

A HISTORY OF THE CONSUMER'S CO-OPERATIVES
IN OREGON PRIOR TO 1900

by

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INTRODUCTION

The pioneer farmer often spent the year working long hours and enduring many hardships and deprivations, only to find himself just a little farther in debt than he had been the year before. Analysing the cause of his drifting farther into debt, he saw that if he had been able to sell farm crops at the price prevailing in the larger markets; if he had been able to buy the necessities of life and of the farm at or nearer the wholesale price, he would not have slid down hill but would be accumulating a small surplus.

This was the problem that confronted the farmer during the period following the close of the Civil War. He was forced to pay exorbitant prices for the articles that he must buy and to accept the minimum price for the products that he sold. The wide difference between the price he received and the market price abroad could be seen but what could be done about it? Now if he could only eliminate the middleman and keep the difference in price, the income from the farm would be greater. If the storekeeper could also be eliminated and he could buy at wholesale prices the expenses of the farm would be smaller, consequently the profit would be greater. The farmer then would not be doing the work and receiving only a meager living, while the middleman who was doing no work as far as the farmer could see, was becoming rich.

How were these economies to be effected? How were enough of the farmers to be brought together to be able to carry on the work of the middleman without it becoming a burden to them? This problem was to be solved by Mr. Oliver Hudson Kelley.

FOUNDING OF THE GRANGE

Oliver Hudson Kelley, a New Englander who had settled on a farm in Minnesota, in 1864 secured an appointment to the position of clerk in the Agricultural Bureau at Washington, D. C. In 1866, he was selected to travel in the Southern States in order to gather information for the bureau. While on this trip he was impressed with the lack of progressiveness among the farming classes. Mr. Kelley was a Mason and realized the benefits of a fraternity, so concluded that if some fraternal organization based upon agricultural development could be devised for the farmers, they could be induced to advance themselves in their methods of work and business. 1

Kelley pondered on the idea of a farmers' fraternal organization during 1866 and 1867, and finally enlisted the support of Mr. W. M. Ireland and Mr. William Saunders who were also government employees at Washington. Mr. Saunders took with him to a meeting of the United States Pomological Society at St. Louis, a number of circulars to give to the farmers with whom he might come in contact. These circulars told of the disabilities suffered by the farmers and proposed a secret organization for them, with the object of advancing agriculture and binding the farmers together.

Much interest, as evidenced by letters of inquiry concerning further details of the proposed organization, was shown by those who received the circulars, so on Dec. 4, 1867, the National Grange of the Patrons of Husbandry was founded. The first active subordinate Grange was set up at Fredonia, New York, in 1868. Little progress, however, was made in the organization of subordinate Granges until Mr. Kelley came to the realization that the Granges must be organized in the rural districts where the farmers lived, and not in the cities.

Not until 1872 did the movement reach Oregon, when the first subordinate Grange in the state was organized. By May 19, 1873 there were 9 Granges in the state, numbered as follows: 1. Marshfield, 2. Eagle Creek; 3. Oak Point, 4. Monmouth, 5. Buena Vista, 6. Oak Plain, 7. Tangent, 8. Corinthian, 9. Shedd. The movement progressed rapidly so that by September, 1873, when a State Grange was organized, there were 37 Granges in the Commonwealth, 33 of which were represented at the first State Grange meeting.

The articles of incorporation of the Oregon State Grange, which was patterned after these drawn up for subordinate Granges, gave the state body many and varied powers from the dispensation of charity, through store management and shipping business, to banking. 2

1. Buck---Granger Movements
2. Appendix, page 15

CO-OPERATION PRIOR TO STATE GRANGE

In the reports presented by committees at the first meeting of the State Grange the need for co-operation among the farmers was forcefully stressed, resulting in the establishment of two co-operative warehouses, one of which also carried on a mercantile business; while in the second year following two co-operative farmers' stores were formed.

The Grange, however, was not the initiator of consumers' co-operative associations in Oregon, for before a single Grange had been formed in the state, a group of farmers at Fairfield, Marion County, had organized and incorporated the Farmers' Mercantile Association, with its principal office at Fairfield.³ This association was incorporated with a capital stock of \$8,000, divided into shares of \$100 each. Its charter provided that no person could own more than five shares of stock at any one time. The incorporators proposed to engage in transacting a general receiving, forwarding, and mercantile business. No other record has been found of this corporation, and no one contacted by the writer remembered anything about it. Evidentially, it operated only a short time.

After the Grange had found its way into Oregon, but before the above mentioned State Grange meeting, another group of farmers living in the neighborhood of Eugene, Lane County, united themselves into a corporate body under the name of the Farmer's Warehouse Company. The purpose this group had in mind was to do a general forwarding and commission business. No one remembers this company, either, so its period of activity must also have been short.

STATE GRANGE ATTEMPTS AT CO-OPERATION

The State Grange, soon after its organization, entered the field of co-operative buying and selling. This it did by setting up a central organization at Portland, Oregon, which it named the State Agency. The first mention I found of this was in December 6, 1873, when the Willamette Farmer carried the notice of the appointment by the Executive Committee of A. J. Dufur as general business agent for the Grange, with this place of business at Portland. As agent, he was to buy and sell all things desired by the Order, and later reported that everything from jewels to combines were being handled. In May, 1874, Mr. Dufur announced that he had succeeded in making an arrangement whereby the Patrons could be supplied with farm implements at very reasonable prices.

In the meantime, another association known as the Northwest Storage, Shipping, and Commission Company, commonly spoken of as the N. W. S. S. & Co. was organized with headquarters also at Portland, Oregon, whose business, when put into operation, was almost identical with that of the Agency. By the fall of 1874, it, too, was conducting a rather large business, thus taking away that much trade from the Agency, for the N. W. S. S. & Co., was also a Grange product and none but Patrons might own stock in

it or buy from it. The State Agency seems to have been the only concern officially authorized by the Grange; on the other hand, though the Executive Committee had not organized the N. W. S. S. & C. Co. Some of the members of the Executive Committee had helped with its organization and were prominent in its work. It had been so arranged that A. J. Dufur, who had previously been appointed as State Agent, now accepted the Presidency of the N. W. S. S. & C. Co., and a certain Mr. Warner had been elected as State Agent. After acting as Agent but a few months Mr. Warner was dismissed and Mr. S. P. Lee was chosen as State Agent at a salary of \$1200.

At the state meeting in 1875 the officers of the Grange and many other Patrons in attendance were irked to a fighting mood, demanding a straightening out of the affairs of the two co-operative organizations. The Master firmly stated that it must be decided whether the Executive Committee or the N. W. S. S. & C. Company was going to conduct the business of the Grange. A report of the Agency was given showing that business up to Sept. 1 amounted to about \$60,000; that the commission charged had been 2 $\frac{1}{2}$ %; that there had been a deficit of approximately \$1918.38.

Before the State Grange Meeting of 1875 such questions as the following were accusingly asked, and given to a committee to investigate: 1. Was it an avowed object in organizing the N. W. S. S. & C. Co. to raise funds to be placed at the command of the State Agent, and the Executive Committee? 2. Did Brother A. J. Dufur make a contract with the Moline Wagon Company while in the employment of the State Grange and if so, did he have a right to transfer that contract to the N. W. S. S. & C. Co. or any party except the Executive Committee? 3. Did the N. W. S. S. & C. Co., after the compromise with the Executive Committee in December, order five hundred wagons from the Moline Company, knowing that the Executive Committee had not the means to pay for them? 4. Did the N. W. S. S. & C. Co. go into the market either in person or by agent and complete with the Executive Committee in chartering a ship, thereby increasing the price of freight, 4

The committee appointed to investigate brought in a report to the effect that they believed there existed an honest difference of opinion between the two groups; the only written evidence to verify it is a circular which contained this, "In order to raise funds (for purchasing) and have it under the control of the stockholders,..."; that A. J. Dufur had done as charged in the second accusation by contracting with the Moline Plow Company in his own name for the P. of H. and he had never been requested to transfer the said wagons; that the N. W. S. S. & C. Co. contracted for 500 wagons in November, 1874; and that no evidence was found to sustain the fourth charge.

Mr. Lee took hold with enthusiasm in spite of the dissension that had arisen between the Agency and the N. W. S. S. & C. Co., and made a more encouraging report to the State Grange at the 1876 meeting, stating that in ten months the business had been able to show a profit of \$400 instead of a deficit as had been shown in the report of 1875.

4. Proceedings of the State Grange 1875.

A new scheme of financing the Agency was evolved at this time. The plan put into effect, which was well described in a report of the committee on co-operation may be condensed as follows: That each member should loan to the Agency such amount as might be deemed proper, or that the Agency might loan to the Grange; that all amounts loaned were to be set aside by the treasurer as a State Agency Fund; that the treasurer should issue each person or Grange loaning a certificate of deposit bearing interest and payable out of the State Agency Fund upon the return of the certificates properly endorsed; that the funds should be subject at all times to the control of the Executive Committee; that if certificates were returned for payment and there were no funds, the money should be drawn from the business; that all articles sold by the State Agency should be sold above cost at a rate determined by the Executive Committee; all profits in excess of the interest and expenses should be distributed among holders of the certificates in proportion to the amount of their purchases.

The first part of the plan worked nicely, but the last part could never be carried out.

Trouble still was brewing, for although the previously mentioned committee had conducted its investigation, no action was taken in regard to its findings. The report of the State Agent in 1876 was a little more encouraging although he complained for lack of support on the part of the Grangers. In his report he stated that \$28,000 worth of business had been handled during the three months prior to September of that year. The report appeared to have been incomplete for several accounts were not listed as the agent admitted.

A compromise meanwhile had been suggested to the effect that the Order, represented by the Agency, should take over the mercantile and furniture business, leaving the regular produce storage, and shipping business to the Company. (N. W. S. S. & C. Co.) This compromise had failed to be accepted by the parties concerned.

The committee on co-operation then came forward with the following proposal which was adopted and provisions drawn up to carry it into effect: "Because of the division of patronage of our order between the State Agency and the N. W. S. S. & C. Co., business is injured and since the National Grange has recommended the Patrons Co-operative Association, we recommend that we organize such an association in the Northwest,⁵ that we connect ourselves with the Rochdale Society of England; that this association supplant both the above mentioned. However the State Agency shall continue in force until \$25,000 is in the treasury of the new association; that the capital stock should be \$50,000; and that the loans of the other two were to be placed in this organization."

A committee was then appointed, including in its ranks the newly elected State Master, which met in Portland, Oregon and decided upon the plans and general outline of this business venture. The committee effected an agreeable adjustment between the N. W. S. S. & C. Co. and the State Agency by which the former company delivered to the Executive Committee to

be sold on commission, their entire stock of goods. The N. W. S. S. & C. Co. stepped out of the way of the new company and offered their united support in launching the proposed plan.

Articles of incorporation were filed in Multnomah County, October 31, 1876; 6 stock books were opened and subscriptions solicited, but the air was still tainted with the ill feeling aroused by the two ventures that had previously been in existence. Consequently stock was not taken rapidly, and when the meeting time of 1877 arrived, Mr. Castleman, who had been made president of the newly organized company, reported that there were at least 1500 shares of stock that must be subscribed before the organization could be completed. The report in 1877/7 of the committee on co-operation was to the effect that though both the N. W. S. S. & C. Co. and the State Agency had failed to give satisfaction or enlist the general sympathy and support of the order the committee believed that the Grange Co-operative Association of the Northwest embodied the best plans yet proposed and was the only enterprise that could run as an arm of the Order on a satisfactory basis. They also recommended that special effort be made to have the necessary amount of stock taken to insure its organization. Further they recommended that, should this association fail to organize, the Grange go back to the first principles and establish co-operative associations in the Subordinate and Pomona Granges. In another resolution it was asked that the Master send stock books to each delegate of the counties throughout the state for stock subscriptions to the Co-operative Association of the Northwest.

At the 1879 meeting the committee on co-operation made the following report: "That on account of the failure of all co-operative plans heretofore submitted, as well as those put to operation, we would recommend that we go back to the first principles and commence co-operation in the subordinate Granges." This was the dying breath of the Grange Co-operative Association of the Northwest, and it was mentioned no more in the State Grange Meetings.

