



THE KANSAS UNION FARMER

Organization

Education

Co-operation



VOLUME XV

SALINA, KANSAS, THURSDAY, NOVEMBER 2, 1922.

NUMBER 12

Full Text of Agreement of Kansas F. U. Wheat Marketing Association

A Complete Statement of the Articles Which Enter Into the Contract The Members of The Farmers Union Will Be Asked To Sign

Members Agreement With Association.—The Farmers Union Wheat Marketing Association, a cooperative marketing association organized under the laws of the State of Kansas and with its principal offices at Kansas City, Kansas, hereinafter called the Association, first party, and the undersigned GROWER, second party agree: **Association for Cooperative Marketing.**—(1)—The GROWER is a member of the Association and is helping to carry out the express aims of Association for cooperatively marketing wheat, for minimizing speculation and waste in marketing wheat, and for stabilizing wheat markets in the interest of the GROWER and the public through this and similar obligations undertaken by other growers.

The GROWER Agrees to Sell Wheat to Association for Seven Years.—(2)—a.—The Association agrees to sell and deliver to the Association all the wheat produced by or for him or acquired by or for him as landlord or lessor during years 1923, 1924, 1925, 1926, 1927, 1928 and 1929 and continuously thereafter except that on January 21 of 1930 or of any year thereafter, either party may cancel this contract by giving notice of cancellation in writing at least ten days prior to said date. Provided, that the GROWER may retain wheat for feed and seed to be sown by himself or to be sold for seed directly to wheat growers. But the sale, by the GROWER, of more than five hundred bushels of wheat for seed purposes, in any one year, shall be reported to the Association in writing.

1922 Crop Included.—(2)—b.—It is also understood and agreed that any portion of the 1922 crop remaining in the hands of the GROWER on the date of the incorporation, shall be delivered and marketed through the Association in conformity with the terms hereof.

Mortgaged Wheat Marketed Through Association Only on Consent of Lien Holder.—(3)—The GROWER expressly warrants that he is now in a position to control said crops and any wheat before contracted to sell, market or deliver any of his said wheat to any person, firm or corporation, except as noted at the end of this agreement. Any wheat covered by such existing contracts or crop mortgages shall be excluded from the terms hereof for the period and to the extent noted, if the lienholder refuses to permit delivery thereof.

Association to Direct Delivery.—(4)—a.—All wheat shall be delivered to the order of the Association at the public warehouse or elevator. If the Association controls no elevator or warehouse in that district, or by ship, then the Association shall, by contract, warehouse receipts, or bills of lading properly directed.

GROWER Allowed Interest and Storage If He Holds Wheat.—(b)—If wheat remains in storage belonging to or controlled by the GROWER for more than thirty days subsequent to the date the Association shall pay the GROWER the usual rate for storage together with remuneration for the usual allowance for shrinkage.

Adjustment for Inferior Grades.—(c)—Any deduction or allowance or loss that the Association may make or suffer on account of inferior grade, quality, or condition at delivery shall be charged against the GROWER individually. Any deduction or allowance or loss that the Association may make or suffer on account of deterioration in quality or reduction of grade at delivery shall be charged against the Association and regarded as selling expenses.

Association Shall Regulate Grading and Inspection.—(d)—The Association shall make rules and regulations for inspecting and grading wheat delivered by GROWERS and shall provide inspectors or graders to standardize and grade the quality and the method and manner of handling and shipping such wheat and conform to any such rules and regulations and to accept the grades established by State and Federal authorities and the Association.

Weighting of Wheat.—(5)—The Association shall pool or mingle the wheat of the GROWER with wheat of like variety, type, quality, or grade delivered by other growers. The Association shall classify wheat by variety, type, quality, grade or any other commercial standards and this classification shall be conclusive as between the GROWER and the Association.

Sale and Settlement to GROWER.—(6)—The Association agrees to resell such wheat to the GROWER at the best prices obtainable by it under market conditions; and to pay over the net amounts therefrom. **GROWER to Advance Money.**—(7)—The GROWER agrees that the Association shall borrow money in its name on the wheat delivered hereunder through drafts, acceptances, notes or by the issue of commodity bonds or bearer certificates, or on any warehouse receipt or bills of lading or on any accounts for the sale of wheat or on any commercial paper delivered there-

for. The Association shall prorate the money so received among the growers equitably and ratably, as it may determine, for each district and period of delivery.

Association Power to Establish Warehouses, Etc.—(11)—The Association may establish selling offices, warehouses, plants, statistical or other agencies in any place.

GROWER Not Pledged to Deliver any Specified Amount of Wheat.—(12)—Nothing in this contract shall be construed as compelling the GROWER to sell any specified number of acres to wheat or to deliver any specified quantity of wheat per year or during the life of the contract.

GROWER Must Sell Wheat Through Agency as Long as Contract Is in Effect.—(13)—a.—This contract shall be binding upon the GROWER as long as he produces wheat directly or indirectly, or has the legal right to exercise control over any commercial wheat or any interest therein during the term of this contract.

Co-Partnership Provision.—(b)—If this contract is signed by the members of a co-partnership, it shall apply to them and each of them individually in the event of the dissolution or termination of such co-partnership.

Association May Pay Off Crop Mortgage.—(c)—If the GROWER places a crop mortgage upon any of his crops of wheat during the term hereof, the Association shall have the right to take delivery of his wheat and to pay off all or a part of the crop mortgage for the account of the GROWER and to charge such payment against the wheat or any interest therein during the term of this contract.

