



THE KANSAS UNION FARMER



Co-operation

Education

Organization

VOLUME 33

SALINA, KANSAS, THURSDAY, MAY 2, 1940

NUMBER 9

Secretary Wallace Urges Land Bank Reorganization

Speaks at Mass Farmers Union Meeting at St. Paul for F. U. Farm Credit Legislation—Would Lower Mortgage Interest Rates—Attacks "Selfish Interests"

Secretary of Agriculture Henry Wallace urged farmers to organize and fight for reorganization of the federal land bank system, reduction of farm mortgage interest rates and liberalization of farm credit policies throughout the nation in a speech, April 27, at St. Paul, Minn., before a meeting of over 15,000 farmers called by the National Farmers Union and the National Federation of Grain Cooperatives.

The land bank system, Secretary Wallace said, "can be put on a self-financing basis which will enable the American farmer to get permanently the benefit of a 3 1/2 per cent interest rate." He said that the farm debt load was responsible for the increase in tenancy and added that something must be done about the debt burden and also to strengthen the whole national farm program.

"But our enemies don't want to see the farm program strengthened," he said. He listed these "enemies" as the "same financial journalistic and political interests which always gang up against everything which really will help the farmer."

"The farmers are the very backbone of democracy," he said, "but if the farmers because of reduced income and burdensome debt, are forced to leave their land, then democracy is threatened at its very source."

Address by Secretary of Agriculture Henry A. Wallace delivered before a mass meeting of farmers called by the National Farmers Union and the National Federation of Grain Cooperatives, at St. Paul, Minnesota, at 11:30 a. m. (CST), Saturday, April 27, 1940 and broadcast on the Farmers Union Hour by the National Broadcasting Company and associated stations.

The fight for agricultural equality seems to be never ending. It is a battle fought on many fronts.

You remember how the wheat farmers of the Northwest began this fight 20 years ago. Through their farm organizations that are being operated, through such movements as the McNary-Haugen crusade, they tried to put their own industry on an equal footing with the rest of the country.

At last, in 1933, we won the opportunity to go ahead with a program of our own. In the last seven years, we have built the first effective national farm program we ever had. But all through these years, we have had to work against the bitterest kind of opposition. The forces which defeated the original McNary-Haugen bills fought Triple-A, Farm Security, commodity loan, almost everything else we have tried to do. They fought these programs in town and in country; in Congress and out of Congress; in the courts and in the press; by prophecies of disaster and by cries of communism; by half truths and by outright falsehoods. They use all the methods which have defeated farm legislation in the past. But this time they failed. The farmers went ahead in spite of them.

The success of the national program can be measured by the substitute programs that are being offered. Insofar as these substitutes get down to definite proposals, they are mostly carbon copies of what already is being done—though, of course, the persons offering the substitutes claim they would do everything much better than we are doing.

But while much of the heat has gone out of the attacks that used to be made on Triple-A, the enemies of agriculture are just as implacable as they have ever been. They are just as watchful. They will lose no opportunity to weaken the programs we now have. They will try to get them from being extended or improved so they will give greater service to agriculture.

Attack Credit Plan Now the enemies of agriculture, instead of making a frontal attack on Triple-A, are driving at our farm credit plan.

They seized a new opportunity to attack the farm program when the Farm Credit Administration was transferred last summer to the Department of Agriculture by Congress and the President.

Many farmers looked upon this transfer as a chance to mine the farm credit program a vital part of the national farm program, and thereby improve the entire farm credit situation.

What is that credit situation today? There is plenty of room for improvement. More than one-third of all the farms in the country are mortgaged for a total of more than 7 billion dollars. This is 20 percent of the value of all farm land and buildings. It is true the farm debt load is 3 billion dollars smaller than it was 17 years ago. But how was this reduction brought about? A large part of it was brought about at the expense of the farmers—by foreclosure and bankruptcy. When depression drove down farm prices and farm land values, thousands upon thousands of farmers were pushed off their farms.

One of the principal reasons for the increase in tenancy is that the farm debt load is too great and interest rates are too high.

Sixty years ago, three out of every four farmers owned the land they cultivated. Today nearly half our farmers are tenants or sharecroppers—and tenancy is still increasing.