Such was not the case with the State Agency for it was to be heard of many times, not in a complimentary way but because of the difficulties encountered in closing the Agency's business and settling the debts. Much merchandise was returned to the manufacturers in payment of accounts, money received from sale of the merchandise retained was applied to other accounts, and a resolution was adopted by the State Grange by which the per diem allowance was donated for use in settling the Agency's debts. Grange and individuals who had made loans to the Agency through the certificates of stock were also asked to donate these loans and cancel their certificates. The debts of the Agency were mentioned in a number of the State Grange meetings in the 1880's and finally wiped out in 1894 when a motion was passed to pay the certificates presented by all members in good standing pro rata according to the amount in the treasury.

It is interesting to note that even while these debts were still hanging over the Grange, a committee offered a resolution favoring the establishment of another Agency in Portland, and recommended that a committee

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be appointed with their actual expenses paid to ascertain the feasibility of such a move.^{/8} As far as I can learn this committee was never appointed.

CO-OPERATION IN LOCAL GRANGES

During the time that the State Grange was carrying on its unsuccessful attempts at organizing co-operative enterprises, the local Granges were also attempting the formation of associations. The more prosperous of these did not start, however, until after the state enterprise had failed.

At Eugene, Lane County, another company was formed in 1874 known as the Agricultural Warehouse Company.^{/9} According to Mr. F. M. Wilkins, a pioneer of Lane County, this Agricultural Warehouse Company contracted for a large supply of thrashers, mowers, plows, and other farm machinery more economically to the shareholders and making some profit on sales to non-shareholders.

This company, having hired a certain Mr. Matlock as manager and salesman, started operations, but found the competition with such companies as Hally and Dod, strong hardware firms in Portland, so keen it was unable to realize the anticipated profits. Three years of business operations used up the capital and caused the directors to close the business.

Another co-operative venture sponsored by the Eugene farmers was that of putting a steam boat on the Willamette River to compete with the Southern Pacific Railroad, and to make the railroad company reduce freight rates. A certain Captain Gray, who had invested money, acted as river pilot. The trip from Eugene to Portland was quite satisfactorily made but the return trip took three days. Boats could be operated during the high water only, because of shallow rapids; even then on some of the rapids it was necessary to anchor, hook to a tree with a capstan and pull the boat up through the swift water. Sometimes the crew were compelled to stop along the way and cut cordwood in order to keep up steam. This venture apparently soon proved a failure; the boat sprang a leak and sank causing the plan to be abandoned.

The Granges in the Lower Willamette Valley were next to take up co-operation. One group formed the Granger's Market Company in the city of Portland in 1875 for the purpose of operating a general meat and vegetable market, and handling live animals for butchering purposes. This organization provided that no person could own more than five shares of stock unless authorized by a three-fourths vote of all stockholders. Also Greenville Grange No. 49, Washington County, provided for \$500 in their articles of incorporation to carry on a general merchandising business. Sherwood Grange, Washington County, likewise operated a small store. In February 1876 the Grangers at LaFayette, Yamhill County, organized the LaFayette Grange Company with a capital stock of \$1000, and with the privilege of increasing it to \$3000.

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At Tigard, Washington County, was operated another enterprise at the home of Mr. Tigard. It was just an addition built to the house, never being incorporated as a store, but simply doing business under the grange's corporate power. This corporate power of carrying on a general merchandise store was written into all the articles of incorporation of the early Granges. Grangers at Gaston, Yamhill County, united into a buying association and purchased all their sugar, flour, and other major supplies in a body direct from Portland. They were successful enough to hurt the business of the Gaston merchants considerably. The buyers association was short lived, however, operating only two years and was then discontinued. Mrs. Bryant, a daughter of one of the merchants whose business was crippled, gave this reason for discontinuance, "They just wouldn't stick together."

Again the tide of co-operation swings back to the upper Willamette Valley. At Eugene, Lane County, in 1876, was formed the Lane County Farmer's Mercantile Association, with the fair sized capital of \$20,000 divided into \$20 shares. 10

In an interview with the before mentioned Mr. F. M. Wilkins, I gained the following information in regard to this store. The company, being a farmer's organization and catering to the farmers' trade became very popular. The organizers promised large dividends to the stock holders who were composed exclusively of Grange members. Such a percentage of the farmers' trade went to this store that it crippled the other Eugene stores, and as a result the private business organizations ganged together and cut prices to such a low margin that the Association could not long realize the promised profits. The Association also labored under a handicap of debt caused by the fact that the capital stock never was completely paid.

When the farmer stockholders received no dividends and discovered the prices at other stores equally as low or sometimes lower, that too the private stores would oftentimes pay more for their products, they gradually drifted away. The volume of sales dwindled causing the store to become unprofitable, and the directors were authorized to sell the business. This they did to McClung and Johnson for slightly less than 50 cents on the dollar of the par value of the capital stock. The store was located at 8th and Willamette streets, in the first stone building in Eugene.

A slight ebb now occurred in the movement until the Grangers took steps toward co-operative enterprises in 1877 at which time an association known as the Silverton Co-operative Association No. 134 was formed in Marion County.

In the upper Willamette Valley co-operative enthusiasm was again pronounced in 1880 and 1881 when, according to Mr. Fred Nutting, a pioneer newspaper editor of Linn County, the farmers near Albany organized a Grange store which they opened on the corner of First and Washington Streets with John Blevins acting as manager. A large number of farmers traded at this store for their household supplies which seemed to be the principal things carried. Farm machinery and implements were never stocked, probably due to the fact that the Linn County Council was in operation at this time, and the farmers did their buying of machinery through it. The stock of goods carried by the

Grange store was estimated by Mr. Nutting to be worth \$5,000 to \$6,000.

At the same time Mr. S. E. Young operated a very large active store at Albany. He did much advertising, while the farmers' store as far as I can learn did no advertising at all. The co-operative store only operated for about two years, and a supposition is that Mr. Young soon regained the lost trade and that the farmers' store had to close. Another attempt was made to start a store at Albany in the early 90's but was even less successful. No articles of incorporation for either store were filed. Evidently they operated under the articles of incorporation of the Grange, for as before stated, the early Granges were specifically given the right to buy and sell goods and carry on a general merchandise store.

Across the Willamette River in Polk County the farmers were again thinking along business lines in 1881, and a group of them organized the Farmers' Mercantile Association of Monmouth, but limited its length of operation to ten years.

Several years passed before any more ventures were made in establishing new co-operative stores; then McMinnville farmers tried their luck and established in 1882 one of the most successful co-operative stores that operated during this period and probably up to the present time.

Previously the McMinnville Grangers had arranged trade agreements with certain stores whereby they received a discount on all purchases. Some Grangers could not refrain from telling of the agreement and soon everyone demanded a discount or else they wouldn't trade with these particular stores; the stores consequently had to discontinue the giving of discounts or go out of business. The wholesale houses also refused to sell to stores that were giving discounts to Grangers. This was illustrated in the case of a man who wished to buy a wagon. He priced the wagon at McMinnville and found that it was higher than the price quoted by a Portland dealer with whom Grangers had a trade agreement. The farmer went to Portland, bought the wagon, came back to McMinnville, drove up and down the street in the wagon, and laughed at the hardware dealer, telling him what he had paid for the wagon in Portland. The hardware merchant reported to the wholesale dealer and the wholesale dealer refused to sell any more wagons to the Portland firm.

This Grange store at McMinnville was incorporated under the name of the McMinnville Grange Co-operative Company which was to issue capital stock to the value of \$2,000 to be divided into \$10 shares.^{/11} The following year the company increased its capital stock to \$4,000, and in October 1884 it reorganized under the name of the McMinnville Grange and Farmers' Company with a capital stock of \$4,000 divided into \$20 shares.^{/12}

The first manager of this store was Mr. Alexander Reid who, according to Mrs. Ellenette Booth, wife of one of the incorporators, "Put his soul into the work and was responsible for its early success". The store was commented upon very highly at a number of the State Grange meetings, and was

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pointed to as an example of what could be done in co-operative purchasing. Other managers were: Milton Richardson, K. J. Olds, and Charles Nelson.

In 1901 a meeting of the stockholders was called and it was voted to increase the capital stock to \$15,000; ¹³ stocks were sold to persons who were not farmers, and as a result the control got out of the farmers' hands. The new stockholders were afraid of fire breaking out in the old wooden building where the store was located so decided to build a new brick building. All this expense accompanied by a lack of the best kind of management was too much for the co-operative store and it was forced to close in 1902.

As an apparent outgrowth of the Grange Master's address in 1876 and before the Grange Co-operative Association of the Northwest was incorporated, a group of farmers from six different counties, namely Lane, Linn, Benton, Washington, Yamhill, and Wasco, met and filed articles of incorporation in Portland, Oregon, for a company which they named the Co-operative Company with the right to carry on business in Oregon, Washington, Idaho, and Montana. ¹⁴ This large territory they planned to contact by use of agents and subordinate offices. They incorporated with only a capital stock of \$1000 but with power to increase this amount, presumably intending to expand if the business transacted was sufficiently large. However no record of its business can be found.

The next attempts at co-operation were scattered, one enterprise being set up at Hillsboro, Washington County, called the Washington and Willamett Warehouse Company; another at Salem, Marion County, called the Salem Co-operative Association No. 17 of the Patrons of Husbandry--especially of note because of its specifying that, "No Patron shall continue a member unless he purchases goods from the association to the amount of \$20 each year." A third company owned by farmers, but not, so far as I can learn, actually a co-operative, was incorporated at Independence, Polk County, under the name of the Farmers' Grocery and Produce Company.

The same year, 1886, there was organized, at Hillsboro, Washington County, the Hillsboro Co-operative Company. ¹⁵ This company organized with a capital stock of \$2,000, divided into \$20 shares, and selected John C. Clark as the manager. The Grange and the Co-operative Company together erected a joint building, using the upper floor for Grange meetings and the lower floor for the store. This, according to Mr. W. D. Hare, son of the W. D. Hare to whom the store was later sold, was the first co-operative Grange store in the county, thus arousing great enthusiasm among the farmers. A stock of goods valued at from \$10,000 to \$12,000 was carried, and a large volume of business was transacted.

For some reason the store was sold to Mr. W. D. Hare, who continued to run it on a co-operative basis. He strongly believed in the co-operative program and in selling to the farmers at a price that would just cover cost and operating expense. Under the new management and ownership, the purchases decreased and the stock dwindled until finally it was run just as a small

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hardware store. This plan of doing business was continued until the store closed in 1896.

Two more unsuccessful ventures were launched in 1889: one, the Farmer's Produce Exchange at Hillsboro, Washington County; and another, the Lane County Patrons Co-operative Butcher's Association at Eugene. The former had only \$100 capital stock, divided into \$1 shares, the latter had \$1,000 capital stock, divided into \$10 shares, and required the use of the Rochdale principle of voting.

CO-OPERATION IN EASTERN OREGON

No co-operative enterprises had been established up to this time in Eastern Oregon, but the center of action then swung to that part of the state and was first evidenced at Helix, where the farmers organized, in 1890, the Umatilla County Farmer's Co-operative Company, with a capital stock of \$3,000 divided into shares of \$25 each.^{/16} The control and management of the organization were to be vested in not less than 3 directors, but this number might be increased if provided for in the by-laws. The first man elected to manage the store, according to Mr. Irwin King whose father was one of the stockholders, was George Gibson, who acted in this capacity for approximately two years. Clark Walters was then given its management until the store closed in 1894 or 1895. This establishment did not handle general merchandise, but confined its stock to farm implements, repairs and accessories. In 1890 the deputy Master from Umatilla County announced at the State Grange meeting that two car loads of implements had been ordered from a firm in Portland.^{/17} The before-mentioned Mr. King states that the store attempted to carry on a credit business, and that when the depression of 1892 and 1893 came upon them, the store had large accounts on its books, many of which could not be collected. The result was that the company was unable to continue business operations and was forced to close its store.

