



# THE KANSAS UNION FARMER

Organization

Education

Co-operation



VOLUME XXIV

SALINA, KANSAS, THURSDAY, SEPTEMBER 3, 1931

NUMBER 2

## THE FEDERAL RESERVE BOARD HAS DEFLATED AGRICULTURE

### HARD-HIT KANSAS FARMER BRINGS UNEXPECTED DRAMA TO RATE QUIZ

Land Owner Has Biggest Wheat Crop and Worst Failure This Year; Testimony Scores in I. C. C. Hearing

Unexpected drama was injected into the freight rate hearing today in the Kansas City Athletic club when a discouraged Kansas farmer, once a wealthy wheat grower, told Commissioners Joseph Eastman and Claude R. Porter of the interstate commerce commission his personal story of a losing fight against overwhelming economic odds.

Harry Hartshorn, Syracuse, Kas., owner of two sections of western Kansas wheat land, was the witness. He was placed on the stand to give the commissioners first hand information why the farmers could not stand the added burden of a 15 per cent increase in freight rates requested by the railroads.

Mr. Hartshorn and his six grown sons raised nearly 4,000 acres of wheat this season. They harvested a bountiful crop of 60,000 bushels, but, the producer testified, they did not make enough on that record crop to pay the interest on farm loans.

"In all my years of farming," Mr. Hartshorn said, "I raised my biggest crop and had my worst failure this year."

Commissioner Porter interrupted the farmer several times to question him for more details. In one question he asked Mr. Hartshorn what he thought of the proposal of reducing wheat acreage.

Oppose Acreage Cut  
"The farmers do not favor acreage reduction for fear it would endanger the nation's food supply," Mr. Hartshorn answered. "Under present conditions acreage reduction is unnecessary, for I doubt if the wheat harvest next year will average 50 per cent of this year's yield."

"Most of the farmers I know do not have money enough to cultivate their land for another crop. They may be able to buy just enough oil and gasoline for their tractors to plow and plant, but after that they will be unable to work their land. The crop will grow as best it can. The result naturally will be a reduced yield."

Borrowers to Expand  
In relating the story of his own fortune, Mr. Hartshorn said he was out of debt and prosperous in 1917 and then he was persuaded to borrow money from the federal land bank and expand and increase production. The mortgages have been on his land ever since, he said, and this year he will be unable to pay even the interest on the loan.

Answering questions of Commissioner Porter, Mr. Hartshorn said he did not believe 20 per cent of the farmers who purchased combines to harvest this year's wheat crop would be able to pay for the machines.

While the farmers are required to pay cash for the freight of machinery they purchase, the implement companies usually give them three years in which to pay. In cases where the farmers are unable to pay for their machinery, he said, the companies are cooperating by leaving the equipment on the farms in the hope the producers will be able to make something next year.

"But the farmer is not the only one who is hard hit by the depression," Mr. Hartshorn said. "Farm laborers are in worse shape than the land owners. A farmer now can hire all the hands he needs for \$1 a day. Last year the usual wage for farm work was \$2.50 a day."—Journal Post.

Homer Terpening, Wakeeney, Kan., farmer testified at an interstate commerce commission hearing upon the proposed 15 per cent railroad freight

rate increase today that because of "hard times," not one member of the Trego county high school graduating class of 1931 will attend college. Terpening said the high school was attended by many pupils from the farms and ordinarily sends a large percentage of its graduating class to college.

He Lost \$4,000.  
He said the 28,000 bushels of wheat raised this year on his farm were worth about \$7,000 and cost him \$11,000 to raise.

Terpening was one of several witnesses on the second day of the hearing to testify in general that conditions in the grain producing states are bad enough without the proposed increase.

(continued on page 4)

### FARMERS CHIEF WARNS AGAINST ACT TAMPERING

Cheek Urges Congress to Consult Organized Farmers About Marketing Law.

August 25.—The only co-operative laws which have proven successful are those which were sponsored by organized farmers, Tom W. Cheek, president of the Oklahoma Farmers' Union declared today.

"Organized farmers are the only persons having had the necessary experience in co-operative marketing to know the laws which will meet the needs of co-operative marketing," Cheek said.

"It is for this reason that I feel the organized farmers of America such as the cotton and wheat growers, dairy interests and all farm organizations should be permitted to draw the amendments to the federal marketing act if any are considered necessary."

"These amendments certainly should not be drawn by persons out of sympathy with the act, as is now seriously proposed in some quarters."

"Some of those attempting to say how the act should be amended are absolutely opposed to the act or the theory of cooperative marketing."

"Legislation necessary to safeguard co-operative marketing can be drawn much better by organized farmers experienced in the movement, than by those whose business is adversely affected by co-operative marketing."

"I say this after having been connected with the co-operative movement since 1904. In that time I have seen many states adopt cooperative laws and the successful ones put through by experienced, organized farmers."

"Therefore, I think congress should consult with organized farmers before tampering with the co-operative features of the present marketing act."—Oklahoma Cotton Grower.

### FARMERS UNION RADIO HOUR

Friday evening, September 4 is the regular time for the Farmers Union Jobbing Association to broadcast over WIBW, the Canver Publications broadcasting station at Topeka. This week President Cal. Ward will occupy the time from 8:00 until 8:30 p. m. Tune your radio to that station at that time. President Ward will speak on important issues of the day.