If we want to keep farmers on their farms, we must do something about this debt burden. We must do something about it in order to strengthen the whole national farm program.

But our enemies don't want to see the farm program strengthened in this way. They don't want farm credit to serve farmers better. The moment the farm credit system was put in the Department of Agriculture, they began to view it with alarm. Recent events have set this opposition chorus into full cry.

You know who these enemies are. They include the same financial, journalistic and political interests which always gang up against everything which really will help the farmer."

(Continued on page 3)

Co-op Conference at State College Is One of Best

General Discussions Are Live; Mrs. Sinner Is Special Farm Union Speaker

"The best ever," or "one of the best" were the descriptive comments made commending the Cooperative Conference at Kansas State College, Manhattan, April 18 and 19. The conference is an annual event sponsored by the Kansas Farmers Union and other farm organizations, cooperatives in Kansas, and Kansas State College.

The discussion Thursday afternoon, April 18, led by V. M. Rucker, secretary of the Wichita Bank for Cooperatives, was the chief program change differing this conference from those of previous years. The discussion was not in the form of a panel, but anyone in attendance who wished could rise from his place in the audience and voice his contribution to the discussion.

"Potency of Cooperation" Mrs. Henry Sinner, Harvard, Nebraska, who spoke at the National Farmers Union convention last November, was the first conference speaker Friday morning, her subject being "The Potency of Cooperation." Mrs. Sinner uses Farmers Union cooperatives for life insurance, automobile insurance, selling grain, live stock, cream, poultry and eggs, and buying feed, petroleum and other merchandise. She emphasized the necessity of actual cooperative work for the continuity of cooperative development. "Be ye doers and not hearers only of cooperation," she said.

When the Sinner children are told to go to the store for groceries, she said, "Which one?" The young people have been trained in Farmers Union trading habits, she said.

"You can make or break your cooperative by the way you spend your money," she said in explaining the importance of loyal patronage. And she pictured the loss of much cooperative volume by the existence of many farmers who are not cooperatively minded.

"What would your cooperative be if every member patronized it like ME?" she asked her listeners to ask themselves.

Roy Bender, secretary of the Farmers Cooperative Grain Dealers Association, Endicott, Oklahoma, was a speaker and he discussed the work and program of the Oklahoma Cooperative Council. He explained this program point by point, and gave examples of its work from the eleven years which it has functioned.

The work of the Council includes that of increasing the cooperation among cooperatives; trying to lessen the duplication of work among them; harmonizing the work of the cooperatives of different commodity groups; driving for legislation with unanimous approval of all member organizations; and keeping the public informed regarding cooperative business.

Are Co-ops Successful? The questions discussed under the leadership of Mr. Rucker Thursday afternoon, chiefly were: Why were cooperatives organized? Have they been successful?

It was recognized that if the job of cooperatives were only to reduce margins, then their job had largely been successful, and now would need only to be a competitive factor to retain its business advances. But even this assumption was questioned, for while retail margins have been lowered, dangerously narrow, in a broader sense the national income has been increasingly toward fewer and fewer pockets.

Clifford Miller, former Farmers Union manager at Brewster, described the original job was to secure a better living condition for the American farmer, and this has never come.

(Continued on page 4)

PLAN SOIL CONSERVATION

Are 246 Soil Conservation Districts in 29 States

Farmers in 29 States have organized 246 soil conservation districts embracing a combined area of 136 million acres according to H. H. Bennett, Chief of the Soil Conservation Service.

Oklahoma contains the largest number of districts, having 35, embracing an area of nearly 1 million acres. Kansas has 10 districts embracing an area of 4,010,726 acres.

The Service is cooperating with 182 of those districts by providing technically trained men to assist farmers in drawing up farm plans, and is supplying some materials and equipment where available, as well as available CCC labor under the supervision of the Service. Similar assistance to other districts will follow if they request it.

Commenting upon the fact that more than a million farmers are co-operating in the soil conservation program, Doctor Bennett said: "American farmers are taking a more active role than ever before in the conservation of their soil, because they know that erosion of their soil can not be carried out if erosion is allowed to take its toll of soil resources."