At Athena, another Farmer's Warehouse Company was formed the year following the one at Helix. Here it was proposed to stick more closely to grain buying, storing, and shipping, though it was specified that a general warehouse business might be conducted, thus giving the company a right to sell the things carried by warehouses. Spurred to action by the accomplishments of the store at Helix, the warehouse at Athena, and the work of the stores in the Willamette Valley, three counties, Wasco and Sherman in Oregon and Klickitat in Washington, joined together and formed the Eastern Oregon Co-operative Association of the Patrons of Husbandry establishing its principal place of business at The Dalles, Oregon.^{/18} This organization started with a capital stock of \$4,000 which was soon found inadequate because of the variety of merchandise it desired to carry, so at a meeting held the 24th day of June 1891 the stockholders voted to increase the capital stock to \$20,000. The association proposed to engage in, "All kinds of business incident or appertaining there to, for the mutual benefit and profit of its stockholders who are members of the Patrons of Husbandry." The store was

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to be run according to the true Rochdale principles in regard to voting and distribution of dividends. The duration of the organization was to be 50 years. Mr E. N. Chandler was hired to manage the store.

Wm. Holder, worthy lecturer from Wasco County, spoke very highly of the new store in the following address: "Wasco and Sherman Counties in this state, and Klickitat County in Washington have formed a co-operative association to run a Grange store, which is now in full blast in the city of The Dalles and is doing a good business. This enterprise started out with a vast amount of enthusiasm among our members, and with scorns and jeers from our enemies. No notice was taken of their opposition, and today no enterprise that the Grange in this state ever undertook stands in a better position than it does."

From the History of Central Oregon published by the Western Historical Publishing Company, Spokane, Washington, I find that The Eastern Oregon Co-operative Association was burned in a fire that swept The Dalles September 2, 1891. The loss was \$9000 of which only \$3000 was covered by insurance. This is the last record that I can find of the store; Mr. F. W. Wilson, present Circuit Judge of that district and a lad about the town at the time of the Grange store's operation, is quite certain that the store never reopened.

That same year a co-operative warehouse was organized in Sherman County for the purpose of storing and shipping wheat, while at Tygh Valley a co-operative store was organized.

In the lower Willamette Valley the Grangers were again busy in 1891 organizing warehouses both at McMinnville and at Butteville. Included among the provisions of the McMinnville enterprise was the right to buy and sell merchandise. No one consulted seems to remember that either handled any merchandise. This year of 1891 had been a thriving year in the co-operative movement.

In the year 1895 the last two co-operatives of this period were formed. One, an odd organization named the Co-operative Commonwealth was incorporated in Multnomah County; the other, a co-operative store organized at Liberal, Clackamas County, Oregon. The Co-operative Commonwealth provided in its articles of incorporation that it might do almost anything and everything, but allowed stock to be issued only up to 100 shares valued at one cent each and also provided that no person could own more than one share of stock. I find no evidence of its ever having transacted any business.

The store at Liberal was incorporated under the name of the Liberal Co-operative Association. 19 It was given a capital stock of \$3,000 divided into shares of \$5 each. No mention of the store was ever made in the State Grange proceedings, but from Mr. Rueben Wright, one of the incorporators and now living at Liberal, Oregon, I received a letter of which the following is a part: "We patterned the Liberal Co-operative Association after the Olathe Association, Olathe, Kansas. Each stockholder had only one vote, no matter how much stock he owned. We carried groceries, dry goods, and a small

stock of hardware. We paid cash on receipt of invoice for all goods, thereby getting discounts. We carried it on for 3 years, going good all the time, when our manager's health failed and he resigned. The business was then sold a private individual. Our experience was to succeed as a co-operative association; our manager was a capable manager and an honest man, treating each customer as a personal friend."

FIRE INSURANCE

Fire insurance was another form of co-operative venture undertaken by the Grangers. It was first mentioned at the State Grange meeting in 1875 when a motion was made to organize a fire insurance company with a capital stock of \$100,000, one-half to be subscribed by the Patrons of Oregon and the other half to be subscribed by the Patrons of California. Committees were appointed in 1876 and 1879 to investigate and perfect the plans but little progress was made. In the address given by the State Grange Master at the annual session of 1880 the subject of co-operative fire insurance was again brought to the attention of the Grangers. The Master stated that the insurance associations were exceedingly simple in detail, and while perfectly safe, reduced the expense of insurance to the bare cost. This cost he further stated was less than one-tenth of the amount paid to stock companies in Oregon.

In 1883 the Executive Committee was authorized to start to work on a co-operative fire and life insurance program. This committee reported in 1884 through F. C. Yeomans, acting secretary, 20 that by the terms of the insurance by-laws adopted at the last session of the State Grange it was necessary to obtain risks amounting to \$100,000 before completing the organization, whereas at that time the committee had only \$84,820 subscribed. The failure, according to this report to obtain more insurance risks was due to several causes. One was that the State Insurance Company of Salem had been well informed of the action of the Grange in 1884 and had sent out general agents over the country who made special efforts to secure insurance risks from Grangers, even if they had to misstate the facts to do so. Another cause was the delay in getting the insurance papers into the hands of the Grange insurance agents. A third obstacle was that the Willamette Farmer, finding it could get no money out of the Grange Association for advertising, virtually sold its influence to the State Insurance Company. A fourth hinderance was the apathy of those for whose benefits the Grange was working. 21

In spite of the before mentioned obstacles, the insurance company was successfully organized August 14, 1885, and was incorporated under the name of the Lower Columbia Fire Relief Association. The committee representing this insurance association reported at the State Grange meeting in May 1886, that \$150,000 in risks were being carried and no losses up to that time had been sustained. 22

- 20. Appendix, page 1
- 21. Appendix, page 1
- 22. Appendix, page 2

The annual report of the association issued December 14, 1886 indicated that \$182,845.40 in risks was being carried and that the costs of the insured had been 20 cents per \$100 for 16 months, which was just one-seventh the amount charged by stock companies in the state during that same period.

This Lower Columbia Fire Relief Association, after this time, met with fair success, and gradually increased its volume of business. In 1893, it reported \$471,092 worth of risks held; in 1896, \$473,401.14; and in 1900, \$529,934.29; thus, showing a constant increase from the time of first organizations. However, during the years that such an accumulation of business was recorded, the members of the association living in Washington had been withdrawing from it, and taking out policies in their own state organization, the Washington Grange Insurance, formed in the meantime. The Oregon venture in the field of fire insurance is still in operation. It has proved to be the only co-operative enterprise launched by the Grange that has stood the test of time.

A group of farmers at Oregon City organized a mutual insurance company in 1894. This company insured property belonging to anyone; it developed until it is now known as the Oregon Fire Relief Association, and handles insurance risks valued at millions of dollars.

LIFE INSURANCE

Life insurance, although mentioned at the State Grange meetings in the '70's, was not so urgently stressed as was fire insurance. In fact, it was the success of the co-operative fire insurance association that seemed to bring to the Grangers' attention the possibility of setting up a life insurance venture. In 1887 a resolution was passed at the State Grange in favor of starting a life insurance association.²³ This was referred to a committee which was to investigate the matter and report at the next annual session (1889). The committee reported as follows: "We have had the same under consideration and investigation for one year, and find that it is not practicable, and therefore report against a life insurance in the Grange." Again in 1890, a resolution was proposed by the Surprise and Turner Granges, favoring a life insurance or Patrons' relief association within the Grange, and after some discussion, this motion was referred to a committee of three. No further progress was made until the 1896 meeting, when a resolution was introduced asking that the Master appoint another committee of three to investigate the subject, and, if it was thought advisable, to draft a constitution and by-laws for organization to be submitted to the Grange at the next annual session. This was done, and in 1897, a full and complete constitution and by-laws of the Patrons' Life Association of Oregon was submitted. Three things brought out in these by-laws to be particularly noted were that, 1. Any member in good standing and satisfactory health might belong, 2. Expulsion from the Order terminated the insurance membership, and, 3. The amount of money to be paid in case of death was not to exceed \$250.

Nothing more was done to put this proposed life insurance association

into effect until the following year, when a resolution was introduced asking the Master to appoint a committee of seven "to start up the matter of life insurance in the Grange." This committee was to work without pay, and was to call a meeting of the committee to carry out the final steps in order to organize as soon as 400 applications had been filed.

The committee appointed set to work with instructions to solicit Washington as well as Oregon for applications for membership. By October, 1899, a sufficient number of applications had been obtained, so the committee met and completed the formal organization of the association. The following year the committee on co-operation mentioned life insurance and recommended its benefits and stressed its adoption by a larger number of the members of the Grange. By glancing through later reports of the State Grange, I find that life insurance was still in operation in the Grange in 1905, but the volume of business carried on by it was small. This date, however, is later than I am carrying this paper so I will not follow it further.

WHY DID THE GRANGE CO-OPERATIVES FAIL?

Why did these co-operatives fail? This is the question that now confronts the writer. A number of addresses given at the State Grange meetings express the beliefs of men of the time who were connected with the stores as to why the ventures failed. Opinions of the pioneers who were present at the time of the failures give us another source of information. With these various ideas in mind, we really must analyze the conditions ourselves and finally come to some conclusion or conclusions respecting the causes of failure.

I find that "co-operation" has always been one of the watchwords of the Grange, in fact a basic principle upon which the Order was founded. I find this idea always paramount in Grange circles: that the farmers should purchase things at lower prices and that they must eliminate the middleman. These were the fundamental reasons for setting up the Grange stores. Why, then, were they unable to succeed?

In a report of the committee on the state of the Order presented at the first State Grange meeting it was said to be the duty of the Grange to establish stores.²⁴ Provisions for operating such stores were included in the printed forms that the Grange used for articles of incorporation. The Grangers resolved that their cause was the same as that of the mechanic and laborer, and that the farmers should co-operate with these groups.

The Oregon Grangers early established a State Agency with enthusiasm, believing it to be the best way of accomplishing their purposes. The reasons given by the manager, S. P. Lee, for the failure of this State Agency were: First, that it had not the support of the Order, largely because of a mania for joint stock companies. Second, that throughout the state, companies had been formed and the business of the locality was done through the local agent. "These and other things which I shall not mention," he

24. Appendix, page 5

said, "make it necessary...to close the Agency..." /25 What were the other things to which he made reference in this quoted statement? We have no record of what was in his mind. One might mention the actions of the first agent who, a committee stated, kept very inaccurate and incomplete records. One might even advance a similar statement about the second and third managers. The third manager, for instance, even refused to appear at the State meeting when a committee went after him. Moreover, the committee that audited the books of the Agency made very uncomplimentary references to the records that he, the third agent, had kept.

The State Master expressed the view in his address that it was not the system that was at fault but the Brotherhood.

A fair volume of business was done by the Agency, but the profit was, of course, according to its transactions listed only \$442.08. This low profit was according to the principles adopted by the Agency, but gave it no reserve to take care of losses that it might incur. No advertising was done by the Agency in the way of issuing pamphlets or in newspaper columns; not even a price list or catalog was put out the first year. Such a catalog was asked for the second year, but I found no account of its ever having been prepared. One will not often make purchases from a place where he sees no descriptions, or even a price list. The Agency also had a rapid turnover of managers--three in two years. All these things acted unfavorably to its prosperity.

The Northwest Storage, Shipping and Commission Company was in operation at the same time as the State Agency, and thrived, in the beginning at least, while conducting a business almost identical with that of the State Agency. The N. W. S. S. & C. Co. was not organized by the Executive Committee of the Grange, though several of the Executive Committee were connected with its organization. This would indicate that there was a dissension of some kind in the Executive Committee itself. Both organizations were supposed to be channels through which the Grangers might buy and sell. Why was there dissension present? The N. W. S. S. & C. Co. took from the State Agency its first manager, probably because of his experience. Finally, after more than three years of ill feeling among the members, the good of the N. W. S. S. & C. Co. were turned over to the Executive Committee of the Grange for disposal, and the previously mentioned N. W. S. S. & C. Co. discontinued business operations.