### THE FIRST FARMER

The farmer who plowed up the turf  
In the earliest times that are known  
Was only a chattel a serf,  
A slave to the king on a throne.

The serf of the Caesars and czars,  
A butt for their joking and laughter,  
A lout in the lull between wars,  
And a victim of wars that came after.

He was sport for the ladies at court,  
Those concubines, pouting and sweet;  
Who said: "Let the peasants eat cake!"  
When the tax-eaters took all the wheat.

Like leaves of the grass in the sward,  
When winter rides down on the gale,  
They bend to the noble and lord,  
And are trampled by knights in their mail.

Earth's toilers! The growers of wheat,  
Scourged on in the furrow like cattle,  
Or flung as a quivering meat  
To the cannons that hunger in battle.

But here in the West, under God,  
The serf-driver never can be!  
And the slave that set foot on this sod,  
Cesed to be slave—and was free!

—C. L. Edson in K. C. Star.

### THE FEDERAL RESERVE BOARD THROUGH THE AUTHORITY DELEGATED TO IT BY CONGRESS, HAS THE POWER TO CONTRACT OR EXPAND THE CURRENCY AT WILL—EXPANSION OF THE CURRENCY MEANS PROSPERITY FOR AGRICULTURE AND LABOR—CONTRACTION OF THE CURRENCY MEANS BANKRUPTCY

Henry Wallace, Editor of Wallace's Farmer, believes that the main cause for the present depression is a "dishonest dollar". In other words, he believes the deflation of agriculture, farm products, land, etc. can be traced directly to the contracting of money.

He has a remedy which he proposed to the National Committee of Farm Organizations and which they adopted as a resolution, as follows:

1. The passage of a joint resolution instructing the Federal Reserve Board and the Department of the Treasury to use their powers to bring the price level up to the 1926 point.
2. The appointment, at once, by President Hoover of a commission on legislation on stabilizing the price level permanently, this commission to report to the next session of congress.
3. The calling by President Hoover of an international conference of central bank heads to devise ways of stabilizing world prices at the 1926 level.
4. The recognition, by the Federal Reserve system, of real estate, particularly farm land, as approved security for loans.

The remedy looks to us more like a homopathic dose of medicine than a real remedy for he would leave it up to the Federal Reserve Board and the Department of the Treasury to remedy the very thing which they brought about in the deflation of the farmers.

We remember back in 1920 or 1921 at a meeting of bankers in Washington, they decided that farm lands and farm products were too high and they should be deflated. This was done through the action of the Federal Reserve Board. It seems to us that some action is needed more drastic than the one Mr. Wallace proposes.

We believe the Government should use the power given to it by the Constitution to regulate this money question. A power that has been lately delegated to private bankers. We believe that the Government should immediately issue non-interest bearing notes in sufficient volume to take care of the unemployed, to carry on public works, and to take care of the billion dollar deficit in revenue.

In the Topeka Daily Capital of August 28, appears this headline, "NEW YORK AND PARIS TO MAKE GIGANTIC LOAN TO ENGLAND. Private Bankers Marshall What Is Declared to Be the Largest Credit in Financial History. TO TOTAL ABOUT FIVE HUNDRED MILLION DOLLARS."

Through the power given to the Federal Reserve Board and the banking institutions by our government to issue money and to fix the value thereof, this gigantic sum to be loaned to the British Government has been stolen from the pockets of Agriculture and Labor just as surely as if it had been taken from them with a club or gun.

Congressman James G. Strong, in an address over KFBH at Milford, Kansas, August 26th has this to say about the Federal Reserve Board.

### DEFLATION COST 40 BILLION

"I watched and studied the deflation that followed the inflation of 1919 and 20 which Dr. Wilford King, economist of the National Economic Bureau of Research, the recognized authority on the wealth of the nation and national income, has said amounted to a loss to the nation of not less than \$40,000,000,000 causing the failure of thousands of banks and business houses, causing labor to be without employment and a million farmers to lose their farms."

"In 1926, as a result of such experience and study, I introduced a bill in congress the purpose of which was to direct that all the powers of the Federal Reserve System should be used for promoting stability in the price level, which means of course, the stabilization of the purchasing power of our money."

### CONGRESS HAS POWER

"When our national constitution was drawn up and adopted which established our government, and it should be remembered gave the government such powers as the people desired the government to have, it provided 'that congress shall have the power to coin money and regulate the value thereof'."

"Congress has only in part carried out this mandate. It has directed the coinage of money and has provided that the unit of value shall be the dollar composed of 25.8 grains of gold, nine-tenths fine, but it has taken no steps to regulate the value of gold, so we have been left in the same position in regard to the regulation of the yard measure, if when declaring that 36 inches should constitute a yard we had failed to declare the length of an inch."

### DOLLARS UP AND DOWN

"Professor Kemmerer, of Princeton university, has stated the gold standard is probably the best monetary standard that has yet been devised—and yet the gold standard itself is far from perfect and the world sooner or later must either learn how to stabilize the gold standard or devise some other monetary standard to take its place. In a little less than a half century here in the United States we have seen our yardstick of value, namely, the gold dollar, exhibit the following gyrations: From 1877 to 1896 it rose 25 per cent; from 1896 to 1920 it fell 70 per cent; from 1920 to September, 1927, it rose 56 per cent."