Dates for Season Pool.—(d)—Unless otherwise requested by the GROWER and other growers each pool shall be for a full wheat marketing season and such season shall begin on the 15th day of July of each calendar year and end on September 15th of the following year, but if delivery of wheat to be marketed during any season must be completed on or before July 15th previous to the closing of the wheat marketing season.

Dates for Quarterly Pool.—(e)—When so requested by the GROWER and other growers parties hereto the Association may make quarterly pools and for this purpose the quarters shall begin on July 15th and on the 15th of each third month thereafter and all deliveries of wheat to be marketed through any quarterly pool must be made before the last day of the quarter.

Growers Must Notify.—(f)—The GROWER and other growers parties hereto to electing to market their wheat through quarterly pools must notify the Association in writing prior to the 15th day of July each year, and must also specify in writing the quarter, and by delivery of the wheat to the Association, such notice must be given at least ten days before beginning of the quarter elected.

Limiting Quarterly Pool.—(g)—No more than the one-fourth of the wheat under contract herein for one quarter shall be marketed through any one quarterly pool and after as much as one-fourth of the total amount of wheat under contract for the given year has been offered for delivery in any one quarter the Association shall notify all growers electing quarterly pools that no more wheat can be accepted for sale during that quarter and the growers shall then have the privilege of electing any subsequent quarterly pool or the yearly pool of the same wheat marketing season for the delivery of their wheat to the Association.

Advance Resale Price Less Deductions.—(h)—Advances and final settlements for quarterly pools shall be made as herein provided for yearly pools and in all final settlements of all pools it is understood and agreed that each GROWER shall receive the full average resale price per bushel obtained for wheat of the variety, type, grade, and classification delivered by the GROWER and sold by the Association as a part of any quarterly or yearly pool, less deductions as herein specified.

Association May Sell Wheat to Best Advantage.—(8)—The Association may sell the wheat delivered hereunder within or without the United States directly to millers or exporters, or otherwise, at such times and upon such conditions and terms as it may deem profitable, fair, and advantageous to the growers; it may sell all or any part of the wheat to or through any agency, now established or that may hereafter be established, for cooperatively marketing wheat in other states under contracts substantially identical with this agreement; and any proportionate expenses connected therewith shall be deemed marketing costs under paragraph 6 of this contract.

Association May Borrow Money.—(9)—The GROWER agrees that the Association shall borrow money in its name on the wheat delivered hereunder through drafts, acceptances, notes or by the issue of commodity bonds or bearer certificates, or on any warehouse receipt or bills of lading or on any accounts for the sale of wheat or on any commercial paper delivered there-

The Costs of Distribution

Co-Operative Institutions Shorten Distance Between Producer and Consumer (By W. C. LANSDON)

One of the main purposes of co-operation is to reduce the cost of distribution, to shorten the distance between the producer and the consumer, and to dispense with some of the highly paid agencies that handle food products in their long journey from the farm to the kitchen. The Farmers Union believes that a very great deal can be done to reduce the cost of distribution to the detriment of both producers and consumers.

Under the leadership of Sidney Anderson who represents the first Minnesota district in the federal congress, representatives of congress have been making some investigations to learn if possible whether any one is charging too much for services rendered in handling food. Mr. Anderson takes the consumers dollar paid for food as the basis of his inquiry and undertakes to determine just how it is divided.

If he is right in his figures the manufacturer pays 43.74 cents for the raw material. This does not mean that the farmer gets 43.74 cents out of the eight articles included in the survey. The raw material produced on the farm is subject to many charges before it reaches the manufacturer. It must be received, weighed, graded and picked at a shipping station and the labor and capital employed there must be paid whether this initial work is done co-operatively or in the old way.

Between the local station that receives the farmers' deliveries and the manufacturer that converts them into finished products several more or less costly processes intervene. Always there is freight to pay. For wheat in Kansas this item alone at present prices will take a little more than ten cents. Then there are the charges in the terminal markets for weighing, inspection, and commissions that must certainly take several more cents out of the 43.74 that manufacturer pays. It is impossible to figure the cost of getting the raw material from the farm to the manufacturer at less than 20 cents as measured by the consumers dollar. This means that the producer receives considerably less than twenty-five cents out of the consumers' dollar, probably no more than twenty cents.

Mr. Anderson appears to have concerned himself only with the costs of manufacturing and distributing the finished product for which the farmer pays 43.74. The report shows that the cost of manufacturing is 17.33 cents out of which the manufacturer takes his profit of 8.67 cents. This indicates that no matter who else may lose the manufacturer does real well for himself. On an investment of 43.74 cents he makes a net profit of 8.67 cents which translated into percentage shows a net return of 19.7 per cent on each turnover. It is a poor manager of a manufacturing industry who does not turn his capital at least five times a year and if Mr. Anderson is right make a clean one hundred per cent per annum.

The finished product must be sold and there remains 29.75 cents to pay for the work that must yet be done before the consumer is reached. The inquiry shows that 10.21 cents is charged up to the costs of merchandising by brokers, wholesale dealers and retailers together with the profits made by these agencies. The printers get 4.77 cents for advertising and the tax collectors get the balance or 6.09.

(Continued on Page 3)

The Costs of Distribution

Co-Operative Institutions Shorten Distance Between Producer and Consumer (By W. C. LANSDON)

One of the main purposes of co-operation is to reduce the cost of distribution, to shorten the distance between the producer and the consumer, and to dispense with some of the highly paid agencies that handle food products in their long journey from the farm to the kitchen. The Farmers Union believes that a very great deal can be done to reduce the cost of distribution to the detriment of both producers and consumers.