A trade agreement also was entered into with the Pacific Coast Home Supply Association whereby the Grangers might make purchases at wholesale prices by combining into clubs of at least five members and paying a fee of 30 cents each. This arrangement, although officially adopted by the Order, failed to be supported by the Patrons. There must have been some fundamental reasons why these attempts at state-wide organization all failed.

Let us next consider the reasons for the failure of the local co-operative organizations. To do this we must, in drawing our conclusions, refer to the opinions of the pioneers who were active at the time. In regard to many of the stores unfortunately we have no information.

The Agricultural Warehouse Company at Eugene, according to Mr. Wilkins.²⁶ found competition keen with the Portland firms; were unable to make a profit; used their capital for running expenses; and in three years closed. The Eugene Steamboat attempted competition with the Southern Pacific Railroad but was handicapped by difficult rapids and low water. The Granger's Market Company in Portland was quickly overshadowed by the two other Grange enterprises, the State Agency and the N.W. S. S. & C. Co. All three failed in less than four years.

The Lane County Farmer's Mercantile Association, spoken of as one of more successful stores, was able to carry on a prosperous business for about 12 years. The inevitable then came; competing stores reduced merchandise prices while at the same time paid higher prices for farm products. The farmer responded to this lure, and turned his trade from his own store so that in a few years' time it was ordered sold by the directors for 45 cents on the dollar of its capital stock value because it was no longer making expenses.

At McMinnville the McMinnville Grange and Farmer's Company had an existence somewhat similar to the store just mentioned at Eugene, although it was in operation for approximately 18 years. This store conducted an extensive business and the farmers of the district consistently gave it their patronage. The first manager proved to have exceptional ability while other good managers followed him. Finally the directors decided to "grow big"; they issued additional capital stock which they sold not only to farmers but also to citizens of the town. At the same time a less capable manager was employed and the expense of a new building was added. In less than a year it was found necessary to close the business.

At Hillsboro a slightly different cycle of events brought ultimate failure. An ambitious manager secured a large stock of merchandise and built up an extensive trade. The store was then sold to an individual who was an ardent advocate of consumers' co-operatives, and who continued to conduct it on a co-operative basis. But his management was not successful, the stock dwindled until hardware, only, was carried and the store was finally closed.

In Umatilla County the store met with failure, probably because of the hard times of 1892 and 1893 combined with the attempt to conduct a credit business. Because of the principles used the Grange stores did not have the reserve capital necessary to carry credit accounts, but this store, departing from the advice of the previous State Master, started a credit system and was forced to discontinue operations within a short time.

The store at The Dalles met with still a different type of disaster. A fire swept through The Dalles in 1891, and due to the fact that insufficient insurance was carried to cover all the merchandise, the store was unable to replace the stock. Then, because of the scarcity of money following the depression of 1891, the farmers were unable to invest in a new store.

At last four of the stores held to the Rochdale principles of the

English co-operatives, yet these failed to carry on business as long as many of the other stores. The Rochdale principles had proved to be successful in England, so why did they fail in Oregon? Was it in reality the principles or the loyalty of the people that had made the English co-operatives a success? Was it the principles operating in Oregon or was it the sense of brotherhood, as the State Grange Master expressed it, that had failed?/27

Reasons for failures as stated in the various State Grange meetings by prominent Grangers may also be cited to indicate why Grange stores were unsuccessful. The State Master in 1877 pointed out that there was opposition to the stores within the Granger's own ranks. The reasons the State Agent gave for the downfall of the State Agency have been previously mentioned but may be summarized here as follows: (1) Did not have support of the Order; (2) Local agents appointed; (3) Mania for joint stock companies./28 One committee stated that the State Grange stores had not enlisted the general sympathy and support of the Order. Another State Master suggested that they had attempted "the large before understanding the small." Worshipful Master R. P. Boise warned the organization to beware of the credit system as tending toward prodigality and bankruptcy. He also stated that there was no obstacle in the way of complete success provided that the Grangers united in their trade relations and stood together.

Slowness in getting the Grange fire insurance company organized was attributed to the following: (1) Delays; (2) The competition of an opposing insurance company; (3) Non-support of the farmers' paper; (4) Indifference of the farmers toward Grange insurance./29 Had it not been for the untiring and persistent efforts of the organizers, this, too, might have failed.

A committee in one report stated that no plan of business co-operation adopted by the State Grange would be accepted or adopted by all the Subordinate Granges in the different sections of the country. A later committee said that the Grange stores were located so far from the manufacturers that too extensive a capital was required to compete with the large private companies; that the Grangers lacked the experience in buying and selling necessary to compete with those trained at it from childhood. Payment of cash on delivery was also hard for many of the farmers to adhere to. Assistant Steward Austin T. Buxton stated that the arrangement in effect with the Pacific Coast Home Supply Association seemed to be unsatisfactory to many preferring to deal directly with those with whom they transacted business./30

What were some of the characteristics of the co-operative stores which may partly explain their failure? The writer would list the following as common to most of them: (1) Shares of stock issued in small denominations; (2) Small capital stock, and (3) Large range of business undertakings allowed in their articles of incorporation.

I find that in these co-operatives the capital stock was sold at prices

- 27. Appendix, page 6
- 28. Appendix, page 7
- 29. Appendix, page 1
- 30. Appendix, page 13

of small denomination, ranging from \$1 to \$25 a share in most cases, though in a very few instances the price was \$100 a share. I can see nothing in this to cause any trouble. It simply allowed a large number of persons in keeping with co-operative principles to own stock in the store, and, if psychological reasoning is sound, should have added to its durability. I am informed that it is upon this point of having many shareholders with untiring loyalty in their store that the English co-operatives depend for their stability. The English share holders are reported to be truly loyal to their organization. They buy from it regardless of the lures that are put in their way by private companies. The English movement has withstood opposition so long in fact, and is now so large that private companies don't even attempt to eliminate it. The English co-operatives started with two advantages over our early organizations, first, of having their members living within a relatively small, compact area, and second of having members with a small but steady income.

All shareholders in the Oregon stores of course were allowed to vote; this should also have added to the idea of running the store from a broader viewpoint. Could there be a feeling present in the movement that no one in particular owned the store and as a result the interest in management was lost? Even if this had been true, and I personally do not think that it was especially in the local co-operatives, the idea should not have carried over to the directors. Our present large corporations have hundreds of thousands of stock holders although a few generally own the controlling interest and really do the managing while many of the shareholders never even vote. These large corporations are away in the distance for most shareholders, and are not the store in the home town as were the local Granger co-operative stores. The points just mentioned may have been one good reason why the local co-operative stores organized by local Granges or by Pomonas had better success than the attempts made by the State Grange. The State Agency; the North West Shipping, Storage and Commission Company; and the Grange Co-operative Association of the Northwest were distant strange business firms to all members except the organizers and possibly the state delegates.

Now let us discuss the capital stock of the Oregon ventures from the standpoint of amount. Most co-operatives started with an initial capital stock of from \$500 to \$5000, a few ranging up to \$8000, but the majority were in the smaller brackets. Was this enough money to carry on a store business? Could the stores keep in stock the things desired by the farmers? Were they handicapped in having to buy in small lots and therefore pay higher prices?

Going back to the first question, I find that the people in those days, especially the farmers, did not wish a large variety of merchandise. They were plain simple folk demanding the staples of life. The wholesale houses and manufacturers were willing to wait a reasonable time for their money as was shown in the sale of goods to the State Agency. Large enough quantities might not have been obtained to get the lowest wholesale prices, but it may be remembered that some of our large stores of today were then one roomed stores and could probably not get any lower prices than the Grange store. These small one roomed stores succeeded, and the English co-operative organization built up from an exceptionally small capital, so why could

not these co-operatives have built up also?

The wide purposes of their business as set forth in their articles of incorporation probably caused the stores no ill effect, for they only dealt in a few of the things mentioned.

One of the primary principles of the Grange stores was to eliminate expenses. As a result their only advertising was in the form of reports or announcements which were made in the Grange meetings when any new things were added to the stock and when new shipments were received; this for some psychological reason did not accomplish the desired results of increasing sales. People here in America will go to the stores that advertise. A certain amount of better grade advertising is educational to the public; good advertising puts a person in the psychological mood of buying. Advertising might have caused the business to spend a little more money but it would almost certainly have prolonged the life of the store. By advertising the industrial workers in the towns might have been induced to trade at the farmers' stores and have caused the development of a co-operative society from which all classes would have profited.

We will next take up the subject of the store managers which appears to have been then the greatest problem and in most cases to have been their greatest weakness. Where ever the managers are spoken of as good or exceptional, we find the store prospering and able to continue in business against the competition of the other stores.

In McMinnville where Alexander Reid was the first manager the store prospered. He was followed by Milton Richardson, and by D. J. Olds, both men of managerial ability. Mrs. Annette Booth, previously referred to, told the writer: "Alec. Reid put his whole soul into the work. He tried to take the farmer's produce in trade for merchandise whenever possible." The last man who managed the store, Mr. Charles Nelson, was young and inexperienced. He, according to Mrs. Booth, lacked the quality of self assurance, and was easily persuaded. This may have been one of the causes for the decision to increase the stock of goods, construct a new building, and move the store; the reasons that were no doubt the bottom of his trouble.

The manager of the co-operative at Eugene was said by Mr. Wilkins to have been outstanding in ability. This store conducted a thriving business for a number of years.

In Hillsboro, Mr. John C. Clark who was the first manager of the farmer's store was spoken of by Mr. Hare as, "An able manager who built up a large trade with the farmers," though he spoke of his father who succeeded him as, "A fine man but not with such outstanding ability as a manager."

The manager at Liberal was, as quoted from Mr. Rueben Wright's letter; "A capable manager, and an honest man treating each customer as a personal friend."

The conclusion then may be drawn that those stores which were operated by able managers succeeded for a number of years except in a few cases where the discontinuance was caused by something other than just plain failure in

business.

I wonder if in all probability it was not the general opinion of the farmers that anybody could run a Grange store. It would appear that men experienced only as farmers were oft-times put in to manage the co-operative store while the managers of the rival private stores had been trained in the actual practice of store work for years. The latter had often worked as clerks from boyhood, finally buying a store of their own and developing it into a large business enterprise, thus being thoroughly trained in the art of practical store managing. The untrained store "keeper" could not compete with the experienced store manager.

The Rural Northwest (Oregon Farmer) in 1891 made the following statement: "...Co-operative methods of purchasing goods on the whole have not been as successful as in selling, but there are in existence a good number of successful alliances and Grange stores...Where the management has been honest and wise the benefits have been large...The proportion of successful attempts has steadily increased. In the first cases too much was expected, and disappointment, coupled with ignorance of the business undertaking proved fatal." The mention of honesty in this statement might indicate that dishonesty played a part in many of the failures, however the only case of dishonesty that was found mentioned was in the management of the State Agency.

Another problem that was never adhered to by the Grange stores as far as can be found was that of setting aside a reserve. The Grangers seemed not to realize that there would be lean years in business over which they must tide themselves. They wanted the lowest possible price today, and tended to let tomorrow take care of itself. They simply lacked business judgment in many instances, due mostly, no doubt, to lack of experience in business.

The writer finds that dissension among the members of the State Grange partially caused the fall of the state venture; he wonders if similar opposition to the running of stores by the Order wasn't present in the local and Pomona Granges. There is no proof of this except the statement made by two pioneer Grangers to the effect that the Grange "Just wouldn't stick together".

The giving of credit was also disastrous to the Grange stores; every co-operative store that attempted this policy failed. The store at Helix serves as a good example.

The farmer was generally hard pressed for cash. This in itself would make him an easy victim to the lure of paying slightly lower prices and receiving fractionally higher prices for his farm products.

In most cases failure was undoubtedly due to several of the above mentioned causes operating together, and not to any one cause. One can always say that failure may be attributed to bad management.

I would sum up the reasons for failure of the Grange co-operative ventures as follows, rating them in approximately the order given:

Poor management
 Lack of advertising
 Dissension among the members
 Attempts to carry on a credit business
 Difficulty for the farmer to pay cash at all times
 Willingness of the farmer to accept the lure of a reduction in price--lack
 of loyalty
 No accumulated reserves.
 The holding of conflicting views about stores by Grangers in different parts
 of the state.
 Distance from central stores.