(continued on page 2)

### DON'T CHANGE HORSES IN MID-STREAM

WHY DON'T YOU SWAP YOUR NAG FOR THIS'N

NO, THANKS. THIS ONE SUITS ME. HE'LL GET ME ACROSS THIS STREAM



WHICH HORSE WOULD YOU RIDE?

(The Co-operator)

If we listened to all the calamity howlers, we would like to think we were on the wrong horse. But, we're not. Every farmer who does his own thinking knows that through co-operative marketing he can get the most possible out of his products, whether grain, produce, poultry or live stock. Right now, as every one knows the farmer is getting very little for his products. That's all the more reason why he should get his products marketed for the least possible cost. That's why he should stick to co-operative marketing, and thus get his marketing at cost. Through co-operation the farmer can come nearer to having something to say about the marketing of his own products—something to say about his own market.

The "every man for himself" policy places the farmer entirely at the mercy of the buyer of his products. If co-operation among farmers were complete—if every farmer would market co-operatively—then it would be but a short time until he could dictate the market rather than have to accept what others want to pay.

### FARM BOARD MEMBER SPEAKS IN KANSAS

Hon. W. F. Schilling, Dairy and Produce member of the Federal Farm Board will speak at Cedarvale, Kansas, Monday afternoon, September 7 at the Farmers Union Labor Day picnic. Monday evening, September 7, he will speak at Stafford, Kansas. Tuesday afternoon, September 8 at Lyndon, Kansas and Tuesday evening, September 8 at Colony, Kansas.

These meetings are all sponsored by the Farmers Union.

Mr. Schilling was born in Minnesota and received his education in that state. He was connected with the St. Paul Pioneer Press and Dispatch newspaper for 3 years. For several years he was editor of the Northfield Minnesota News.



HON. W. F. SCHILLING  
Member Federal Farm Board

Mr. Schilling is a dairy farmer and has been a producer of purebred Holstein cattle for 30 years. He has long believed in the co-operative movement and was president of the Twin Cities Milk Products association for 11 years. In addition he was also president of the Minnesota State Dairy-men's association, a director in the Land of Lakes Creameries, and a stockholder and officer in the Northfield Co-operative Creamery for 31 years.

The writer, in company with Mr. Seamans and other representatives of the Creamery, have held several conferences with Mr. Schilling, and we have always found him well informed on matters pertaining to our Creamery program. We urgently request that all Farmers Union members and their friends in the vicinity where these meetings are to be held will be in attendance. An opportunity will be given for the discussion and answering of questions. Mr. Schilling coming to Kansas should prove most beneficial, especially in as much as it is in the program of our Creamery to establish some churning plants at strategic points over the state as time goes on.

Mr. Seamans, manager of the Creamery and the writer will escort Mr. Schilling to the various meetings. —C. A. W.

### FEDERAL FARM BOARD TRADES WHEAT FOR COFFEE

Twenty-five Million Bushels of Wheat Traded for Coffee. Deal Made With Brazil, a Country Which Has Not Been Buying Wheat of Us in the Past.

The following statement was made public at the Federal Farm Board office today, August 21, 1931:

The Grain Stabilization Corporation announced today (August 21) that with the approval of the Federal Farm Board it has sold twenty-five million bushels of wheat to the Brazilian Government. The wheat is to be paid for by the delivery of 1,050,000 bags of coffee. Under the terms of the agreement the coffee is to be withheld from consumption until the fall of 1932, in accordance with requirements of the Brazilian Government now in effect which regulate the amount of exports from that country.

Simultaneously the Brazilian Government has signed an agreement with the Bush Terminal Company of New York, which company undertakes against 225,000 bags shipped to it by the Brazilian Government to give to The Grain Stabilization Corporation certain guarantees and to undertake all grading, handling and storage of the coffee, without any expense to the Grain Corporation, under whose control, however, the coffee will remain.

When the coffee is offered for sale it will be through established channels and for delivery in cumulative monthly allotments of 62,500 bags to avoid disturbance to the coffee trade. The wheat will be shipped in monthly installments, beginning in September or October and will be from the stocks of the Grain Stabilization Corporation.

Normally Brazil imports little wheat from the United States, but the United States imports a large part of its coffee requirements from Brazil. It is believed that the results of this transaction will be beneficial to both countries.

### NEW CUSTOMERS COMING TO F. U. LIVE STOCK FIRM

Every Month Finds New Customers With Farmers Union Live Stock Commission Co.

While the Farmers Union Live Stock Commission Company, through its type of service rendered, is attempting, with good success, to retain all its old customers, it also is trying to add new names to its list of customers from month to month. Because of its policy of rendering the very best of service, whether to a shipper of a string of several car loads of live stock or to a shipper of only one animal delivered by truck, the old customers are sticking with the firm. No doubt this service is responsible for the fact that many new customers are getting on the list and staying there.

An influence which brings new customers to this cooperative marketing firm is the loyalty of the friends and customers whom the firm has served. The cooperation of satisfied customers is a source of satisfaction to all concerned. Cooperative marketing of live stock is growing in proportion to, and as a result of, the further enlightenment of farmers and stockmen in matters relating to efficient marketing of their live stock. The Farmers Union Live Stock Commission Co. is growing in proportion to, and as a result of the growth of cooperative marketing in general.