Under the leadership of Sidney Anderson who represents the first Minnesota district in the federal congress, representatives of congress have been making some investigations to learn if possible whether any one is charging too much for services rendered in handling food. Mr. Anderson takes the consumers dollar paid for food as the basis of his inquiry and undertakes to determine just how it is divided.

If he is right in his figures the manufacturer pays 43.74 cents for the raw material. This does not mean that the farmer gets 43.74 cents out of the eight articles included in the survey. The raw material produced on the farm is subject to many charges before it reaches the manufacturer. It must be received, weighed, graded and picked at a shipping station and the labor and capital employed there must be paid whether this initial work is done co-operatively or in the old way.

Between the local station that receives the farmers' deliveries and the manufacturer that converts them into finished products several more or less costly processes intervene. Always there is freight to pay. For wheat in Kansas this item alone at present prices will take a little more than ten cents. Then there are the charges in the terminal markets for weighing, inspection, and commissions that must certainly take several more cents out of the 43.74 that manufacturer pays. It is impossible to figure the cost of getting the raw material from the farm to the manufacturer at less than 20 cents as measured by the consumers dollar. This means that the producer receives considerably less than twenty-five cents out of the consumers' dollar, probably no more than twenty cents.

Mr. Anderson appears to have concerned himself only with the costs of manufacturing and distributing the finished product for which the farmer pays 43.74. The report shows that the cost of manufacturing is 17.33 cents out of which the manufacturer takes his profit of 8.67 cents. This indicates that no matter who else may lose the manufacturer does real well for himself. On an investment of 43.74 cents he makes a net profit of 8.67 cents which translated into percentage shows a net return of 19.7 per cent on each turnover. It is a poor manager of a manufacturing industry who does not turn his capital at least five times a year and if Mr. Anderson is right make a clean one hundred per cent per annum.

The finished product must be sold and there remains 29.75 cents to pay for the work that must yet be done before the consumer is reached. The inquiry shows that 10.21 cents is charged up to the costs of merchandising by brokers, wholesale dealers and retailers together with the profits made by these agencies. The printers get 4.77 cents for advertising and the tax collectors get the balance or 6.09.

(Continued on Page 3)

The Rising Tide of Autocracy Which Threatens Our Own United States

Aaron Hardy Ulm, in the Dearborn Independent States That Government by the People No Longer Exists—Bureaus Are Trying To Control Everything

"He has erected a multitude of new offices and sent thither swarms of officers to harass our people and eat out our substance." Thus was George III indicted in the immortal Declaration of Independence.

King George's "multitude of new offices" and "swarms of officers" were not as 1 to 100 compared with those now functioning in, through or from Washington "to harass our people and eat out our substance."

While such figures tell only a part of the story, some appreciation of the expansion of the federal government may be had from statistics bearing on the growth of what is known as its "civil establishment."

In 1819 the services of only 6,327 persons were needed for carrying on the civil affairs of the federal government. That is to say only about one out of every 1,500 of the population was a federal official or employee.

In 1861 only 53,900 persons were on the civil payroll. Ten years later there were 107,000 persons on that payroll, the big increase being largely a result of the Civil War. Thirty years later the number had grown to 256,000. Then came the big jumps, from 907 to 1903, the "civil establishment" increased by nearly 10,000. Then there were average annual increases of 5,000 to 10,000 until our entrance into the World War sent the total number to practically 1,000,000. Since the war, of course, there have been declines, which have now about ceased. On June 30, 1922, there were 560,336 persons in the "civil establishment" as salaried or wage employees of the government.

This represented an increase of 120,000 over the pre-war number. There are many thousands who are paid in part by the federal government but not carried on its official payrolls, such, for example, as county agents employed under the Smith-Lever act.

One Per Cent Overhead: That to-day at least one out of every 150 of the country's population is an official or employee of the federal government. This estimate omits all in the army and navy, who, if concluded, would make it at least one out of every 100 of the population.

The figures show how the activities of the federal government have grown out of all ratio to growth in population. Growth of activities has been accompanied by expansion of administrative power to a degree that is not only incidental and temporary checks, since the government was established. Virtually all of it is traceable to a dozen simple, harmless appearing words in the federal constitution: "general welfare," "lay and collect taxes," and "regulate commerce among the several states."

It was contended for nearly a hundred years by many able men that the "general welfare" phrase in the constitution did not authorize congress to raise and spend public funds even on such things as postoffice buildings and the improvement of rivers and harbors. As late as 1854 President Polk vetoed a rivers and harbors appropriation bill on this ground. It is now an accepted practice that by reason of those two words, congress can raise and spend money on virtually anything.

The Tax Budget: It also now is the accepted practice that congress can use the taxing power for any purpose other than the raising of taxes. It was employed only a few years ago to crush an undesirable industrial activity and by every tariff bill it is employed in giving direct subsidies to a wide range of industries. It also is the practice for congress to use its power to "regulate commerce among the several states" for the achievement of purposes having little if anything to do with commerce.

Nearly every expansion of federal authority and activity calls for an expenditure of more money by the federal treasury. This fact until recent years had a severely restraining influence on the tendency of expansion, if not centralization.

For congress' fund-raising power was limited practically to excise taxes and import duties. If the tax on tobacco, for example, reached a certain high point it would cease to yield revenues; likewise in the matter of imports when the tariff was excessive, the tariff traffic that could be taxed would bear only so much by way of levies.

This restraint was removed very largely when congress was empowered by amendments to the constitution to levy income taxes. Under its present taxing power there scarcely is any limit to what congress may raise. The difficulty of getting funds is no longer an important restraining influence on the expanding tendencies of the federal government. The income tax makes it possible for congress to raise virtually any amount.