COMPARISON WITH A RECENT ATTEMPT

In my own home town, a small town of about 400 people and with a rural population of about 1500, a co-operative store was formed just a few years ago; many bought stock in it, much enthusiasm was shown; a manager was hired, and the store was started. On the first inspection of prices both the farmers and the town people who had stock in it remarked, "It isn't any cheaper than the other stores." In accordance with this attitude the stockholders made their purchases at the stores that would offer the lowest prices, and in a year's time the co-op. store was sold to a private individual.

This points to me that the American public lacks the sense of loyalty to a co-operative enterprise that is shown in England and other European countries. Before co-operative stores can succeed under the competitive conditions of high pressure advertising and salesmanship, the consumers of America will have to be educated to be loyal to their organization. In England the co-operatives do a great deal to stimulate and preserve a sense of fellowship among their members. They publish monthly magazines and yearly reports to tell members what the organization is doing; they sponsor athletic carnivals and contests, amusements, and recreation to develop a feeling of unity among the members.

As previously stated the American public must be brought to realize a feeling of loyalty before large co-operatives can be successfully established. We forget our loyalty for a nickel, even for two cents sometimes. We have been instilled with the idea of profit making which was, no doubt, just as prevalent between 1870 and 1900 as it is now. Perhaps it is all based on our training as a nation in individuality.

The idea of co-operation in a store for the mutual benefit of the consumer will not, here in Western America, hold the trade of either the farmer or the working man. In order to succeed the store even though a co-operative must be conducted on a sound business principle by a man who is wide awake, alert, and honest and who has good judgment accompanied with experience in business.

DEVELOPMENT OF LAWS UNDER WHICH CO-OPERATIVE
STORES OPERATED

The first co-operative stores in Oregon were formed and incorporated by virtue of laws passed by the State Legislature in 1862 and 1864. These laws provided for the formation of private corporations, and were not specifically for co-operative enterprises, but for any company that wished to form a corporate body.

The important provisions of the law of 1862 were as follows: "Whenever three or more persons shall desire to incorporate themselves for the purpose of engaging in any lawful enterprise, business, or occupation, they may do so in the manner provided for in this act.

"Such persons shall make and subscribe written articles of incorporation in triplicate, and acknowledge the same before any officer authorized to take the acknowledgement of a deed, and file one of such articles in the office of Secretary of State, another with the Clerk of the county where the principal business is carried on, and retain the third in possession of the corporation."

These articles were required to specify the name of the corporation, duration, type of enterprise or business, place of business, amount of capital stock, and amount of each share of capital stock.

The law passed October 20, 1864 gave the corporation the power to sue and be sued, to contract and be contracted with, to have and use a corporate seal; purchase, own or dispose of real or personal property, and many other rights that are now given corporations.

It was not until 1909 that a law was passed which applied definitely to co-operative associations. A statute of that year made it legal for five or more persons to form a co-operative association for the purpose of transacting any lawful business. It also specified various provisions in regard to the organization and operation of such associations.

Amendments and additions have since been passed until at the present date we have ample laws in Oregon to govern any co-operative association we wish to organize.

Most of the cases that have come to court in which co-operative associations have been a party were in the producers field. One however may be cited which had some bearing on the consumers organizations as well. In the case of Lorntsen vs Union Fishermen's Co-operative Packing Company, the Circuit Court refused to compel the company to discontinue the use of the word co-operative, on the grounds that it was unreasonable exercise of the lawmaking function besides being as to the defendant, an avowed effort to take from it a valuable part of its assets for the benefit of other private associations. The decision of the Circuit Court was affirmed by the Supreme Court of Oregon.

CO-OPERATIVE INSURANCE 1880

This subject of co-operative insurance is again brought to your notice, with the request that you give it your serious attention. The experience of another year gives additional proof of the great success of these associations and their perfect adaptability to our wants. They are exceedingly simple in detail, and while perfectly safe, reduce the expense of insurance to its bare cost, which in New York, as shown by the reports of sixteen or twenty associations carrying risks of seven or eight million dollars, is less than one-tenth of what we pay stock companies in this state.

Committee on Co-operation

REPORT OF FIRE INSURANCE SECRETARY 1885

Having been appointed by the executive committee of the Oregon State Grange to act as temporary secretary of the association, I would respectfully submit to the State Grange the following report:

By the terms of the insurance by-laws, adopted by the State Grange at the last session it is necessary to obtain risks amounting to \$100,000 before completing the organization. At the present time the risks reported amount to \$84,820 leaving \$15,180 short of the required amount, and because of this deficiency the organization has not be completed.

Reviewing the work of the year, we can discern some of the circumstances which have tended to defeat our plans, learn the reasons why we have failed, and we trust may be able to profit in our future work by the experience which we thus gain from this insurance business.

As near as I am able to judge, our failure is mainly attributable to the following causes:

1. The delay in getting the papers into the hands of the agents.
2. The plainly apparent fact that the State Insurance Company of Salem, Oregon, was well informed as to our proceedings and made the most of its knowledge. They had agents traveling over the country, who made a point of securing risks from Grangers, nor did they scruple about lying to obtain such risks.
3. The Willamette Farmer, finding it would get no money out of our association, and that the State Insurance Co. would pay it well, has virtually sold its influence to that company, as we believe, and worked to prevent our making an organization.
4. The apathy of those for whose benefits we are seeking to make this mutual fire insurance association.

As a full report giving all the details to show that these are prob-

ably true causes of our failure, would take up too much space in the journal, I will make that part of my report verbally.

There are 40 Granges upon my mailing list, of which 26 have furnished no risks. Of these 26 there are 12 from which I have been unable to get a reply, and several others from whose agents no work was received for the last four or five months after I first wrote them. One good risk from each of these 26 Granges which have not taken hold of the business would insure our success.

F. C. Yeomans

Secty.

REPORT OF FIRE RELIEF ASSOCIATION 1886

Two years ago I introduced here a plan of fire insurance for the approval of the Oregon State Grange. A committee of three was appointed to consider the practicability of the plan and their report in its favor is found on page 34 of the Proceedings of 1884. Your Executive Committee districted the territory included in the plan; appointed temporary directors, of whom the following actively participated in the work; Bro. Thos. Paulsen, of Washington County; Bro. S. A. Dawson, of Linn County; Bro. J. Vorhees, of Marion County; Bro. H. E. Hayed, of Clackamas County; and F. C. Yeomans, of Clark County; the latter was appointed acting secretary of the board. The history of the first year's work is found recorded on pages 30 and 34 of the Proceedings of this Grange of 1885. During the summer of 1885 it appeared to the directors that sufficient risks were pledged to enable them to complete the organization, and on the 14th of August they met at Salem, Oregon and canvassed the applications for insurance which had been submitted for their action. The acceptable applications were found to amount to \$100,475 being only \$475 more than was required by the by-laws.

The board of directors which thus canvassed the applications was a new board, and they were elected by the applicants of each district. The new board was the same as the appointed one except that Bro. A. F. Miller was elected from Clackamas and Multnomah Counties, and Lane County was represented by Bro. J. D. Petrie.

The Board proceeded to form the permanent organization by electing Bro. A. F. Miller as President; S. A. Dawson as Treasurer, and F. C. Yeomans as Secretary. Of the funds of the Oregon State Grange, there was used in making the organization \$61.55, which amount I now return to your Secretary. The direct connection between the Oregon State Grange and the Lower Columbia Fire Relief Association ceased when the latter was completed; but the fact that the latter insures none but Patrons in good standing, makes a bond of union between them and makes the Association a valuable auxiliary of the grange, and should secure the most amicable relation between those bodies. In conclusion permit me to add that to this date the association has had no losses, its risks have increased to a total of about \$155,000, and each week brings new applications and cheering news of progress to the Secretary's office .

F. C. Yeomans, Secretary.

LOWER COLUMBIA RIVER FIRE RELIEF ASSOCIATION
ANNUAL REPORT DEC. 14, 1886

Applications acceptable at time of organization	\$100,435
Applications in force Dec. 15, 1886	\$182,845.40
Gain in 16 months	\$ 82,410.40

In these 16 months there has been no fire, and no assessments to make. The revenue of the Association has, therefore, been derived from premiums \$425.15. The total expenses, including \$75 for work done prior to the organization, and for the period of 15 months, amounts to \$397.25 leaving on hand Dec. 14, 1886 \$27.90.

Such good fortune has attended the work of this association that insurance has cost the members on an average less than 20 cents on the \$100 for the term of 16 months. Figuring upon the same basis, insurance in stock companies for the same time would have cost at least \$1.40 per \$100, or seven times as much.

This showing is not so favorable to our Association as the facts really warrant; but to make a very accurate and lucid showing would make too elaborate and lengthy a paper of this report.

M. Dodson

J. Voorhees

Thos. Paulsen

Committee

REPORT OF COMMITTEE ON LIFE INSURANCE

We, your committee to whom was referred the resolution favoring a life insurance company in the Grange, with the instructions to report at the next session of the State Grange, beg leave to report that we have had the same under consideration and investigation for one year, and find that it is not practicable, and therefore we report against a life insurance in the Grange. Dated May 1888.

Isaac Simpson

F. C. Yeoman

N. P. Paye

Committee.

REPORT OF COMMITTEE ON LIFE INSURANCE 1899

The committee on life insurance report that nearly the required 400 applications had been received and as soon as that number have paid in their premiums, certificates will be issued.

Election of directors is provided for on the first Tuesday in December. President, Secretary, and treasurer have been elected by the committee.

EXTRACT FROM THE MASTERS ADDRESS 1900

The Patrons Life Association of Oregon and Washington was organized Oct. 4, 1899. Brothers and Sisters, let us encourage and foster this association by enrolling ourselves with its membership and in so doing strengthen the order and comfort humanity.....

LIFE INSURANCE RESOLUTIONS FROM SURPRISE AND TURNER GRANGES 1890

Resolved, that Surprise Grange favors a life insurance or Patron's Relief Association within the Grange, as now in use by Pennsylvania State Grange, and respectfully ask the attention of the Oregon State Grange to this subject.

Resolved, that Turner Grange favors the adoption by this State of a system of mutual life insurance, similar to that now established and in practice among the Patrons in the State of Pennsylvania, and that this subject be submitted to the State Grange for its consideration.

After discussion, the report was referred to a special committee, consisting of Brothers Boins, Stump, and Sample.

RESOLUTION ON LIFE INSURANCE 1897

Whereas, last year, at the regular meeting of the Grange, a constitution and by-laws were adopted for organization and government of a life insurance association, therefore be it resolved: That the Master is hereby requested and authorized to appoint a committee of seven to start up the matter of life insurance in this State Grange, in accordance with the constitution and by-laws adopted last year by this Grange.

Resolved, this committee shall work without pay.

Resolved, this committee is authorized to call a meeting of their committee to organize as soon as 400 applications have been filed.

A. F. Miller

REPORT OF THE COMMITTEE ON STATE OF THE ORDER 1874

We believe it is our duty to mature and put into practice through our Subordinate and State Granges at the earliest possible dates the most feasible plan for accomplishing the following objects:

FIRST, the establishment of a co-operative system of trade by which producers and commission men shall deal as directly with each other as possible.

SECOND, the purchase of farming implements, machinery and sacks at the manufacturers lowest rates, making no invidious distinction in the mode of purchasing headers, mowing machines and farming implements.

THIRD, the disposal of our grain and other farm products at the highest market rates, or direct shipments on the most favorable terms, or the storage of our grain at low rates drawing upon it advances to the largest amount practicable at the lowest rates of interest receiving sack for sack in its delivery.

FOURTH, the gradual substitution of cash for credit system.

FIFTH, the establishment of Grange stores.