In addition to a large number of customers who shipped by truck their firm during July, and in addition to several cooperative shipping associations who became customers of the Farmer Union Live Stock firm during July twenty-eight carload shippers became new customers of the Farmers Union Live Stock Commission Co. in the month of July this year. Some of these new shippers consigned hogs to the Farmers Union, some shipped sheep, and most of the new customers were shippers of cattle. One man shipped four loads of hogs in one shipment. Another shipped four loads of cattle. One man shipped three loads of cattle. Most of the shipments from new customers included in the list of twenty-eight were of one or two loads. Some were mixed shipments. It is interesting to note that ten new car load customers shipped to the Farmers Union on the same day.

July, of course, was a very light month as far as live stock receipts on the Kansas City market were concerned. This is due to the fact that harvesting and threshing take up most of the time on the farm, and shipping of live stock is held over until later months. Most months bring a larger number of new shippers to the Farmers Union live stock firm than came in July; but considering the lightness of the July run the addition of twenty-eight new customers shows a very good growth of business.

The July load of hogs to bring \$7.55 per cwt. on Tuesday, August 4, were shipped in by Roy Shumaker, of Wetmore, Kansas, and were sold by the Farmers Union Live Stock Commission Co. on the Kansas City market. This load consisted of 75 head, averaging 208 pounds. Mrs. Shumaker consistently markets good hogs, and usually tops the market—Cooperator.

### MEETINGS FOR THE COMING WEEK

Among other official duties, President Ward will speak at Plainville on Wednesday evening, September 2. On Saturday afternoon he will address the Cowley County meeting at their annual picnic at Winfield. That evening he will attend a large community meeting in Douglas county. Greenwood county is holding a big Farmers Union meeting on Thursday, September 10 and it is Mr. Ward's intention to be present at this meeting.

### HOW PRICES ARE MADE

Fred Uhlmann, prominent grain trader at Chicago, quit his position as a bear in the wheat market and became a bull. August 7, wheat prices immediately went up two and one-fourth to two and five-eighths cents. Speculator Uhlmann had held a bearish position on wheat for two years according to press reports. Thus did one man, a grain speculator, cause prices to change, affecting millions of wheat farmers.—Wheat Growers Journal.

### FORESTRY FISH AND GAME COMMISSION OF KANSAS DEPARTMENT OF PUBLIC INFORMATION

D. D. Leahy Jr., Director

### Duck Season

The Bureau of Biological Survey has amended the Migratory Bird Treaty Act Regulations, prescribing the month of October only as open season on ducks, geese, brant and coot. As the Kansas laws are written to conform with the federal regulations, this makes our season from noon, October 1 to sunset October 31.



## THE KANSAS UNION FARMER

Published every Thursday at Salina, Kansas, by THE KANSAS BRANCH OF THE FARMERS EDUCATIONAL & CO-OPERATIVE UNION, 119 South Seventh Street.

Entered as Second-Class Matter August 24, 1918 at Salina, Kansas. Under Act of March 3, 1879.

Acceptance for Mailing at Special Rate of Postage Provided for in Section 1108, Act of October 3, 1917. Authorized July 30, 1918.

A. M. Kinney, Editor and Manager  
Mary Riley, Assistant Editor  
Subscription Price, Per Year, \$1.00

Notice to Secretaries and Members of Farmers Union of Kansas. We want all the news about the Locals and what you are doing. Send in the news and thereby help to make your official organ a success.  
Change of Address—When change of address is ordered, give old as well as new address, and R. F. D.  
All copy, with the exception of notices and including advertising, should be in seven days before the date of publication. Notices of meetings can be handled up until noon Saturday on the week preceding publication date.

### NATIONAL OFFICERS

John Simpson, President, Oklahoma City, Okla.  
M. G. Keeney, Vice President, Omaha, Nebraska  
James J. O'Shea, Secretary, Roberts, Montana

### BOARD OF DIRECTORS

Wall Becker, Clarks, Nebraska  
T. E. Howard, Denver, Colorado  
R. H. Emerson, Yankton, South Dakota  
C. M. Rogers, Indianola, Iowa  
Fritz Schultheiss, Wisconsin

### KANSAS OFFICIALS

C. A. Ward, President, Salina, Kansas  
W. P. Lamberton, Vice President, Fairview, Kansas  
A. M. Kinney, Secretary-Treasurer, Salina, Kansas  
John Frost, Conductor, Blue Rapids, Kansas  
M. V. Gates, Doorkeeper, Logan, Kansas

### DIRECTORS

B. E. Winchester, Stafford, Kansas  
J. C. Gregory, Osborne, Kansas  
Ross Palenske, Alma, Kansas  
Carl E. Clark, McPherson, Kansas  
F. C. Gerstenberger, Blue Mound, Kansas

FARMERS UNION JOBBING ASSOCIATION—1146 Board of Trade Bldg., Kansas City, Mo., 916 United Life Bldg., Salina, Kans.; 1004 Corby Bldg., St. Joseph, Mo.

FARMERS UNION CO-OPERATIVE PRODUCE ASSOCIATION—201 Oak St., Kansas City, Missouri.

FARMERS UNION LIVE STOCK COMMISSION—400-5-10 Live Stock Exchange Bldg., Kansas City, Missouri; Live Stock Exchange Bldg., Wichita, Kansas.

FARMERS UNION MUTUAL INSURANCE CO.—Room 202 Farmers Union Bldg., Salina, Kansas.

FARMERS UNION AUDITING ASSOCIATION—Room 208 Farmers Union Bldg., Thomas B. Dunn, Salina, Kansas.