It does not change materially the seeming fact that the burden of taxes is carried by a comparatively few. In the one city of New York, for example, more than one-third of the federal taxes are collected. Superficially it would appear that a majority of the states regularly get much more out of the United States treasury than they pay into it, and that nearly every general appropriation adds to that excess. But the higher the burden of federal taxes the richer the wealthy centers like New York seem to become. The rea-

The Rising Tide of Autocracy Which Threatens Our Own United States

Aaron Hardy Ulm, in the Dearborn Independent States That Government by the People No Longer Exists—Bureaus Are Trying To Control Everything

"He has erected a multitude of new offices and sent thither swarms of officers to harass our people and eat out our substance." Thus was George III indicted in the immortal Declaration of Independence.

King George's "multitude of new offices" and "swarms of officers" were not as 1 to 100 compared with those now functioning in, through or from Washington "to harass our people and eat out our substance."

While such figures tell only a part of the story, some appreciation of the expansion of the federal government may be had from statistics bearing on the growth of what is known as its "civil establishment."

In 1819 the services of only 6,327 persons were needed for carrying on the civil affairs of the federal government. That is to say only about one out of every 1,500 of the population was a federal official or employee.

In 1861 only 53,900 persons were on the civil payroll. Ten years later there were 107,000 persons on that payroll, the big increase being largely a result of the Civil War. Thirty years later the number had grown to 256,000. Then came the big jumps, from 907 to 1903, the "civil establishment" increased by nearly 10,000. Then there were average annual increases of 5,000 to 10,000 until our entrance into the World War sent the total number to practically 1,000,000. Since the war, of course, there have been declines, which have now about ceased. On June 30, 1922, there were 560,336 persons in the "civil establishment" as salaried or wage employees of the government.

This represented an increase of 120,000 over the pre-war number. There are many thousands who are paid in part by the federal government but not carried on its official payrolls, such, for example, as county agents employed under the Smith-Lever act.

One Per Cent Overhead: That to-day at least one out of every 150 of the country's population is an official or employee of the federal government. This estimate omits all in the army and navy, who, if concluded, would make it at least one out of every 100 of the population.

The figures show how the activities of the federal government have grown out of all ratio to growth in population. Growth of activities has been accompanied by expansion of administrative power to a degree that is not only incidental and temporary checks, since the government was established. Virtually all of it is traceable to a dozen simple, harmless appearing words in the federal constitution: "general welfare," "lay and collect taxes," and "regulate commerce among the several states."

It was contended for nearly a hundred years by many able men that the "general welfare" phrase in the constitution did not authorize congress to raise and spend public funds even on such things as postoffice buildings and the improvement of rivers and harbors. As late as 1854 President Polk vetoed a rivers and harbors appropriation bill on this ground. It is now an accepted practice that by reason of those two words, congress can raise and spend money on virtually anything.

The Tax Budget: It also now is the accepted practice that congress can use the taxing power for any purpose other than the raising of taxes. It was employed only a few years ago to crush an undesirable industrial activity and by every tariff bill it is employed in giving direct subsidies to a wide range of industries. It also is the practice for congress to use its power to "regulate commerce among the several states" for the achievement of purposes having little if anything to do with commerce.

Nearly every expansion of federal authority and activity calls for an expenditure of more money by the federal treasury. This fact until recent years had a severely restraining influence on the tendency of expansion, if not centralization.

For congress' fund-raising power was limited practically to excise taxes and import duties. If the tax on tobacco, for example, reached a certain high point it would cease to yield revenues; likewise in the matter of imports when the tariff was excessive, the tariff traffic that could be taxed would bear only so much by way of levies.

This restraint was removed very largely when congress was empowered by amendments to the constitution to levy income taxes. Under its present taxing power there scarcely is any limit to what congress may raise. The difficulty of getting funds is no longer an important restraining influence on the expanding tendencies of the federal government. The income tax makes it possible for congress to raise virtually any amount.

It does not change materially the seeming fact that the burden of taxes is carried by a comparatively few. In the one city of New York, for example, more than one-third of the federal taxes are collected. Superficially it would appear that a majority of the states regularly get much more out of the United States treasury than they pay into it, and that nearly every general appropriation adds to that excess. But the higher the burden of federal taxes the richer the wealthy centers like New York seem to become. The rea-

DON'T FORGET TO VOTE TUESDAY, NOVEMBER 7

FARMER'S SHOULD VOTE FOR THEIR OWN INTERESTS

The Kansas Union Farmer

Published Every Thursday at Salina, Kansas By THE KANSAS BRANCH OF THE FARMERS EDUCATIONAL & CO-OPERATIVE UNION

Entered as Second-Class Matter August 24, 1912, at Salina, Kansas, Under Act of March 3, 1879. Acceptance for Mailing at Special Rate of Postage Provided for in Section 1103, Act of October 3, 1917, Authorized July 30, 1918.

JOHN TROMBLE, Editor and Manager
W. C. LANSDON, Associate Editor
DON C. ESTES, Director of Advertising

Subscription Price, per Year \$1.00

Notice to Secretaries and Members of Farmers Union of Kansas. We want all the news about the local and what you are doing. Send in the news and thereby help to make your official organ a success.

All copy, with the exception of notices and including advertising, should be in five days before the date of publication. Notices of meetings can be handled up until noon Monday on the week of publication.

Change of Address—When change of address is ordered, give old as well as new address, and R. F. D.

Communications and Questions—Communications are solicited from practical farmers, members of the F. E. & C. U. of A., are at liberty to ask questions on any phase of farm work. Answers will be either published or mailed.

