATEMENTS

DEPARTMENT OF AGRICULTURE July 1, 1921 to June 30, 1922

| | Expen- ditures | Earnings | Net Earnings | NetCost |
|---|--------------------|--------------------|-----------------|--------------------|
| A. GENERAL OPERATION (Comr.)..... | \$ 8,558.47 | | | \$ 8,558.47 |
| B. DAIRY DIVISION | 4,610.32 | 121.00 | | 4,489.32 |
| C. GRAIN GRADING DIVISION— | | | | |
| 1. Grading and Inspection..... | 12,921.50 | 13,593.45 | 671.95 | |
| 2. Scale Testing | 7,171.93 | 7,434.45 | 262.52 | |
| D. HORTICULTURE | 21,523.79 | 11,308.51 | | 10,215.28 |
| E. LABOR AND PUBLICITY | 6,805.35 | 133.34 | | 6,672.01 |
| F. AGRICULTURE | 542.06 | | | 542.06 |
| G. POULTRY HUSBANDRY | 2,450.00 | | | 2,450.00 |
| TOTAL | \$64,583.42 | \$32,590.75 | \$934.47 | \$32,927.14 |
| BALANCE IN ACCOUNTS | | | | |
| No. 775—Appropriation | | | \$38,675.00 | |
| Net cost different divisions..... | | | 32,927.14 | |
| BALANCE Appropriation unused 6-30-'22 | | | | \$5,747.86 |
| No. 352—Balance in Revolving fund 7-1-'21 | | | \$ 6,495.00 | |
| Net Earnings 7-1-'21-6-30-'22 | | | 934.47 | |
| BALANCE in Revolv. Fund 7-1-'22..... | | | | \$7,429.47 |

DEPARTMENT OF AGRICULTURE July 1 to November 30, 1922

| | | | | |
|---|--------------------|------------------|-------------------|--------------------|
| A. GENERAL OPERATION (Comr.).. | \$ 3,186.48 | | | \$ 3,186.48 |
| B. DAIRY DIVISION..... | 3,782.10 | 58.00 | | 3,724.10 |
| C. GRAIN GRADING DIVISION— | | | | |
| 1. Grading and Inspection..... | 3,583.26 | 9,997.88 | 6,414.62 | |
| 2. Scale Testing..... | 4,652.65 | 6,734.13 | 2,081.48 | |
| D. HORTICULTURE | 12,990.96 | 3,079.81 | | 9,911.15 |
| E. LABOR AND PUBLICITY..... | 2,134.37 | | | 2,134.37 |
| TOTAL | \$30,329.82 | 19,869.62 | \$8,496.10 | \$18,956.10 |
| BALANCE IN ACCOUNT | | | | |
| No. 775—Unused balance in A/C July 1, 1922..... | | | \$ 5,747.86 | |
| 1922-1923 Appropriation | | | 38,675.00 | |
| | | | \$44,422.86 | |
| Less Net Cost Department to 11-30-'22 | | | 18,956.10 | |
| Balance in account..... | | | | \$25,466.76 |
| No. 352—Balance in Revolv. Fund July 1, 1921..... | | | \$ 6,495.00 | |
| Surplus July 1, 1921 to June 30, 1922..... | | | 934.47 | |
| Net Earnings 7-1-'22-11-30-'22 | | | 8,496.10 | |
| Balance in account | | | | \$15,925.57 |