KANSAS FARMERS UNION—Salina, Kansas, Room 208 Farmers Union Bldg.

FARMERS UNION MUTUAL LIFE INSURANCE COMPANY, Farmers Union Building, Rex Lear, State Manager, Salina, Kansas.

THE KANSAS FARMERS UNION ROYALTY COMPANY—Room 311 Farmers Union Building, Salina, Kansas. G. E. Creits, State Manager.

### FARMERS UNION MANAGERS ASSOCIATION

C. B. Thow, President  
E. C. Elden, Secretary

SALINA, KANSAS, THURSDAY, SEPTEMBER 3, 1931

### GAS LAW PENALIZES HONESTY

"This state evidently must come to a flat tax on gasoline. It must be done in the interest of common honesty, if for no other reason. No law ever devised better calculated to encourage dishonesty and bootlegging of gasoline than our present gasoline law. It puts a premium in fact on dishonesty and penalizes honesty. If the present law is continued for three more years, two-thirds of the gasoline used in Kansas will pay no tax at all. What should be done is to reduce the gasoline tax to 2 cents a gallon and exempt none. That would raise millions more for roads than the present 3-cent tax does under the present law."

The above comes from the pen of Tom McNeal in the Kansas Farmer. We are certainly surprised that Mr. McNeal would take this stand on the refund provision of the Gasoline Tax Law.

The plain intention of this Law is that the people who use the roads should pay for them. There is not a shred of honesty in the demand that the farmers pay the tax on gasoline which they use for agricultural purposes. They are taxed on their property at the present time for county and township roads, an amount almost equal to the total amount collected from gasoline tax and automobile tax. Then, to ask them to pay an additional tax on gasoline which they use in their tractors is certainly very unfair.

Mr. McNeal says it places a premium, in fact, on dishonesty and penalizes honesty. That argument would hold just as good against the Prohibition Law as it would against the refund provision of the Gasoline Tax Law. Mr. McNeal does not go on record in favor of doing away with the prohibition law.

The argument that this law should be repealed because it is abused would hold good on every law on our Statute books. The fact is that the road contractors, cement trusts, and others who receive money for building roads in Kansas are very much interested in seeing that this Two Million dollars which has been saved to the farmers of Kansas should be thrown into the jack pot and spent on roads.

### NOT FAR APART

Dear Mr. Kinney:

In the issue of our paper of July 30 page 2 in article "The Government should control the issue of Money," you say the old greenback theory was that the Government should issue an unlimited amount of paper money and by printing the statement on these notes that "this note is legal tender for all debts public and private" would be able to keep this money on a parity with other money. I am sorry to see you quote the bankers' propaganda put out to keep our Government from issuing money (as allowed by the constitution) and used only by dishonest, or very ignorant politicians.

Thomas Meridith, father of our late secretary of agriculture, James Weaver, nor any greenback Congressman ever did advocate the idea of the Government issuing unlimited amounts of Government money. Some said \$40.00 and some said \$50.00 per capita was needed. The article on the first page of the same paper tells why there was a greenback political party organized and it was defeated and finally killed by dishonest propaganda put out by the bankers and money loaning sharks and repeated by dishonest politicians who were the tools of wealth.

SCHUYLER C. COWLES,  
Route 2, Gridley, Kansas.

My dear Mr. Cowles:

Your letter of recent date in regard to the money issue is received. I believe you have taken rather the wrong meaning to my editorial of July 30. I certainly was not holding up any brief for the bankers and politicians. I may have the wrong idea of the green back theory but the way I remember it is that the Government could issue credit money, and by stating that it would be legal tender for all debts, public and private, would pass on a parity with other money. In the Free Silver campaign, which I remember very distinctly, Mr. Bryan's theory was that the Government could take silver on a basis of 60 cents worth of silver at that time and coin it into dollars, making it legal tender and it would be equal to gold or any other form of currency.

I believe, as I said in my editorial, that this is true to a limited extent. Mr. Bryan's theory that expansion of the currency would bring about better times, was proven also to be true. About the time the gold standard

was adopted, new gold mines were discovered all over the world and there was a very large increase in the production and coinage of gold.

I do not believe we disagree very much on these questions. I believe the deflation of the farmers and farm products can be traced almost directly to the contraction of the currency through the action of the Federal Reserve Board.

Very Truly Yours,  
A. M. KINNEY, Editor

## The President's Column

By CARL A. WARD

### RATE HEARING REVEALS MANY ASTOUNDING FACTS

I was in Kansas City four days last week attending the freight rate hearing. It is common knowledge to all that the railroads are asking for an additional 15 per cent freight rate. This, to apply on all commodities and in all sections of the country.

If one should make comparisons in earnings we would find that the railroads were justified in asking for these increased charges in as much as recent earnings are materially lower than their revenue of former years. As a basis for the railroads application they refer to Section 15a of the Esch-Cummins Transportation Act, provisions of which most are familiar with.

The Farmers Union of Kansas, along with other farm organizations, when this proposal first became public decided to enter vigorously into the fight. As a result we soon found that the public service Commissions of some of the states, including Kansas, would work with us. About twenty of the farm organizations including some of the co-operative groups of this section of the country employed the services of former Governor Clyde M. Reed to represent us. Mr. Reed was employed less than three weeks before the Kansas City hearing, which began August 26. During that time in co-operation with the leaders of these farm groups and representatives of the Public Service Commissions, especially of Kansas, a mass of information was assembled.