R. M. Gurney

A. J. Pitman

R. P. Olds

PROCEEDINGS OF STATE GRANGE 1875

The question of furnishing the State Agency with the necessary funds with which to do business for the Order in a safe and satisfactory manner, is probably one of the most critical yet the most important that we have to deal with, and one that demands our most careful consideration. The Executive Committee has suggested two plans, to which no doubt your attention will be called. In addition to those, I would present the Rochdale plan for your consideration. I respectfully call your attention to the propriety of appointing a committee of the best business minds that we possess, to whom all those plans may be submitted. They might carefully consider each, and report a well digested plan to this body for its adoption. We have frittered away two years of precious time and accomplished but little. At this meeting we should not fail to adopt a permanent and positive system of business co-operation, and push it vigorously forward until our members shall receive those benefits that are easily obtained where thorough system and co-operation prevails and to which they are entitled.

Committee on Co-operation

FROM THE REPORT OF THE STATE AGENCY 1875

... Again, one James McKay was charged with having bought a wagon and the account turned in. After numerous letters were written which failed to reach him, he happened in the office. On inquiring, we found that he never bought a wagon of the former agent. By reference to the old books we found him charged with a wagon, but in red ink on the opposite side, this entry, "Don't know whether he ever had wagon"..... Other bills and accounts were turned in of which they had no record in the Agency books.

FROM ADDRESS OF MASTER, DANIAL CLARK 1876

It is within our power to reach any legitimate point in this line; and every Patron, not only in Oregon, but in America has expected to accomplish something in this direction, but there is a considerable minority of our members that oppose any plan yet proposed, in fact some are opposed to doing any business within the order.

I find that in most of the states the Patrons are doing business on the agency plan, although it does not give entire satisfaction in every instance.

There are quite a number of local joint stock co-operative stores being started in many of the states. In our own jurisdiction there are several joint stock companies doing business under the appellation of Grangers, "P. of H.", none of which are working on the co-operative plan. In my opinion the Oregon State Grange plan is as nearly correct as any yet adopted, and is subject to any desirable change; still it meets with strong opposition, and yet it must be apparent to every thinking Patron that if our State Agent was sustained by patronage of the Order, that it would have been a complete success and would not only have given entire satisfaction but would have given to each one his full share of profits.

If then, it proves a failure, not the system but the Brotherhood is at fault and responsible for the failure.....But I am informed by our Worthy Agent, Brother S. P. Lee, that notwithstanding the untiring efforts that have been made to break it down, he is able to show a balance in favor of the Agency for the ten months that he has had it in charge of about \$400.

With this encouragement, pardon me for suggesting that you continue to strengthen and encourage the Agency.

REPORT OF STATE AGENCY 1877

I herewith submit a balance sheet taken from the books of the Agency as they stood on the first of May. The transactions of the month have not materially changed its status. The experiment of the Agency has not been as satisfactory as we could wish, nor as we had hoped. Circumstances over which we had no control have worked against the interests of the Agency in such a way as to make it a constant struggle to keep it going. I shall waste no time in fault finding, but simply call attention to some of the causes which have made it impossible to make it successful.

First, it has not had the support of the Order, and the cause of this insupport, to a very considerable extent, has been a mania for joint stock companies. At many of the principal trading points throughout the state, companies have been formed, a local agent appointed, and the business of that community was done through him. Each of these places carry away their portion of the trade, which would naturally have come to the principal agency. These, and other things which I shall not now mention, make it in my opinion necessary and politic to close the Agency at the earliest practicable moment.

Very respectfully,

S. P. Lee --- Agent.

REPORT OF FINANCIAL COMMITTEE ON THE
STATE AGENCY 1877

We, your finance committee, to whom was referred the matter relating to the State Agency, beg leave to make the following report to-wit:

Of the assets as reported, we find that there are only about \$12,108 considered as of any value, a portion of which, say about \$2,269 in machines will revert to the company which consigned them to the Agency for sale, leaving \$9,839 of merchandise and accounts to realize money to pay liabilities amounting to \$14,402; deducting 1.5% for collection and commissions, etc., will leave \$9,691.42 for that purpose. According to this estimate there will be a deficit of \$4,933.82, for which amount this Grange is morally bound.

As to recommendations imposed on your committee to devise the way in which this business can be closed to the best advantage, we beg leave to state that in the limited time given to us for consideration on this most important question, we freely acknowledge that we have not the business acumen to see clearly the best means of accomplishing this object. We might hit upon a plan by accident even at this distance. It is the opinion of the committee that those most conversant with business transactions connected with the Agency should take the matter in hand and close it as in their judgment will be most likely to rebound to the benefits of this Grange. Perhaps the notes and accounts of the brethren living in the different portions of this jurisdiction could be sent to the Masters of the different Granges with a request to present them to such debtors appealing to them

in behalf of the creditors of the State Grange to pay such indebtedness so that the agency may be closed. If the creditors do not respond, the accounts would be placed in the hands of an officer of the law for collection.

We, your committee, would further recommend that the proceeds arising from the sale of the property belonging to the Agency be applied to the liquidation of its debts other than those arising from the loans by the State Grange.

And we further recommend that all funds coming to the State Grange Treasury be pledged to the payment of the certificates of deposit held by our members after all the current expenses of the State Grange shall have been paid.

In conclusion, your committee would say that from the trial balance submitted them, they find that if all the outstanding debts due the Agency were paid and the merchandise sold at its estimated value there would still be a deficit of \$983.46. Your committee have not sufficient experience in merchantile business to be able with the means and time before them to say why this deficit occurs.

N. W. Randall

John Whitteaker

J. B. Looney

RESOLUTION ON CERTIFICATES OF DEPOSIT 1883

Resolution by Brother B. F. Burch as follows; read and on motion adopted: Whereas, the State Grange of 1875 authorized the borrowing of a certain amount of money upon certificates are yet unpaid, therefore, resolved, that the Executive Committee be and is hereby authorized and instructed to ascertain as soon as practical the amount still due on said certificates of deposit, and if the amount does not exceed three hundred dollars, then they are authorized to draw upon the Treasurer for that amount. But if the amount exceeds three hundred dollars, the whole amount be referred to the State Grange for their action.

REPORT OF FINANCE COMMITTEE 1879

W. M.--Your finance committee, to whom was referred the report of the committee on the business of the State Grange Agency, beg leave to submit the following report: That we have carefully examined statements taken from the books of the Agency by Brothers Randall, Warner, and Lent, that show the total liabilities of the agency exclusive of loans to the Agency fund to be \$7761.47; and according to the best evidence before us, the assets are estimated at \$2059.91 instead of \$4294.72 reported as outstanding on the books of the Agency, of which only \$423.91 of bills receivable are at all likely to be collected, leaving a deficit of \$5701.56 the balance con-

sisting of machinery, implements, etc., which we suggest the committee on Agency business be instructed to return to the various manufacturers in payment of their claims such machinery or implements as may be on hand and dispose of other property as soon as possible, and divide the proceeds pro rata among the creditors of the Agency. Your committee believes from the evidence presented to us that many of the items charged upon the books against the Agency are really not owing to the parties, it appearing that the books of the Agency are totally unreliable, having been kept without regard to accuracy.

Your committee asked to be relieved from the further consideration of the subject.

D. S. D. Buick.

REPORT OF COMMITTEE ON AGENCY FUND 1880

Your committee on finance beg leave to report as follows upon the report of the committee on settling up the business of the State Agency:

We find the vouchers, figures and papers of the committee submitted to us to be correct, and that the actual indebtedness of the Grange, outside of the Agency Loan fund, to be about \$500; that the Agency Loan Fund has been reduced by cancellation of certificates to the amount of \$125.

We recommend that the committee be continued until the business be completely settled, and that if possible, funds be raised to liquidate the outstanding \$500.

REPORT OF STATE AGENT COMMITTEE 1888

We, your committee appointed to consider the feasibility of establishing an agency in Portland and to report to this Grange; also if deemed best, to take steps to establish the same; would submit the following report:

We believe an agency is wanted by most of the Granges in the jurisdiction, and we believe it advisable to place an agent in Portland to purchase and sell for the Patrons.

We would recommend that your committee be instructed to proceed to ascertain whether suitable arrangements can be made, and submit their work to the Subordinate Granges. When, if it meet the approval of a fair portion of the Granges the committee shall complete the arrangements and notify the Granges of the same.

We recommend that the Executive Committee be allowed to pay the actual expenses of this committee in a sum not to exceed \$25.

McMin Dodson
W. A. Sample
A. R. Shipley

J. Vorhees
F. C. Yeoman

RESOLUTION 1876

Resolution by Brother R. P. Steem, that our Business Agent shall make out a descriptive catalog and price list of sewing machines, organs, plows and wagons for which he is agent, together with Portland cash price for Schuttler, Bain and Whitewater wagons; also of the Deer and Gardner City Sulky and Gang plows, Buckeye grain drills, Broad Cast Seeders, etc., also prices of other staple goods and merchandise, and forward a copy of the same to the Secretary of each Subordinate Grange in this jurisdiction as soon possible.

REPORT OF THE COMMITTEE ON CO-OPERATION 1877

Your committee to whom was referred a portion of the Masters address relative to co-operation, beg leave to report that we find the State Grange Company, or State Agency, and also the N.W.S.S. & C.Co. have failed to give satisfaction, or enlist the general sympathy and support of the Order; and believing that the Grange Co-operative Association of the Northwest to be the best plan proposed, and the only one we can recommend, whereby we can carry on the business arm of our Order on a satisfactory and skillful basis; therefore we would recommend the N.W.S.S. & C.Co., and the State Grange Company or Agency, close up their business in a legal manner at the earliest practicable moment.

We further recommend that another vigorous effort be made to have the necessary amount of stock taken in the Grange Co-operative Association of the Northwest to insure its organization.

We would recommend further, that should the Grange Co-operative Association of the Northwest fail to be organized, we should go back to the first principles and commence anew to build up and establish co-operative associations in the Subordinate and Pomona Granges.

All of which is respectfully submitted,

Jno. Creighton

Chairman.

REPORT OF THE COMMITTEE APPOINTED TO INCORPORATE THE
GRANGE CO-OPERATIVE ASSOCIATION OF THE NORTHWEST

We, the committee appointed at the last meeting of the State Grange with instructions to file articles of incorporation of the Grange Co-operative Association of the Northwest, beg leave to report, that we met in the city of Portland on the 1st day of November 1876, and proceeded to carry out the instructions of the State Grange; filed articles of incorporation, opened stock books and solicited subscriptions to the same, but up to the present time only 2939 shares have been subscribed and reported, with a few stock books still in the hands of solicitors which will probably swell the

amount to 3500 shares. The statutes of Oregon require that one-half the capital stock must be subscribed before the organization can be completed; 1500 shares are still required to enable us to complete the organization.

P. F. Castleman

President

MASTERS ADDRESS MADE BY WM. CYRUS 1877

The last State Grange foreshadowed by resolution a plan for a co-operative Association in business, to be called THE GRANGE CO-OPERATIVE ASSOCIATION FOR THE NORTHWEST, which it was hoped and supposed would harmonize all former conflicting interests and dissensions in regard to both the State Agency system and also of the N.W. S.S. & C. Co., and therefore concentrate the business of the Order, so far as the State Agency was considered, in one harmonious channel. The committee appointed to carry into operation the proposed plan, performed the duty assigned them so far as they were able. They made and filed articles of incorporation, as the statute of this state in which cases direct; effected a happy and fraternal adjustment of long and unhappy differences then existing between the State Agency and the N.W. S.S. & C. Co., by which the latter company delivered to us, to be sold upon commission, their entire stock of goods. They stepped down and out of the way, and at the same time offered their united support to the furtherance of the new plan.

The committee then opened stock books buoyant with hope of a speedy accomplishment of the object sought. But we had hardly started in the work when we found opposition in our own ranks busily engaged to defeat the plan proposed by the committee, claiming that it was not in accordance with the resolution of the State Grange authorizing its inauguration. The incorporation committee will, I presume, report to this body the state and condition of their work which will inform you that the association is incomplete and if in your judgment it cannot be completed, you will then be left to devise a more feasible plan or conclude to do no business at all, when we will be back again to the middleman and the mercy of the Jew, unless you find that the State Agency is a success, which I from my stand-point cannot even hope for.