ADVERTISING RATES ON APPLICATION
THURSDAY, NOVEMBER, 1922.



THE FARM CREDIT OUTLOOK IN CONGRESS

Senators and representatives associated with the bloc assure the people that congress will do something about intermediate term credits for farmers before final adjournment next March. Several measures have been introduced and are now being considered by the proper committees. Senator Capper says that one of the obstacles in the way of this needed legislation is disagreement among the people who are asking for it.

All of the various proposals may be reduced to three types—reorganization and continuation of the War Finance Corporation, Extension of the functions of the existing rural credit system, or relief through specially authorized activities of the Federal Reserve System.

Word now comes from Washington that Senator McNary of Oregon, designated by the bloc to digest all the propositions and prepare a workable measure has solved the problem. If the newspaper reports giving an outline of his bill are correct he has not only solved any problem but has greatly muddled the situation by his suggestion.

Apparently the McNary proposition would turn the whole problem over to the Federal Reserve System and provide that organization with \$12,000,000 to use as a revolving fund for the relief of agriculture. This money is to be split into twelve parts and \$1,000,000 made available in each federal reserve district. This plan will not do.

If the \$1,000,000 is to be used only as a circulating fund and the bulk of the money is to come from the sale of debentures or bonds it is still wholly inadequate as under current financial rules and practices not more than \$12,000,000 could be advanced in any one district nor more than \$144,000,000 in all. When it is known that the War Finance Corporation has advanced almost a billion dollars in credits to agriculture during the past twelve months the inadequacy of this proposition is understood.

In several of the federal reserve districts there are now cooperative marketing associations that have received credits from the War Finance Corporation far in excess of the total advances that could be made through the McNary proposal. The Northwest Wheat Growers Association, the Burlington Tobacco Association, and the Oklahoma Cotton Association, to go no further and there are hundreds like these, would each require more than the total accommodation that could be secured through the McNary measure.

The War Finance Corporation is functioning wisely and effectively for the purposes required in assisting marketing and in rediscounting farm paper. Common sense forbids the destruction of a proved and helpful agency and the diversion of its functions to an experimental organization. The Norbeck-King bill is the only measure now pending that should be considered. It proposes nothing new. It would work through machinery already set up and in successful operation. It does not contain a single provision that is not consistent with sound financial practice. It offers a way for the farmer finally to become independent of federal aid and carry on his own credit agency as a cooperative enterprise.

Senator McNary has either been misled by those who hope that all proposals or short term agricultural credit will fail or he has only the slightest information concerning the real situation.

SUPPORT YOUR OWN CHILDREN

There are too many Kansas cooperative associations that were organized by the Farmers' Union which are not nearly so prosperous as they should be. There are a good many reasons for this unfortunate state of affairs but probably the chief cause for the comparative failure of many promising cooperative concerns is that the men who organized them are not whole heartedly supporting their own institutions with their trade and their good will.

It is easy enough to find some flaw in the management of a cooperative. The directors and the manager are just plain every day human beings who are a long ways from being perfect. With the best intentions in the world they are certain to make some mistakes and it would be

strange if none of their errors turned out to be hurtful to some of the members or to the business. It is as certain as anything human can be that none of the blunders are intentionally designed to harm the cause of cooperation.

Each one of the disgruntled members of a cooperative should ask himself whether he ever had a whole year of perfect service from any business house. Why expect more from a Union house than from its competitor? Why hold Union management responsible for mistakes that are always overlooked when made by the other fellow. Support your own business. Boost for it on all occasions. Above everything else do not tell your grievances to the people who are most anxious to see you fail.

Having brought the cooperative child into business world it is not only necessary but it is wise and prudent to provide well for its healthy upkeep and continued growth.

THE AGRICULTURAL SITUATION

Every American business except agriculture appears to be doing fairly well at this time. In spite of strikes the railways are having a prosperous year. The wages of labor have been substantially increased in the steel and copper industries. Banking is more prosperous than ever before in the history of this or any other country. The various branches of the Standard Oil Company are busy declaring enormous stock dividends for the purpose of capitalizing and camouflaging their real profits.

Agriculture is the only major industry in this country that is not making some money. For the third successive year the products of American farms are being sold far below the cost of production. The losses of the farmers are being coined into profits for dividend paying corporations. This is a situation that cannot be maintained. Operating at a loss agriculture will be forced to curtail production and that will prick the bubble of prosperity for other industries.

Farming is now being conducted at a loss while commercial, manufacturing financial and transportation enterprises are making profits because the farmer is the only producer who is forced to sell his products for pre-inflation prices. The railways are receiving more than war time rates for their services. Manufacturers have maintained their prices without serious reduction through the entire deflation period. So with other industries. This condition is draining the wealth of the country into the capital reservoirs of the cities.

Temporarily the farmers of the United States are carrying on with constantly increasing borrowings but a day of reckoning will come. When unprofitable agricultural operations have wasted the savings and exhausted the credit of farmers all business will suffer from the distress of our great basic industry.

PAY IF IT HURTS

Few American farmers have made any money for three years. Nearly all have debts due out of the proceeds of this year's crops. To the last possible penny those debts should be paid. Renewal of a farmer's note is no kindness to any man who can pay up even at the cost of self denial and sacrifice that may hurt.

The only way to get out of debt is to pay up. The only way that the average farmer can pay up is to reduce his purchasing and do without many things that are needed by himself and his family. Balanced budgets are just as essential to the solvency of farmers as they are to the great nations of the world. For a good many years we have been getting deeper into debt. Let us, even in this dark hour for agriculture, begin the payment of our obligations.