"Erosion control," he continued, "requires the cooperation of groups of land users. American farmers are meeting the challenge of soil erosion through the soil conservation districts. Theirs is the democratic approach to wise land use, for districts are organized by farmers through popular election and supervised by farmers for the common good of all. Assistance of Federal, State and local conservation agencies is given only upon request of the district."

DEAN TO DODGE CITY

Will Take General Manager Over Co-op Exchange

James H. Dean, former manager of the grain department of the Dodge City Cooperative Exchange, returned there as general manager, May 1, after two years with the Farmers Union Jobbing Association, Kansas City. Clarence Saathoff, former manager at Dodge City, resigned.

Mr. Dean has a wide acquaintance through the state among Farmers Union elevator people. Coming from Beloit, he has worked for the Mitchell county Farmers Union Cooperative Association, and later was manager of the Farmers Union elevator at Denton.

Morris Erickson Is Dead

Morris Erickson, Jamestown, N. D., 31, member of the board of directors of the National Farmers Union and head of the Farmers Union life insurance organization in North Dakota, was killed in an automobile accident early April 24. No other car was involved. He was alone in the car at the time of the accident, and it is thought that the car developed a sudden mechanical wrong, or that Mr. Erickson had a heart attack.

Pres. Fengel to Stockton

J. P. Fengel, president of the Kansas Farmers Union, will speak at the Pleasant View schoolhouse near Miltonvale, May 21, and is scheduled the next day, Wednesday, to a Farmers Union meeting at the fair grounds in Stockton. The latter part of the week is open and dates in the western part of the state at this time are available on Mr. Fengel's schedule.

New Fieldman for FUA

C. F. Yock, Osborne, is now a new traveling representative of the Farmers Union Jobbing Association, Kansas City. Yock is familiar with his assigned territory, having traveled it for ten years, and is reported as enthusiastic over this opportunity to work for a farmers' cooperative organization. He will specialize in the merchandise end of the business.

The President's Message

By J. P. Fengel

Study Water Loss

At the meeting of the Kansas Committee of Farm organizations held in the City of Manhattan on April 17, I had submitted my file on the subject of Water Conservation and Water shortages in Kansas for the consideration of the organization.

As it was impossible for me to attend this meeting, the file was in the hands of C. C. Gerstenberger who did the best he could with it, not having enough time to dig into it and assimilate all of the graphs or read all of the correspondence bearing up on the subject.

After the matter had been considered some time it was decided that a committee be appointed to continue the investigation.

The following committee was named for that purpose: J. P. Fengel, Lincolnville, chairman; J. H. Foltz, Warkana, and J. A. Martin, Mound City. I am making arrangements for the calling of this committee to make a more exhaustive study of this most important subject of water shortages, and the causes responsible for the present disastrous situation of dry creeks, springs and water wells, also the subject of fresh water pollution in water wells and streams in Kansas.

It is self evident that we farmers are going to be obliged to do something about this situation ourselves and make certain reasonable demands for remedies that will as far as humanly possible correct some of the mistakes that have been made in the past that are responsible for this condition that has resulted in dry sub-soils, dead trees, dry creeks, fresh water wells drained and now dry, the loss of springs that were thought to be never failing, and all together furnishing a never failing supply of fresh water.

Have we as farmers ever stopped to estimate the real value of a farm or pasture without fresh water, or what is your farm going to be worth in a few years if you are unable to have water in your wells or at the springs? To my way of thinking that farm without water is almost worthless at any value at all. Ponds for stock water in them will help relieve the situation so far as livestock is concerned, but how about water for household uses, do you want to have to resort to surface ponds for water for household uses? Then again, are not the ponds breeding grounds for malaria germs and mosquitos?

Chart Oil Drilling

That our farmers might have an insight into the gravity and also the importance of the designs with the water situation, I am attaching a sheet showing the effects of water shortages and fresh water pollution in sections having oil well developments, which in no way really describes the situation or even approaches the magnitude of the water problem, from either a fresh water shortage standpoint or from water pollution standpoint where there have been extensive oil field development and the water tables have not been maintained.

We are informed of the fact that there are approximately seventy thousand holes through underground rock formation that were placed there for the purpose of supporting underground water levels that have not been closed to prevent the water seeking lower levels, causing a heavy drain upon each water course, not preventing water under artesian pressure coming up through these same openings and polluting our fresh water courses, even to water wells and streams.