REPORT OF WORTHY LECTURER, WM. HOLDER 1891

During the past year our financial enterprises have continued to grow with our order. In Umatilla County their co-operative store which was in existence one year ago is in a prosperous condition. In Gilliam and Morrow Counties they have adopted the trade card system, which has greatly benefited the members there, and is giving universal satisfaction to both Patrons and dealers.

In Sherman County they have formed a co-operative warehouse association and propose to store their own grain, thereby doing away with the combination of middlemen that was formed last year and defrauded them out of from five to seven cents on each bushel of wheat that was sold in that county.

Wasco and Sherman Counties in this State, and Klickitat County in Washington have formed a co-operative association to run a Grange store which is now in full blast in the city of The Dalles and is doing a good business. This enterprise started out with a vast amount of enthusiasm among our members, and with the scorns and jeers from our enemies. No notice was taken of their opposition, and today no enterprise that the Grange in this State ever undertook stands in a better position than this one does for the short time that it has been running. Since the first two weeks of its existence it has been a paying investment. Our members in the three counties spoken of, seem determined to maintain it, knowing full well that our wealth depends upon the success of our store. It is run on the true Rochdale principle of co-operation.

REPORT OF W. A. SAMPLE, DEPUTY FOR UMATILLA COUNTY, 1890

As Deputy Master for Umatilla county, I submit my annual report, giving a detailed statement of the working of our noble Order in that portion of our jurisdiction.

There are eight live and working granges in the county in addition to a Pomona Grange with a large membership. The advantages of buying and selling together has had a good effect on our membership, in fact, so beneficial to our Order that we have formed a company, and have the same duly incorporated under the laws of Oregon. Our firm is known as the Farmers Co-operative Association with the object of buying and selling of farm produce, machinery, etc. Last spring our Pomona Grange ordered two carloads of implements, consisting of plows, harrows, wagons, hacks, etc. The implements gave good satisfaction; they were bought from Mr. Josiah Jordon, the gentleman who met with the State Grange last year. The firm has the exclusive sales right for Umatilla county on the line of implements. The Portland implement firms have been sending men to our county offering very favorable terms on their lines of goods.....

REPORT OF J. CASTO, CLACKAMAS COUNTY 1892

.....I wish to speak of co-operation in the purchase of goods. The Patrons in Butte Creek Grange own and control a general merchandise store, and have for a number of years. It has proved a success and is the leading business house in that part of the county. During the last year Harding Grange has opened a stock of goods on Grange days and sell goods at cost and a very small profit to keep the stock good. This has proven quite an advantage to the members and is correspondingly popular. Our county has enjoyed a very successful Farmers' Institute held in the Molalla Grange hall...

WORSHIPFUL MASTER, R. P. BOISE'S ADDRESS 1884

Our past success affords us much encouragement and promise for the future. Our business co-operation in this jurisdiction has progressed favorably during the past year; old co-operative associations have generally increased their business and some new ones are being established. Besides the large and profitable business transacted by the Linn County Council, there is a Grange store well established and doing a good business in Josephine County, also one at McMinnville, and one at Powell's Valley and others.....

We may also co-operate to a great advantage in the matter of fire insurance. The heavy expense which attend the operation of the ordinary fire insurance companies which now do business in this state can be avoided by us....The saving in expense will be very great, for I am credibly informed that the expense attending the management of ordinary fire insurance companies equal about one half of the amount of money paid on premiums for insurance. I call special attention to this important subject.

REPORT OF EXECUTIVE COMMITTEE 1898

We, your executive Committee beg leave to submit the following report:

Pursuant to resolutions adopted at the last session of the State Grange, authorizing the Executive committee to make arrangements for trade, an agreement was made with the Pacific Coast Home Supply Association of Portland, as set forth in the following circular.

PACIFIC COAST HOME SUPPLY ASSOCIATION

Portland, Ore., Oct. 5, 1897

To the members of the Executive Board,
Oregon State Grange,

Gentlemen:

In accordance with your request for a proposition from our Association, whereby the members of various sub-granges throughout the State of Oregon might be enabled to procure the advantages of regular wholesale prices through the regular plan of co-operation which we have established between our members throughout the Northwest and the wholesale house in this city, we beg to submit to your consideration the following proposition:

We will enroll the individual members of any sub-grange in Oregon as members of our association upon receipt of an annual fee of 30 cents provided a club of not less than five is procured from each Grange desiring to avail themselves of Association prices.

We will furnish each member with a copy of our new illustrated catalogue, which is the most complete price list issued on the Pacific coast,

as well as the best guide to wholesale prices that can be had. Hoping this proposition will meet with your favorable consideration, and that it will lead to business relations which shall be the means of furthering the interests of your organization throughout the State, we remain,

Very truly yours,

Pacific Coast Home Supply Association.

We the Executive Committee of Oregon State Grange would recommend the foregoing proposition as the most practical plan of co-operative buying and selling that has been presented to us. Each Grange which adopts this proposition will understand that all business must be for cash and done through the Secretary of the subordinate Grange, or by trade cards with the seal of the Grange and signature of the Secretary. Members visiting Portland can make their own selection of goods desired.....

W. M. Helleary

O. P. Lent

Executive Committee

OREGON STATE GRANGE

Articles of Incorporation filed Nov. 7, 1874

This instrument, executed in triplicate witnesseth that Daniel Clark, E. Forbes, H. N. Hill, and M. Fiske do hereby associate themselves together and make these articles of incorporation under and pursuance to the general laws of Oregon relating to the formation of private corporations.

First--The said Daniel Clark, E. Forbes, H. N. Hill, and M. Fiske their associates successors and assign do hereby form an incorporation, and adopt as the name assumed' by said incorporation, and by which it shall be known, THE OREGON STATE GRANGE OF THE PATRONS OF HUSBANDRY.

Second--The duration of this incorporation shall be perpetual.

Third--The business enterprise and occupation in which this said corporation is to engage in the acquiring by gift donation, purchase, or otherwise, of real estate and personal property, and the holding, using, selling, disposing of and conveying the same; the chartering of ships; the shipping of wheat and other grain and produce, and goods, wares, and merchandise generally, and the carrying of a general merchandising business; the borrowing and loaning of money of mortgages and personal security and carrying on of a general banking business; and disposing of stock in other corporations whether home or foreign.

Fourth--The principal office and place of business of this corporation shall be in the city of Portland, Oregon.

Fifth--The amount of capital stock of this corporation shall be \$50,000. United States gold coin, divided into shares of \$100.00 like gold coin, with the power to increase.

In witness whereof we have set our hands and seals in triplicate this seventh day of November, 1874.

Daniel Clark

E. Forbes

H. N. Hill

M. Fiske

THE FARMERS MERCANTILE ASSOCIATION OF FAIRFIELD

Article 1.--The name of this corporation and by which it shall be known is the Farmers Mercantile Association.

Article 2.--The enterprise and business in which this corporation proposes to engage is a general receiving, forwarding and mercantile business.

Article 3.--This corporation proposes to have its principal office or place of business in Marion county at the town of Fairfield in the state of Oregon.

Article 4.--The amount of capital stock of this corporation is eight thousand dollars (\$8000).

Article 5.--The amount of each share of the capital stock of this corporation is one hundred dollars (\$100), and the whole number of shares is eighty.

Article 6.--No share holder of this corporation shall be the owner at one time of more than five shares of the capital stock of this association.

Filed with the County
Clerk March 14, 1870

J. J. Buckerley

A. C. Keen

J. J. Blevens

AGRICULTURAL WAREHOUSE COMPANY

Article 1. The name assumed by this corporation and by which it shall be known is the Agricultural Warehouse Company.

Article 2. The duration of this corporation shall be unlimited.

Article 3. The enterprise, pursuit, business and occupation in which this corporation proposes to engage is to construct and operate a warehouse at or near Eugene City, Lane County, Oregon, for the purpose of receiving, storing, and forwarding grain and all kinds of produce, and doing general warehouse forwarding and commission business; to take, receive and hold real estate of any description necessary to conduct and carry on said business and to employ men to carry on the same. To sell lease or dispose of in any manner authorized by a majority of the shareholders the said property or any portion thereof. To take, receive hold and by law collect all donations and subscriptions. The maximum price for storage in the said warehouse shall be five cents per bushel. The holders of stock in this company shall be entitled to store in the warehouse a maximum of 1000 bushels of grain for each and every share of stock owned by them.

Article 4. The principle office for the transaction of business of this corporation shall be at said agricultural warehouse.

Article 5. The amount of the capital stock of the corporation shall be and is hereby fixed at \$600,000.

Article 6. The amount of each share of stock is hereby fixed at \$20.

In witness whereof we have set our hands and seals this 10th day of July, 1874.

John Simpson

George Belshaw

St. John Skinner

James F. Amis

ABAQNA GRANGE CO-OPERATIVE COMPANY

Know all men by these presents, that we W. Dunagan, Ezra Henson and W. R. Coss of Marion County in the State of Oregon, having associated ourselves together under and by virtue of the laws of the State of Oregon for the purpose of forming and do hereby form and organize a corporation for the purposes and with the name, capital stock and location herein named.

Article 1.--This corporation shall be known as the Abaqna Grange Co-operative Company.

Article 2.--The enterprise and business in which this corporation proposes to engage is to purchase, possess and dispose of such real and personal property as may be necessary and convenient and to borrow and loan money for the purposes of carrying into effect the object of this corporation.

Article 3.--The principal place of business of this corporation is located in Abaqna precinct in the County of Marion and the State of Oregon.

Article 4.--The capital stock of this corporation shall be two thousand dollars with the power to increase.

In witness whereof we have hereunto set our hands and seals this 7th day of November 1876.

W. Dunagan

Ezra Henson

W. R. Coss

LANE COUNTY FARMER'S MERCANTILE ASSOCIATION

Know all men by these presents that we the undersigned incorporators, John Kelley, John Singer, William Russel, Roscoe Knox, J. W. McClung, and Matthew Wallis of the Lane County, State of Oregon, do by these presents associate ourselves together as a corporation and body politic under and by virtue of the General incorporation laws of the State of Oregon, approved Oct. 14, 1862, and amendments thereto and for such purpose we do jointly and severally hereby agree to and with each other to the following articles of incorporation.

Article 1. The name assumed by this corporation and by which it shall be known is THE LANE COUNTY FARMER'S MERCANTILE ASSOCIATION.

Article 2. The duration of this corporation shall be unlimited.

Article 3. The enterprise, business pursuit and occupation in which this corporation proposes to engage is to carry on a general mercantile business, buying and selling general merchandise and produce; receiving, storing and forwarding grain and all kinds of produce and general mercantile forwarding and commission business. Locate and receive and hold real estate of every description necessary to conduct and carry on said business, and to employ men to carry on the same. To sell, lease or dispose of in any manner authorized by a majority of the shareholders, the property of said association or any portion thereof, and to take, receive, hold and by law collect any donations and subscriptions.

Article 4. The principal office for the transaction of business of this corporation shall be Eugene, Lane County, Oregon.

Article 5. The amount of capital stock of this corporation shall be and is hereby fixed at \$20,000.

Article 6. The amount of each share of stock shall be and is hereby fixed at \$20.

Witness our hands and seals this 9th day of Feb. 1876.

Roscoe Knox

John Singer

Matthew Wallis

William Russel

John Kelley

J. W. McClung

GRANGE CO-OPERATIVE ASSOCIATION OF THE NORTHWEST

This instrument executed in triplicate witnesseth that we William Cyrus, A. Holder, Ira S. Townsend, P. F. Castleman and A. R. Shipley do hereby associate ourselves together as a body corporate and make these articles of incorporation under the laws of the State of Oregon relating to the formations of private corporations.

Article 1. This corporation shall be known and designated as the Grange Co-operative Association of the North West and its duration shall be perpetual.

Article 2. The enterprise, business pursuit or occupation in which this corporation proposes to engage is to establish and maintain a general trade and commission business in merchandise, farm products and machinery for the mutual benefit of the stockholders and customers and shall have power to purchase, hold and convey real estate to loan and borrow money and charter vessels.