Reduce the mortgage on the farm, pay the note at the bank, and buy necessities only and for cash and freedom from debt may yet be assured.

INSURANCE RESERVE ACCUMULATIONS

The tremendous and constantly growing reserves of the great fire and life insurance companies provide the cash basis for most of the operations of big business and high finance. The directors of half a dozen New York and New England concerns have the control of five billions of dollars of policy holders payments that have been converted into reserves wholly unnecessary for insurance purposes.

All old line life insurance premiums are computed on the theory that each new policy written will eventually result in a death claim against the assuring company. As a matter of fact not more than one policy in twelve remains in effect until the death of the party insured. This means that millions of dollars of equities in lapsed policies are annually converted into reserves.

For the west this situation is especially menacing. The bulk of all the money paid for insurance goes to New York there to be loaned to the interests that thrive best when agriculture is least prosperous. The millions of dollars that Kansas annually pays for insurance written by eastern companies comes back to this state only in the form of loans on real estate mortgages and as an evidence of the failure of agriculture to pay its own way.

Insurance reserves are invested in first mortgages on improved farms, in the bonds of the federal and joint stock land banks that in their turn are secured by farm mortgages, in federal and municipal bonds dependent for their interest on the labors of producers. Here then is a double and a constantly growing diversion of western money to eastern financial institutions, first by the payment of premium rates far in excess of the services rendered and second by the payment of interest for the use of our money that eastern financiers so graciously loan back to us at rates highly profitable to themselves.

Can anything be done about it? Certainly, something is already being done in a small way. The Kansas Farmers Union Insurance companies have more than a half million dollars of reserves invested in Kansas properties and securities. A few other Kansas companies have adopted the

same policy. It is a good beginning. From now on citizens of Kansas or for that matter of any other western state should not pay a dollar to any insurance company that does not invest its entire reserve in the state or states that furnish its business.

A CONSTRUCTIVE SUGGESTION

Only a few days ago a good friend of this paper and of the Farmers Union criticized our general policies as destructive and pessimistic and suggested that we offer some sort of a constructive program. Whether the criticism was fair or not the advice was good. Here is a wonderfully constructive proposition that should appeal to all who desire to see agriculture in a position of assured independence.

Farmers owe a lot of money. Many must have additional loans in order to continue their operations. Yet it is a fact that agriculture as a whole has many millions of dollars on deposit in the banks. Loans made to farmers come very largely from the credit balances of fellow farmers on which the banks pay little if any interest. But no farmer ever borrows his neighbors money from the bank without paying the highest possible interest rate that the traffic will bear.

There are six million farmers in the United States. Many of them are desperately poor but there is not one, not even the poorest, who could not contrive to pinch out at least ten dollars a year towards the capitalization of an agricultural cooperative banking system. That would provide \$60,000,000 of cooperative banking capital within twelve months but the farmers can do better than that. There are many who could set aside a hundred dollars a year for a purpose of such vital necessity. The average the country over should not be less than twenty dollars a year for each farmer. This would start the cooperative banking system off with an initial capital of \$120,000,000 which in ten years, without considering additions made by savings and profits, would amount to a billion and a quarter.

Throughout the country at this time the banks have earning assets that average more than twenty times their paid up capital. If agricultural cooperative banking can be conducted just half as efficiently as the present commercial system it is possible for the farmers to accumulate earning assets for their cooperative that in ten years time would amount to twelve billions of dollars.

Twelve billions of dollars would finance the farming business of this country and still leave ample resources in the cooperative banks for the assistance of commercial, transportation, and financial enterprises that would be forced to come to the farmers banks for credit facilities.

The only obstacle in the way of this project is lack of the will to do it.

WHY NOT LIFE INSURANCE?

An increasing number of farm folks are insuring their lives. Most of the money paid for premiums goes out of the state to come back only in the form of funds loaned on farm mortgages. There is no reason why the Farmers Union should not be doing its part to stop such foolish business. There is nothing abstruse, complex or mysterious about life insurance. It requires no capital investment. It is a service that falls naturally and economically within the limits of cooperative possibilities.

The Farmers Union of Kansas should be encouraged, or rather ordered by its members, to establish its own mutual life insurance company and in this way do its part to stop the flow of farm money to Wall street for the financial support of big business and high finance. Every Local should have a talk over meeting for this project and should advise the State Union that the boys and girls at home are ready to go.

The only obstacle in the way of this project is lack of the will to do it.

KEEPING THE YOUNG FOLKS ON FARMS

Just the other day this writer was present when two fine, intelligent, husky farm boys said good by to their parents and started to Chicago to take their chances in the tumultuous life of that great city. The next week it was his fortune to spend a couple of days with a splendid, God fearing, hardworking farmer and his wife who have reared eight splendid boys not one of whom can be persuaded to take over the old home place that has been the property of that family since it was cleared of the primeval forest.

The country is filled with similar families facing these same conditions. The boys are going to town not to seek easy times by avoiding hard work but to look for occupations in which they can make a decent living. The procession from the country to the city is endless. In thirty years the population of Chicago has almost trebled and during the same period practically every state in the middle west has suffered a decrease in the number of farms operated and in the number of people living on the farms.

Can this migration from the country to the city be checked? It can. The problem is simple. All that is necessary is the reorganization of agriculture on a basis that will pay fair wages for labor and return reasonable dividends on invested capital.