Will our Farmers Union members or the readers of the Kansas Union Farmer, please write me giving me all of the information they can assemble with locations of wells and streams.

(Continued on page 2)

LOWER ONE-THIRD

Washington Correspondents Give Version of Farm Legislation Fight

Increasing cleavage between what Secretary Wallace once described as the upper one-third farmer group for whom his agriculture department actually has done most of its work, and the two-thirds of under-privileged farmers who have been neglected is behind the fight over the Jones-Bankhead act, according to "The Washington Merry-Go-Round" of April 26, a syndicated newspaper column, written by Drew Pearson and Robert S. Allen.

"Wallace has been trying to switch more aid to the two-thirds, and at this St. Paul meeting he is giving his blessing to the National Farmers Union," reads the Pearson-Allen column. "This is an organization which is considered radical, if not dangerous, by the Grange and the Farm Bureau. These two pillars of farm conservation—or at least their executives—have split wide open with Wallace over lower interest rates for farmers. The reason remains a mystery for this is about the first time farm leaders have shied away from the public feed trough."

"Ed O'Neal, head of the Farm Bureau, is vigorously opposing the Jones-Bankhead bill, which would keep farm interest rates permanent at 3 per cent, instead of being boosted automatically on July 16 to 5 and 6 per cent."

"Norman Tabor, head of the Grange, is also opposed—some of his critics say because he is a candidate for secretary of agriculture if there is a republican victory in November. Result is a storm of protest inside both the Grange and the Farm Bureau. There also have been many threats of resignation, and it looks like an even greater split than ever between the upper one-third farm group and the lower two-thirds."

STUDY CO-OP PROBLEMS

By C. C. Gerstenberger, Lawrence Cooperative minded organizations convened at the Warkana Hotel, Manhattan, Kansas, April 17, to survey a legislative program to be sponsored during the 1941 Legislature.

The Committee has maintained headquarters with a legislative representative at the capital city for a number of years to scrutinize all bills introduced which effect their respective organizations in any manner. The representative assists members of the legislature in gathering any information they might desire, and appears before legislative committee hearings on the more important bills.

The Committee considered conservation of the fresh water supply in certain areas where apparently the fresh water level either lowered or disappeared entirely when prospecting for oil and gas began. A sub-committee consists of Mr. John Fengel, president of the State Farmers Union, Mr. Foltz, representing the State Grange, and A. J. Martin of the State Farm Bureau.

Mr. Foltz, Mr. Glenn Fox of CCA and Mr. Harry Witham of the Farmers Union Jobbing Association, were appointed a sub-committee to survey our laws affecting cooperatives both from a beneficial and a detrimental standpoint.

Mr. Cowden of CCA, Mr. Witham and Mr. C. C. Gerstenberger were appointed on a sub-committee to investigate ways and means of educating and by protecting the buying public against unscrupulous manufacturers and processors.

In the absence of Chairman Gall, Mr. Ralph Snyder, president of the Wichita Bank for Cooperatives, called the meeting to order.

The next meeting was left subject to call by the chairman, Mr. Emil Gall of the Farmers Commission Company, Hutchinson.

Aunt Minnie: "This parrot is 40 years old."

Little Willie (after eyeing it a minute): "He's awfully green for his age!"

Banquet Speaker in Job Analysis of Sound Co-op

Members, Directors and Managers—Specific Responsibilities to Organization

J. E. Wells, Jr., deputy Cooperative Bank Commissioner, Farm Credit Administration, Washington, D. C., speaking at the banquet, April 18, at the Cooperative Conference, Manhattan, said that cooperatives must know their individual limitations but, by and large, should have these three objectives: to improve the market, to improve standards, and to set the pace in the competitive business of marketing and merchandising.

There have been several major changes in the economic life of our nation, he reflected. The nation has lost its land frontiers which it had but little over a generation ago. The nation's population is expected by statisticians to reach its peak by 1960, the proportion of members of the older age brackets is constantly increasing. The United States has turned from being a debtor to a creditor nation, greatly affecting U. S. import and export trade. There have been great technological changes. Not many years back, statistics showed that it took something like nineteen farmers to feed one city worker; today one farmer can feed approximately nineteen city workers.