The reason the Farmers Union of Kansas entered so vigorously into this fight was because we thought it most preposterous for the railroads to ask this additional charge in face of an almost bankrupt agriculture.

Might I say that the farm organizations played a leading part at this Kansas City hearing. Our witnesses occupied about three-fourths of the time. And, if the proof of agriculture's tragic condition carries its proper weight we should win the case. The winning of the case will save the Kansas farmers millions of dollars, even in one year.

Among others Ex-Governor Reed placed on the stand two bankers of Kansas who are tremendously interested in agriculture, namely: George W. Lemon of Pratt, Kansas, and L. A. Limbucker of Emporia, Kansas. Mr. Lemon owns some twenty-five or twenty-six thousand acres of land and has heavy interests in five or six banks. He threshed around 60,000 bushels of wheat this year. His testimony was very colorful and told the story of farmers going broke and as a result, lasting depression in all lines of business until a degree of prosperity has returned to agriculture. Mr. Lemon testified that the deposits in his Pratt, Kansas bank had fallen from more than two million dollars to one million two hundred thousand in the last three years. The difference measured the loss of working capital of farmers, he said.

Mr. Limbucker testified that the trouble as he saw it, too little income and too much expense. The present conditions are the worst he has ever seen, and all business must finally collapse if agriculture remains in its present condition.

The Farmers Union of Kansas had two outstanding witnesses. Mr. Homer Terpening of WaKeeney, Kansas, who is Vice-President of our Jobbing Association. His testimony was very colorful. He stated he had this year raised 28,000 bushels of wheat which had cost him approximately \$11,000.00 and at the present market values, he had a loss of some \$4,000.00. He emphasized the fact that only a few more years of present prices for farm commodities and even farmers like himself who owned their land and had it paid for would be broke. He also stated the present low prices had their bearing on our educational program and that not a student who graduated from the WaKeeney High School in the class of 1931 would continue on in college or university with their education this year.

John Frost, one of our good Farmers Union men of Blue Rapids, also testified and stated the depression was re-acting even against the religious program of the country in as much as churches in different localities were compelled to exist without resident pastors, because of inability to pay them.

Wm. Hirth, President of the Missouri Farmers Association, made a good witness and painted a gloomy picture of agriculture's distress. He told of agriculture's tragic condition in his plea against the proposed freight rate hike. He said agriculture is facing complete collapse and ruin of rural life, the backbone of our nation's strength. He seemed aware of the railroad's condition and the competition which they have to meet, especially the bus and truck companies. He argued that the granting of this increase in rates would, in all probability, incur more competition and the result might be still less earnings for the railroads.

Mr. C. H. Hyde, Vice-President of the Oklahoma Farmers Union, attended this hearing representing, among other groups, the National Farmers Union. He presented several exhibits which showed in a convincing way present conditions of farmers and of agriculture and should impress the Commission tremendously as they bring a decision in the case.

One witness testified that 80 per cent of the farmers of Kansas were insolvent. The testimony given by the many witnesses all seemed to bear evidence along the same line that agriculture was in no position at the present time to carry additional freight rate charges. It was quite noticeable throughout the hearing that the railroad attorneys were very considerate and diplomatic in their cross-questioning.

Clyde Reed is perhaps as well qualified for handling cases of this nature as any man in the country. He is well informed in as much as he has had a lot of experience and his vigorous manner of approach is always quite noticeable. He goes to Chicago to be present at the beginning of a hearing today, August 31, and after this hearing he will brief the entire case and be ready for the presentation before the Commission which is to be heard in Washington along about the last of September. At the Chicago hearing many others of our Farmers Union members including some of the group from Minnesota and Wisconsin will appear as witnesses.

The Kansas City hearing was conducted before Jos. B. Eastman and Claude R. Porter, members of the Commission. These two gentlemen were quite fair and courteous throughout the hearing. The present rate hearing now being conducted demonstrates what can be done through organization. If we win this case I shall always feel that it is the result of organized groups of farmers working together.

## The Insurance Corner

By W. J. Spencer, President-Mana.

As usual the Insurance Company expects to be represented at the State Fairs at Topeka, and Hutchinson this year, and our representative will be in the Farmers Union booth at both fairs. Also, at eight o'clock Friday evening, September 11th, 1931, the Insurance Company will broadcast over WIBW, Capper Publications Station at Topeka.

We are inspecting some of the property that we have insured, and in course of time, expect to inspect all of the risks that we are carrying. By doing this, we expect to reduce the loss ratio and in some cases our inspectors may be able to make suggestions that will save lives and property.

This last week, our agent at Meriden, Mr. Frank Mangold, wrote a large amount on school buildings at that place.

Mr. W. E. Adams of Mound Valley is going on as a full-time agent, beginning September 1st.

## HAS UNCLE SAM DOWN?

The Topeka Capital, commenting on a Journal editorial advising that in present negotiations the American people will have to be alert if they are not to wake up and find themselves paying the European war debt without even so much as disarmament for their pains, contends that Europe is already out-manoeuvring Uncle Sam. Says the Capital:

The people will have to continue on the alert. If they don't want to pay the debt themselves, or if they want drastic reduction in armaments—it is said the armament cost is greater than the war debt cost and reparations—they will have to keep this matter before them, and let their congressmen know they are keeping it there.