Taxes, interest and rent are three charges that are crushing the life and hope out of agriculture. The Kansas tax bill annually amounts to one-third of the value of the agricultural products of the state. As 42 per cent of Kansas farms are worked by tenants at an average rental of two-fifths of the production it is evident that this charge annually absorbs about one-fifth of the farm production. After interest is paid how much is left for the farmers out of the remaining seven-fifths of his yearly wealth production?

Few cooperative associations are able to provide absolutely perfect service for every one of their members all the year round but they do as well as the concerns that are operated for private profit.

COMMENT ON WORLD'S NEWS FOR WEEK

Louis W. Hill,

St. Paul Railway President.

Successor to his father, James J. Hill, sometimes called the Empire Builder, as chief executive of the Northern Pacific, and other Hill lines believes that railway men's unions are alright if they are localized. He sees nothing but discord and danger in national associations of working men. He has given his august permission for the workmen on his own lines to organize if they will keep out of any big federations.

This principle would destroy the power of every working man's union and every farmers' organization in the country. Twenty thousand unrelated farmers clubs could have only the slightest influence in the fight for agricultural justice. Twenty thousand Local Farmers Unions acting through state and national organizations are a power that can do anything for agriculture that is just and fair.

Potatoes

Are Poor Property

In Minnesota this year. The state has produced the second largest crop of spuds in its history and the growers find that the prices are too low to pay for digging. The papers owned by the Big Railway interests of that state say that this condition is due to the car shortage which has resulted from the strike of the shop crafts unions.

In the same issue of the paper that explained why the farmers could get nothing for their crops was another article in which Louis W. Hill, president of the Great Northern railway, said that his company had its rolling stock, including freight cars, in the best condition in its history. Either some one is mistaken or some one else is a liar.

Crime

Appears to be Increasing

In every part of the country. Last Saturday the St. Paul Daily Dispatch carried ten murder and robbery stories on its front page and fifteen more on other pages. More than half the news space was filled with reports of crimes of violence that for the most part had been committed in Minnesota.

Every other daily paper printed in the United States on that date made just about same sorry showing up of the moral condition of the country. Either murder, robbery, rape and burglary are becoming more fashionable or they are getting too much news paper space. How much would be lost if every decent paper in the country closed its columns against crime stories of every description?

Big Dividends

By Great Corporations

Have become such ordinary incidents that they attract but little attention, especially from the producers who must pay them. The Standard Oil Company of New Jersey, however, has gone a little further than most similar corporations. It has just distributed a 400 per cent stock dividend. During all the time that surplus upon which this distribution is based was piling up that company was paying quarterly dividends of five per cent or twenty per cent per annum. Its earnings are so far in excess of its expenses and reasonable returns on its capital that an investigation is certainly in order.

Sidney Anderson

Congressman From Minnesota

Finds himself in a position where he must defend his vote in favor of the Esch-Cummins railway bill. His opponent in the first Minnesota district is running on a platform that denounces that piece of class legislation. Anderson says that the six per cent guarantee was only for six months and that the law for the first time in our history gives the Interstate Commerce Commission authority to regulate stock issues.

Anderson fails to say that after the first six months the Esch-Cummins law makes it mandatory on the Interstate Commerce Commission to establish rates for freight and passenger service sufficiently high to earn six per cent, nor does he explain why the Burlington, the Louisville and Nashville, and several other lines have been permitted to issue huge stock dividends to capitalize surplus earnings since the law went into effect.

The candidate for congress who is forced to explain an affirmative vote on the Esch-Cummins law is in a devil of a fix.

Senator Capper

Is Making Party Speeches

In states where senatorial campaigns are in progress. Last week he spent two days in Minnesota testifying to the court of public opinion that his colleague Senator Kellogg who voted for the Esch-Cummins law and the seating of Newberry is the best friend that the farmer ever had in congress. The next two days he spoke in Iowa in the interest of Colonel Smith M. Brookhart, the republican nominee for senator who is making his fight as an opponent to Newberryism and the Esch-Cummins law.

It is unfortunate that Senator Capper's other engagements prevented him from spending a few days and making a few speeches in Wisconsin and North Dakota where the republican candidates La Follette and Frazer are fighting their battles all alone.

Politics

Mixes Some Queer Messes

To feed the voters in almost every campaign. The democratic national committee is supporting Reed, Anti-Wilson anti-League of Nations man in Missouri and at the same time doing its best to elect Pomeroy, a Wilson and a League man in Ohio.

The republicans are right in the middle of worse fix than that. They are supporting Lodge, Calder, Frelinghuysen and others of that type in the New England and other eastern states and at the same time doing all that they can to elect Beveridge, La Follette, Frazer, Hiram Johnson, and Brookhart in the west.

No matter which party succeeds it will be a mighty thing to tell who or what it was that won in this campaign.

Money

Belonging to Other Folks

is always easy to spend. The little city of Hibbing, Minnesota, that is the city council of that burg, has just spent \$14,000 for a clock for the city hall. Time seems to be of very great value to that community. With such a clock the voters should be able to tell the aldermen when it is time for them to get off.

Even Crawford county Kansas with its million dollar court house house must stand aside for the Minnesota village that invests \$14,000 of real money in a clock.

Hotel Rates

Have Not Been Reduced

Since they were doubled during war times. Nor is there any prospect that traveling men will ever again be able to get rooms at the old pre-war prices. The landlords in all the big cities say that rates must stay up in order make up for the losses incident to prohibition.

This may be a reasonably water tight alibi that sold drink in restaurants and over bars, but it does not seem to explain anything for the country tavern keepers who never sold any booze. Is it possible that the rural landlords made the bootleggers divide with them in those happy days of old?