Better Informed Members

Mr. Wells struck an optimistic note with the opinion that members of cooperatives are today better informed of their responsibilities toward their organization than they were ten years ago. He analyzed the responsibilities respectively of the members, the directors, and the manager of a cooperative business.

Members of a cooperative should attend meetings to learn the facts about their organization. They should select good directors—their principal responsibility. They should recognize the importance of their patronage to their own organization. They should visualize the necessity of their ownership of their agricultural, cooperative business machine.

Directors have the responsibility of selecting a good manager. They need determine sound business policies for their cooperative, and see that the machinery to insure that the decided policies are carried out. Third, the secretary of the board of directors should record the actual business of their cooperative, and see that the directors' meetings so that an auditor can check the actual management policies with those directed policies from the secretary's minutes.

The directors have the job of hiring an auditor, rather than that of hiring the manager. The job, and the directors should advise what type of audit is wanted, should hear the auditor in person after the audit is completed, and then should see that the report or suggestions are carried out.

Need Set the Pace

Another important responsibility of the directors is that of keeping the cooperative in pace with the requirements of the farmers. Are there new services that the members desire, and that the organization is capable of developing?

The manager of a cooperative is the trustee of the organization's funds; he needs to study costs and operating methods, and constantly try to do a better job. He has the responsibility of choosing proper personnel. He should select other employees that each worker needs to learn the job, and to be ready for advancement; needs efficiently to handle his own job, and needs to train someone for the job he now holds.

The manager should cooperate with his directors that good business policies may be developed. He needs be a good sport about his job, not permitting a few dollars lower salary ever to undermine his loyalty to his organization, and should not make the attempt to hand-pick directors for the cooperative. The manager is the responsibility of the membership.

Touching upon the common problem of dissatisfaction of members with the service, pricing or personal difference with the manager or the management of the cooperative, Mr. Wells emphasized the importance of members taking any such difference directly to the manager or to the board of directors. Members should not permit minor matters to affect their loyalty to their cooperative, and rather than talk of their dissatisfactions to their neighbors, they should discuss the problem with the management where it should be solved.

"Try and think of a few new uses for your cooperative," was the parting thought of Mr. Wells, as he concluded his address.

F. U. JOBBING ASS'N.

Editor's Note—The following article has been clipped from the Liberty Bell, a Chronicle and indicates that the Farmers Union Jobbing Association is carrying the good name of KFU products with honors.

This is Kansas City's most popular and also the largest stock of high grade dairy, stock and poultry feeds in this section of the two states. The offices are on the seventh floor of the Board of Trade building and warehouse at Central and Water streets.

This outstanding concern is conveniently located for a prompt service to our Clay county farmers and livestock raisers. Farmers for miles around have found very substantial savings in farm supplies and equipment as well as all other superior brands of feeds, known as producers of dividends by means of increases in the milk pail and egg basket. Telephone numbers are Victor 5781 and 2171.

They are known for greater values in fence, barb wire, steel posts, bales, stock tanks, corrugated sheets, binder twine, Carey salt, mill feeds, mixed seed, cottonseed products, meat scraps, linseed oil meal feed ingredients. Also high grade paints, lubrication oils and greases.

(Continued on page 4)

Chart showing what oil drilling has done to water table, farm wells and streams in counties where drilling has had sufficient time for predictable results.