There is a good deal of elation in Europe, and not so much in the United States, over the Wignin outgiving, which is taken to be an entirely logical corollary of President Hoover's generous moratorium proposal. The president's positive dismissal did not deter Europe and international bankers from taking prompt opportunity to inject it.

How about the Hoover stipulation that debt revision must not come until after disarmament? The Journal puts it mildly indeed in estimating armament costs as "greater than the war debt costs." The latter amount to about 400 millions a year and the armament budgets to more than ten times that sum.

If disarmament is to come first the people, as the Journal advises, will have to continue on the alert, and considerably more. Events are plainly pointing the other way—debt revision soon, and arms reduction whenever the interested governments, which are armed, get to it, if ever.

At present there is every indication that Europe, with the aid and support of international banking, has Uncle Sam down. The American people are to be let in for paying the war debts of Europe, unless they are far more alert than they have been thus far in the maneuvering for position.—Editorial in Salina Journal.

## THE FEDERAL RESERVE BOARD HAS DEFLATED AGRICULTURE

(continued from page 1)

"Dr. Castle, the great Swedish economist and the world's authority on gold, has stated, 'that any nation setting up a monetary standard should provide for the stabilization of its monetary unit.' This our government has not done. Its opportunity to do so came with the creation of the Federal Reserve System and finding that the efforts to make possible the stabilization of our price level, or the stabilization of the value of our dollar, which is the same thing, had been eliminated by conference committee of the two houses, decided me to introduce the bill I have referred to.

### BANKERS VS. ECONOMISTS

"As I studied and cross-examined the witnesses that came before the committee it became evident that the economists and financiers who were connected with great financial institutions opposed the plan to use the federal reserve system for stabilizing the purchasing power of our dollar, while the great economists not so connected favored the proposition.

"In the preparation of this bill I had the co-operation of the late Governor Strong of the Federal Reserve bank of New York, the greatest mind on finance and the federal reserve system, this nation has ever produced, but the jealousies that existed within the federal reserve system would not permit his open endorsement of the legislation.

"Congress has given to the federal reserve system the right to regulate the volume of money of the nation through authority to buy and sell government securities. If they buy government securities they add to the member banks reserves that much money, on which the banks may increase the circulating medium ten times, and if they sell the same they decrease the circulating medium by ten times the reduced amount of the member banks reserves. This is called the "open market" operations for purchasing government securities.

"They have the power to regulate the rate of discount that shall be charged by the federal reserve banks to member banks for money so advanced or loaned, which regulates largely the cost of money.

"They have the greater power through the influence exerted upon the policies and affairs of the member banks and of their customers, by means of direct representations, publicity or otherwise, to control to a greater extent the expansion or contraction of credits.

### POWER WITHOUT DIRECTION

"Thus, they have the power to regulate the volume of money in circulation, the cost of money, and the contraction and expansion of credit. I maintain that no greater powers were ever given by any government, save perhaps the power of life and death and of personal liberty. These great powers were in the original act given without direction as to the purpose for which they should be used except that it was provided that rates of discount shall be fixed with a view to accommodating business and commerce, which if interpreted literally might mean that as long as eligible paper should be offered for rediscount, that unlimited funds might be advanced thereon, which would mean continued inflation and finally deflation and chaos. I believe that such great powers should be used for the stabilization of the purchasing power of our money.

"People generally think that money is stable and that only that which money will buy changes in value. They do not realize that the value of money changes as measured by what it will buy. You pass an apple cart and ask to buy a quarter's worth of apples. You receive five apples. A week later you again offer a like quarter and receive six apples. You say apples are cheaper, but the owner of the apple cart says 'quarters are higher, I had to give six apples for a quarter which a week ago I had to give only five apples for.'

"The federal reserve system has the power to regulate the supply of money and I insist that they should do so. If what a dollar will buy of commodities in general is declining they should increase the volume of money and make money cheap, or if what the dollar will buy of commodities in general is unduly increasing they should decrease the volume of money and make money dearer. Thus, they would regulate the volume or supply and demand of money to bring about stabilization.

"There is no reason why the purchasing power of our dollar should be 100 cents in one decade, 60 cents in another, and 75 cents in another.

"Our financial system should not be controlled by the great banks of our nation. England does not permit a banker to serve upon the board of directors of the Bank of England; France does not permit a banker to serve upon the board of directors of the Bank of France for the very good reason that the experience of hundreds of years has convinced them of the injustice in permitting money, which is the life blood of a nation, to be dominated and controlled by those who are engaged in the business of dealing in money.

"I sincerely believe that if our federal reserve system were divorced from the influence of great banking institutions and congress would direct that the powers it has given it would be used towards stabilization of the purchasing power of money that most of the disastrous ills of deflation, which must follow inflation, would be overcome and financial and economic disasters in time of peace avoided."

This indictment of the Federal Reserve Board, coming from the ranking republican member of the House Committee on Banking and Currency, should convince anyone that there is something wrong with our money system.

A. M. KINNEY.

## NEIGHBORHOOD NOTES

### LABOR DAY WILL BE CEDAR VALE'S BIG DAY OF THE YEAR

Band concert, contests, picnic dinner, address by W. F. Schilling, dairy member of the Federal Farm Board, ball games, address by Cal. A. Ward, President of Kansas Farmers Union, program by Sedan and boxing contest.