Babe Ruth

And President Harding

Each receives \$75,000 a year for services rendered to the people of the United States. Of course they do not work on exactly even terms. Ruth is required to follow the instructions of his team manager and does so when he feels like it. Harding really has no manager since Hell and Maria

reading and was misleading, as the bill as written and passed by the House on third reading was entirely different in many respects from the bill as finally passed after amendment by the Senate as I considered the amendments adopted by the Senate actually nullified what good there had been in the bill as passed by the House. I therefore voted against the bill on final passage and if Mr. Bryson had of looked up the proper roll call on final passage of the law he would have found on page 387 of the House Journal that the following members voted against the passage of the bill.

Members voting in the negative were: Celler, Coffman, Crist, Fisher, Hattie, Hawley, Hendon, Higley, Morris, Murray, Fendleton, Peterson, Rankin, Ritter, Shannon, Thomas, Troup.

The roll call published by your paper shows Alford, Griffith and Hall voting against the bill on third reading when on final passage they voted for the bill. I call your attention to this as I consider Mr. Bryson's article alright but I object to his publishing the wrong roll-call and I trust that you will correct the article by calling attention to the proper roll-call which you will find on page 387 of the House Journal.

Very truly yours,

R. J. MURRAY.

IN RE SAME

There appeared in the Kansas Union Farmer of Oct. 26 an article written by V. C. Bryson, the purpose of which was to mislead the voters of Osage county concerning my record in the 1921 session of the legislature.

Mr. Bryson starts out by saying, "Voters should know the members of our state legislature who voted for an increase in tax on all motor vehicles."

Then goes off in a meaningless rattle and ends up by showing the vote on House Bill 229, for which I have evidence to prove that he solicited support and which only received 8 des-

tales gave up the hopeless attempt to make congress spend less money.

Neither Harding nor the Bambino need feel swelled up over their pay as there are other and much larger perquisites on the bush. Charley Chaplin pulls down a half a million bucks a year and America's Sweetheart, Mary Pickford, makes even more. The American public is willing to pay for what it wants and it appears to want the sort of goods delivered by Babe Ruth, Charley Chaplin, Harold Lloyd, Bill Hart and Mary Pickford.

Sucking

The Public Teat

Has become about the most popular pastime practiced by the patriotic citizens of this republic. Thomas R. Pragon, head of the Tennessee Branch of the War Finance Corporation declares that there are approximately 700,000 civilian employees of the United States. There are certainly as many more working for the various states, counties, cities, and other municipal subdivisions. Then there are the army and the navy. Not very much short of THREE MILLIONS OF AMERICAN CITIZENS ARE ON THE PUBLIC PAY ROLLS and of course are supported by taxation.

One person in every thirty-five in the United States is a public servant, or more truthfully speaking is in the public service. If we need that much hired help we must of course pay for it. It is sure that we cannot reduce the public budgets of this country until we wear a few hundred thousand pack sackers.

Germany

Is Really Too Smart

For the balance of the world when it comes to money matters. A German banker admits that Americans have lost a billion dollars by speculating in German paper marks and estimates that the total losses for all the nations is little if any less than TEN BILLIONS OF DOLLARS.

There is not now nor never was any other country in this world that could sell a few hundred pounds of worthless paper for ten billions of dollars. The Germans are paying their debts and rebuilding their industries from the proceeds of the most astounding bunco game ever worked in this world.

Gold

Has Been Discovered

In Arkansas, great quantities and in Illinois in small quantities. The Arkansas ore assays as high as twenty thousand dollars a ton but the Illinois boosters were satisfied to find low grade stuff that runs as high as thirty-three dollars a ton. Such are newspaper stories printed during the past week.

None of the Arkansas or Illinois gold has yet gone to the mint nor have there been any land transfers in the neighborhood of either discovery. A little gold actually mined and minted would call for a bigger war than Arkansas than all the known wonderful resources of that state have brought about in a hundred years.

The Arkansas folks can get plenty of gold if they will just make up their minds to trade in strawberries, cotton, rice and live stock for it.

Dairying

Is The Big Business

Of Wisconsin and Minnesota, the two states that lead all the American sisterhood in that line. There are reasons. Farm labor up there is accustomed to the toilsome processes of dairy farming. The soil produces a great abundance of forage crops which the farmers utilize through the silo. Pasture, without much risk from frost, is good for the first of May until the first of November. The plenty of water at all seasons of the year.

Dairying is hard work but more nearly than any other sort of agriculture it provides a regular weekly income for the farmer, an income that may vary a little with the seasons but that is reliable for twelve months every year.

ending votes in a legislature that was decidedly anti-road. House Bill 229 provided for leaving the funds collected from motor car licenses in the county where collected to be expended by the County Commissioners for dragging, grading, draining and surfacing of county roads. Provided that type of improvement may be for earth roads of a permanent character. Original House Bill 229 on which the vote was shown does not require the auto license fund to be used on the benefit district roads.

Mr. Bryson should have shown the vote on Senate Bill 550 which raised the tax on motor vehicles and on which the records show I voted "No."

CLYDE W. COFFMAN.

Co-operative arrangements for a shipping-point inspection of fruits and vegetables in California in common with other Western States are being effected by the United States Department of Agriculture and State marketing officials in California. A conference of Western State commissioners of agriculture was recently held at Sacramento to discuss shipping-point inspection work.

SOME PHILOSOPHY

Let us endeavor so to live that when we come to die even the undertaker will be sorry. —Mark Twain

DON'T FORGET

TO VOTE

TUESDAY,

NOVEMBER 7

FARMER'S SHOULD

VOTE FOR THEIR

OWN INTERESTS