County	Normal Rain-1938 Difference	Dry Wells Number Location	Industrial Pollution	Water Hauling	Price	How Long Water Well Storage
Marion	31.31 37.08 5.77	Located near oil	Damage is done to water from well tbl			Immediate loss of springs and the farm wells after drilling.
Shawnee	34.02 28.74 5.28	'37-1000 '38-1500 S 1/2 worst	Salt Water ruined many wells		City or pump rate	Southern part closest to oil.
Geary	33.34 30.54 2.80	50 wells dry in E side County		About 3 miles	mostly free	Eastern part of County closest to oil wells.
Osage	36.63 35.66 3.99	92 per cent located general	Salt water in some wells	2 to 6 miles	Free or pump cost	Above normal rainfall yet dry wells increased to 92 per cent.
Greenwood	33.75 35.66 1.91	NE and S cent. worst 75 Per cent	Well, stream pollution from slush ponds	1 to 15 miles	25c per load	Above normal rainfall dry wells increase damage since oil.
Elk	35.74 36.73 .99	'37-30 Per Ct '38-35 Per Ct '39-75 Per Ct	Strms, part of remaining wells ruined	1 to 10 miles	Most parts free	Disturbed sub-strata dries 35 per cent even with above normal rain. No sht. before
Chautauqua	36.78 33.49 5.29	'37-10 Per Ct '38-15 Per Ct '39-75 Per Ct W & N Cent. worst	Number of law suits over polluted streams	12 to 20 miles	City rate where obtainable	Disturbed sub-strata drives 75 per cent good wells. New wells are salty, Rivers Ruined.
Butler	32.96 31.40 1.56	'37-10 per Ct. '38-15 Per Ct '39-25 Per Ct E. part worst	Wells and many streams polluted	1 to 2 miles	Free	Dry, wells shortage where most oil wells are.
Wilson	37.70 33.91 3.77	General 60 Per Ct in 1939		5 miles	Free	Some wells ruined by oil, some by salt water
Neosho		'37-500 '38-1000 '39-1500 General	Salt water and oil in Streams and wells	1 to 10 miles	Mostly Free	Increase in dry wells and streams startling.
Cherokee	43.25 39.35 3.90	50 Per Ct shortage General	Wells, streams ruined by seepage of abandoned coal mines	1 to 12 miles	Since Coal mines opened	50 Percent loss forever, strms ruined by seepage of abandoned coal mines.
Osborne		500 in '38 and '39 General		1 to 5 miles	Free	Close to Russell oil fields. Is that disturbing the sub-strata?

The Kansas Union Farmer

Rex H. Troutman Editor

Published the first and third Thursday of each month at Salina, Kansas by THE KANSAS BRANCH OF THE FARMERS EDUCATIONAL & COOPERATIVE UNION, 119 South Seventh Street, Salina, Kansas.

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 1003, Act of October 3, 1917, Authorized July 30, 1918.

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

NATIONAL OFFICERS

John Vesecky, President Salina, Kansas
H. G. Keeney, Vice-President Omaha, Nebraska
J. M. Graves, Secretary Oklahoma City, Okla.

KANSAS OFFICIALS

John Fengel, President Lincolnville, Kansas
Norman Ferra, Vice-President Quinter, Kansas
Rex Troutman, Secretary Salina, Kansas
John Tommer, Conductor Waterville, Kansas
John Scheel, Doorkeeper Emporia, Kansas

DIRECTORS

Ross Palenske, First District Alma, Kansas
Wm. E. Roesch, Second District Quinter, Kansas
George Reinhart, Third District Parsons, Kansas
Reuben E. Peterson, Fourth District McPherson, Kansas
Ray Henry, Fifth District Stafford, Kansas

FARMERS UNION JOBBING ASSOCIATION—719 Board of Trade Bldg., Kansas City, Mo. H. E. Witham, General Manager; T. C. Belden, Manager Merchandise department; Roy Crawford, Head Grain Salesman; A. T. Riley, Manager Salina Grain Office; Merchandise Warehouse Center & Water streets, Kansas City, Kan. Harry Neath, Manager; Wakeez, J. Kan. M. and Gardner, Manager; Farmers Union Terminal Elevator, Santa Fe and Union Pacific tracks, North Topeka, George Bicknell, Manager.
FARMERS UNION MUTUAL INSURANCE CO.—Room 202 Farmers Union Bldg., Salina, Kansas. G. W. Bushby, President-Manager.
FARMERS UNION LIVE STOCK COMMISSION CO.—Room 100 Live Stock Exchange Bldg., Kansas City, Mo.; Live Stock Exchange Bldg., Wichita, Kansas; Live Stock Exchange Building, Parsons, Kansas.—W. G. Bernhardt, Kansas City, General Manager; L. J. Alkire, Manager, Wichita Branch; W. L. Acuff, Manager, Parsons Branch.
KANSAS FARMERS UNION—Salina, Kansas, Room 311, Farmers Union Insurance Co. Building.
FARMERS UNION AUDITING ASSOCIATION—Room 308, Farmers Union Bldg., Kansas City, Mo. H. E. Witham, Secretary-Manager, Salina, Kansas.
FARMERS UNION LIFE INSURANCE CO.—Room 300, Farmers Union Insurance Co. Bldg., Rex Lear, State Manager, Salina, Kansas.
THE KANSAS FARMERS UNION ROYALTY CO.—Room 219 Farmers Union Insurance Co. Building, Salina, Kansas, G. E. Creitz, State Manager.