Plans are completed for the biggest Co-operative meeting in Southeastern Kansas at Cedar Vale on Labor Day, September 7th. This year it will not only be a meeting of the farmers of Chautauqua and Eastern Cowley counties but it will be a Southeastern Kansas Dairy Co-operative meeting. Mr. W. F. Schilling, Dairy Member of the Federal Farm Board, will spend about three days addressing the farmers in Kansas, first of which will be at Cedar Vale Labor Day. This is a meeting that every farmer should make an effort to attend as he will hear the policy of the Federal Farm Board as told by one of its members.

In the morning there will be a band concert by the Cedar Vale band on Main street. There will also be a rolling pinthrowing contest by the ladies, potato races by boys, boys' boxing matches and pie eating contest.

**KANSAS UNION FARMER WEEKLY EXCHANGE**  
If members of the Union have anything to sell or exchange, they should advertise in this department. Rates: 3 cents a word per issue. If run 4 times the word for the four issues. Cents words in heading, as "For Sale" or "Wanted to Buy." And each initial or figure in the address. Compound words count as two words. CASH MUST BE IN HAND WHEN TRYING THIS DEPARTMENT. IT WILL PAY YOU.

### CLASSIFIED ADVERTISING

#### FOR SALE

WINTER BARLEY for sale. Makes better crops than Oats. Makes Best Winter pasture and good hog feed. 500 a bushel. Sample 10c.—W. J. Havlik, Tampa, Kans.

FOR SALE—O. L. C. Pigs, Peterson and Sons.—Osage City, Kansas.

WE PAY \$3.00 PER DAY TO RELIABLE FARMERS demonstrating our Cream Separators and explaining our farm relief sales plan which lets separator pay for itself. Write for details.—SHARPLES SEPARATOR CO. WEST CHESTER, PA.

At noon everyone will go to Hewina Park for their picnic dinner. Hewina Park is undoubtedly the most ideal place for such a large meeting. It has many acres of large cedar trees, furnish shade and coolness which everybody may keep cool and with the large open auditorium equipped with a loud speaker on that day, everyone can hear the programs with comfort.

After dinner the Cedar Vale band will again play at the auditorium, which will be followed by Mr. Schilling's address. Following the program there will be a free ball game between Cedar Vale and several army ball contests.

The evening band concert will start at 7:30 p. m. which will be followed by an address by Mr. Cal A. Ward, President of Kansas Farmers Union. Mr. Ward has been a live wire in Kansas. Only recently he closed the criticism of Senator Allen to the short selling of futures of wheat by members of the grain exchanges, a method used to run down the price of wheat. This action was called to President Hoover's attention which brought the criticism of Senator Allen against the members of the grain exchanges for such practice.

Following Mr. Ward's address, Sedan will put on a short program. After the free program the auditorium will be turned over to boxing contest with Max Grant in charge.

### MIAMI COUNTY MEETING

August 20 was a red letter day with the farmers of Miami Co. Our business meeting was held at the home of Mr. and Mrs. J. B. Schilling, and considerable business was transacted and a lot of discussion was indulged in. A new set of bylaws and constitution pertaining to our county organization was adopted. No county with the new fairly well rounded Bill No. 214. At noon all present enjoyed the good eats and a general good time with free ice cream took the time between 12 and 1 p. m. Our State President Ward arrived a little late but there was plenty left for him and he seemed to enjoy the eats. At 1:30 County President Lohr called the large assembly to order and Mr. B. J. Sheridan, one of the oldest members of our organization, gave a welcome address on behalf of the citizens of Paola and continued his remarks urging all farmers to join some organization and get together. He recalled times of the past when times were close and money scarce and he told his hearers that if the farmers and business men would pull together and work together this depression could be controlled. Mr. Sheridan's remarks were well received by all. President Lohr with a few well chosen remarks answered the address of welcome, thanking the people of Paola and its Chamber of Commerce for their hospitality, entertainment, music and free ice cream for both old and young. We feel, said Mr. Lohr, that Paola and her citizens did themselves proud at this time. Mr. Lohr then called to the attention of the people that we were not glad to have Mr. Lohr back again and know he will be a big help in building up our local organization. Next followed our State President Ward and I wish to say that he made the best address I ever heard him make and made a favorable impression on all his hearers and there were a good many business men present and in fact all who were there went home with a better feeling and understanding of our organization than ever before, especially those who were not members. President Ward's talk caused more favorable remarks on President as well as our organization than any other speaker or meeting we have ever had. He cleared up lots of points as to our attitude on the issues of the day and it was all very favorably received. We feel sure that it was a big help to our organization and will help us rebuild our Locals. One of President Ward's ideas was a closer association or cooperation of the farm and the small business man to vote to send only those men who would continually work for the good of those who need the help. This was a good meeting enjoyed by all, with the men, real men like Ward and "Bill" Murray to carry on for us in these depressing times. When editors of city dailies advocate the assassination of prominent leaders, it is high time we did something to help ourselves. Now let's profit by this good meeting and all get back in line, pay up your dues and let's go.

W. J. PRESCOTT, Sec'y.

Geneseo, Kans., Aug 19, 1931

Dear readers:  
The flour is still a high price and the Graham flour is out of sight. What is the trouble? We had to pay for our substitutes during the war at a high price and we even had to come down on the wheat price to sell it at the price the Government made for us. Now they charge us what they please when we buy flour and we don't get a

(continued on page 4)