Article 3. The principal place of business of this corporation shall be in the city of Portland, State of Oregon.

Article 4. The amount of each share of the capital stock shall be five dollars.

Article 5. The amount of capital stock of this corporation shall be \$50,000.

Article 6. The net profits of all business carried on by said association after paying expenses of management, making the proper deduction in value for the fixed stock and paying an annual dividend of ten per cent on the paid-in capital thereof shall be divided among the customers of the association who are members of the Patrons of Husbandry, in proportion to the amount of their purchases provided that such profits may be paid in stock of corporation.

Witness our hands and seals this 31st day of October, 1876.

William Cyrus

A. Holder

Ira S. Townsend

P. F. Castleman.

McMINNVILLE GRANGE CO-OPERATIVE COMPANY

Know all men by these presents that we, B. J. Fuller, A. K. Olds, and A. J. Nelson as incorporators and for the purposes hereinafter set forth do hereby make and subscribe the following articles of incorporation.

Article 1. The name assumed by this corporation and by which it shall be known is the McMinnville Grange Co-operative Company and its duration shall not be limited.

Article 2. This corporation proposes to engage in the business of buying and selling and exchanging all kinds of goods wares and merchandise.

Article 3. The principal office and place of business of this corporation shall be in the town of McMinnville, in Yamhill County, State of Oregon.

Article 4. The amount of the capital stock of this corporation shall be two thousand dollars.

Article 5. The amount of each share of the capital stock of this corporation shall be ten dollars.

In testimony whereof we have hereunto set our hands and seals in triplicate at McMinnville in the Yamhill County, State of Oregon this 11th day of March 1882.

B. F. Fuller

A. K. Olds

A. J. Nelson

McMinnville, April 14, 1883

The stockholders in the McMinnville Grange Co-operative Company met in the Grange hall in McMinnville, Yamhill County, Oregon, as above dated Alec. Reid in the chair; H. A. Lougherry, Secretary. A majority of the stockholders being present, the house was called to order, the chairman stating the object of the meeting being that of increasing the capital stock, and to transact such other business as may properly come before the meeting. The minutes of the last quarterly meeting were read and approved, said meeting being held Jan. 13, 1883. On motion of A. J. Nelson that the capital stock of the company be increased from two thousand to four thousand dollars, vote was taken and passed unanimously. The resignation of H. A. Lougherry as Secretary was tendered and on motion was accepted and on motion that the directors appoint a secretary to act until the next quarterly meeting. B. F. Fuller was then appointed to take charge of the books and papers also to act as secretary.

Meeting adjourned.

McMINNVILLE GRANGE AND FARMER'S COMPANY

Know all men by these presents that we John R. Booth, Arthur Andrews, Samuel Cozine, and A. J. Nelson as incorporators and for the purposes hereinafter set forth, do hereby make and subscribe the following articles of incorporation as follows:

Article 1. The name assumed by this corporation and by which it shall be known is the McMinnville Grange and Farmer's Company and its duration shall not be limited.

Article 2. This corporation proposes to engage in the business of buying and selling and exchanging all kinds of goods wares and merchandise.

Article 3. The principal office and place of business of this corporation shall be in the town of McMinnville in Yamhill County, State of Oregon.

Article 4. The amount of capital stock of this corporation shall be \$4000.

Article 5. The amount of each share of the capital stock of this corporation shall be \$20.

In testimony whereof we have hereunto set our hands and seals in triplicate at McMinnville in Yamhill County, State of Oregon, this 7th day of October 1884.

J. R. Booth

Arthur Andrews

Samuel Cozine

A. J. Nelson

SUPPLEMENTAL ARTICLES OF INCORPORATION
OF McMINNVILLE GRANGE AND FARMER'S COMPANY

Know all men by these presents; that we J. R. Booth, M. Richardson and R. Nelson, the duly elected, qualified and acting directors of the McMinnville Grange and Farmer's Company, a corporation duly organized under and by virtue of the laws of the State of Oregon, and having its principal office and place of business at McMinnville, in the County of Yamhill, State of Oregon, do hereby by virtue of authority in us vested by vote of more than three fourths of all the stock of said company, had at a meeting of the stockholders of said company held pursuant to a due and legal notice thereof, at McMinnville, Oregon, on the 12th day of January, 1901, make, execute and acknowledge the following supplemental articles of incorporation, increasing the capital stock of the said company to wit:

That article 4 of the original articles of incorporation of said

McMinnville Grange and Farmer's Company which were executed on the 7th day of October 1884, and which said article 4 of said original articles of incorporation was amended on the 26th day of May, 1890, and which said original articles of incorporation, and said supplemental articles of incorporation are duly filed and recorded at the office of the County Clerk of said Yamhill County, State of Oregon, be the same and are hereby amended to that same shall read as follows, to wit:

Article 4. The amount of the capital stock of this corporation shall be fifteen thousand dollars. (\$15,000)

In testimony whereof we have hereunto set our hands and seals to these supplemental articles of incorporation in triplicate at McMinnville, in the County and State aforesaid, this 14th day of January, 1901.

J. R. Booth

M. Richardson

R. Nelson

HILLSBORO CO-OPERATIVE COMPANY

Article 1. The name of this corporation shall be known as the Hillsboro Co-operative Company.

Article 2. The business of this corporation shall be to purchase sell, lease and rent real estate, and to erect, build or lease, or to sell rent and lease buildings, store houses, warehouses, mills or machinery. To buy and sell all kinds of goods wares and merchandise, and to do a general business of manufacturing, and to co-operate in buying and selling all kinds of farm products.

Article 3. The principal place of business of this corporation shall be at Hillsboro, Washington County, State of Oregon.

Article 4. The capital stock of this corporation shall be two thousand dollars.

Article 5. The amount of each share of the capital stock of this corporation shall be twenty dollars.

In testimony whereof we the undersigned incorporators have hereunto set our hands and seals in triplicate this 13th day of March, 1886.

James H. Sewell

John W. Shute

Benjamin Scholfield

TILLAMOOK AGRICULTURAL ASSOCIATION

We the undersigned do hereby adopt the following articles of incorporation--

First. The name of the corporation shall be the Tillamook Agricultural Association.

Second. Its duration shall be perpetual.

Third. Its principal place of business shall be at Lincoln in Tillamook County, Oregon.

Fourth. Its Capital Stock shall be \$500.

Fifth. The number of shares shall be fifty of the value of ten dollars each.

Sixth. The officers of the Corporation shall be a president, a secretary, and two directors.

Seventh. The object of the corporation shall be to buy and sell butter, cheese, live stock, merchandise and agricultural implements; to conduct county fairs; to own and conduct a co-operative store, and do a general commission business, and to buy, own, and control such property, real and personal, as may be necessary to accomplish the purposes of the corporation.

Eighth. It is further provided that no more than one share of stock in this corporation shall be owned by any one person or be members of the same household.

Executed this 12th day of July 1886.

Claude Thayer

L. C. Washburn

H. F. Holden

UMATILLA COUNTY FARMER'S CO-OPERATIVE COMPANY

Know all men by these presents that we, Clark Walters, George Gibson, and W. O. Warren all of Umatilla County, Oregon, do hereby associate ourselves together and incorporate ourselves as a corporation under and by virtue of the laws of the state of Oregon, and adopt the following articles of incorporation.

Article 1. The name of the corporation and by which it shall be known shall be the Umatilla County Farmer's Co-operative Company.

Article 2. The enterprise, business and occupation in which this corporation proposes to engage shall be the buying and selling of agricultural

machinery, and selling the products of the farm; and buying and selling general merchandise, etc.

Article 3. The principal office of this corporation shall be at the town of Helix in Umatilla County, State of Oregon.

Article 4. The amount of capital stock of this corporation shall be three thousand dollars (\$3000) divided into one hundred and twenty shares of twenty-five dollars each.

Article 5. The amount of each share of such capital stock shall be twenty-five dollars.

Article 6. The control and management of this corporation shall be vested in not less than three directors, but after the adoption of the by-laws by the stockholders of the corporation such by-laws shall prescribe the number of directors thereof.

In witness whereof we have hereunto set our hands and seals in triplicate this 7th day of May A. D. 1890.

Clark Walter

George Gibson

W. O. Warren

THE EASTERN OREGON CO-OPERATIVE ASSOCIATION
OF THE PATRONS OF HUSBANDRY

Whereas heretofore A. S. Roberts, B. J. Meddler, D. L. Butler, M. W. Freeman, Hugh M. Baxter, L. Canfield, John Meddler, and William Holder associated themselves together and formed a corporation under and by virtue of the laws of the State of Oregon, named and called The Eastern Oregon Co-operative Association of the Patrons of Husbandry, (Limited), duration fifty years, for the purposes of establishing and maintaining a general merchandise and commission business, and wholesale business, and wholesale and retail co-operative store or stores, and the buying and selling real estate or other property that might be necessary to promote the objects of its creation; and the transaction of any and all kinds of business incident or appertaining thereto for the mutual benefit and profit of its stockholders. With the principal place of business at The Dalles, Oregon, and the amount of its capital stock fixed at \$4000 divided into 400 shares of the par value of \$10 each, articles of incorporation which were executed on the 9th day of September 1890 were filed.

Whereas after the execution and filing of said articles said corporation organized and elected a board of directors, president, and secretary, adopted by-laws and engaged in the transaction of the business for which it was organized, and is now so engaged, and

Whereas it has been found that the amount of capital stock of the

corporation named in the articles of incorporation is inadequate for the successful operation of its business, and

Whereas at a meeting of the stockholders of said corporation held in The Dalles, Oregon, on the 24th day of June, 1891, which was called for the purpose of increasing the capital stock thereof and the number of its shares by a majority vote of all of the stock of said corporation. The stock thereof was increased from \$4000 to \$20,000 and the number of stock from 400 to 2000 shares, and the directors of said corporation whereby like vote directed to file supplemental articles of incorporation.

Now therefore, in consideration of the business and for the purpose of increasing the capital stock and shares of said corporation and to enable it the better to carry on the said business of general merchandising and handling of farm implements and all the supplies of the farm, and the business in which it is engaged or may hereinafter engage, we S. R. Husbands, A. S. Roberts, Wm. Holder, Frank Pike, directors of said corporation do make and execute the following articles of incorporation supplemental to wit:

Article 1. The name of this corporation shall be The Eastern Oregon Co-operative Association of Patrons of Husbandry (Limited), and its duration shall be fifty years from and after the 9th day of September 1890.

Article 2. The purpose for which this corporation is formed and the business in which it proposes to engage is the establishing and maintaining a general merchandise and commission business and wholesale and retail co-operative store or stores of buying and selling real estate and other property as may be necessary to promote the object of its business; and of transacting any and all kinds of business incident or appertaining thereto, for the mutual profit and benefit of its stock holders who are members of the Patrons of Husbandry.

Article 3. The principal office and place of business of this corporation shall be The Dalles, Oregon.

Article 4. The amount of the capital stock of this corporation shall be \$20,000 divided into two thousand shares of the par value of \$10 each, and no person shall ever become the owner of more than twenty shares.

In witness whereof we have hereunto set our hands and seals on this the 26th day of June 1891.

S. R. Husbands

A. S. Roberts

Wm. Holder

Frank Pike.

LIBERAL CO-OPERATIVE ASSOCIATION

Katie Willett, Rueben Wright, and Levi Stehman, all residents and citizens of Clackamas County, Oregon do make and subscribe these articles of incorporation under the general laws of the State of Oregon for the purposes indicated herein to wit:

The name assumed by this said corporation and by which it shall be known is The Liberal Co-operative Association and the duration thereof shall be unlimited.

The business pursuit and occupation in which such corporation proposes to engage is the carrying on a general merchandise store on the co-operative plan.

The principle place of such business and the location of its store shall be at Liberal Post Office or near there in Clackamas County, Oregon.

The capital stock of such corporation shall be three thousand dollars.

In witness whereof we do hereto set our hands and affix our seals this 4th day of June, 1895.

Katie Willett

Rueben Wright

Levi Stehman

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