FARMERS UNION MANAGERIAL ASSOCIATION

P. J. Nash, Ellsworth President
Glenn Hewitt, Osawatomie Vice President
Dave Train, Lindsborg Secretary

SALINA, KANSAS, THURSDAY, MAY 2, 1940

Secretary Wallace and the F. U.

The St. Paul meeting addressed by Secretary Wallace has been called the largest meeting of actual farmers in the history of our country, attracting an attendance variously estimated from 12,000 to 22,000 people. The meeting was called by the National Farmers Union, and the program of our organization was promoted at this meeting.

Certainly it is unusual that a Secretary of the Department of Agriculture should be the featured speaker at such a mass meeting in our Farmers Union. More often, it is the Farmers Union that is the strongest critic of the Administration. This is to be explained simply that Secretary Wallace favors Wheeler-Jones Farm debt-adjustment bill, the legislation that is currently under study and question. The Secretary also favors the Farmers Union income commodity bills; the general principles of them anyhow.

The program of the Farmers Union should appeal to every real farmer. The tenant purchase legislation enables the man at the bottom to regain hope of a farm ownership. The debt adjustment legislation would enable thousands of farmers to balance their budget even on the basis of present farm prices. The commodity income-certificate bills are drawn to gain that Farmers Union goal of cost-of-production.

TRAVELOGUE

By P. P. Fengel

I know we farmers have appreciated the rains lately and again to see the cattle out on the pastures, the fields green and the prospects of a wheat harvest improving.

Was at the office the 17th, and in the evening with Tom Hall we drove over to Hays for a county meeting being held in the court house, where a nice crowd was on hand, and we had a good meeting as usual. We were entertained at the home of brother Frank Walz and enjoyed the hospitality of his home and the splendid visit with him, which was the first time we had met since the state convention at Wakeney last October.

The county meeting at Hays was in charge of County President Lee Rajewski and County Secretary, Frank Pfeiffer.

There was a nice delegation from Victoria too. Frank Schippers, manager of the elevator, Adolph Dinkel of the Farmers Union store and the ex-manager, Anthony Kuhn and others. Norman Flora, our vice-president, also came over to Hays for this meeting and we had a nice little visit together after adjournment.

From Hays, Tom and I drove into Manhattan for the Cooperative Conference at the College on the 18th and 19th. It really is too bad that more of our farmers can not or do not attend these conferences so they might have a better understanding of the problems and possibilities of the Co-operatives we now have and the advantages to be gained through their extension and development in to many more cooperative channels.

Of the Farmers Union folks in attendance were H. E. Witham, T. W. Halpern of the Farmers Union Jobbing Association; W. G. Bernhardt of the Livestock Commission Company, Kansas City; Harold Westgate of Manhattan, Miss Esther Ekblad, our state Junior Leader, also her parents, Mr. and Mrs. Ekblad of Leonardville, and our Mrs. Henry Sinner of Harvard, Nebraska, as a guest speaker on the Conference program on Friday morning.

We Kansas folks enjoyed meeting Mr. and Mrs. Sinner very much; her

subject of the morning was "The Potency of Cooperation." Mrs. Skinner is a very able speaker and her address was well received and appreciated. We hope to have her visit Kansas again some time.

To Lincolnville Meeting

From Manhattan we journeyed home, rested up a little and enjoyed a meeting right at home with the stockholders of the Farmers Union elevator of Lincolnville, in the high school auditorium.

The guest speakers on the evening program were Miss Esther Ekblad and Tom Hall, with his picture show, music by the Lincolnville High School Band, singing Farmers Union songs, a rhythm band from the Gross school and the usual social hour with a splendid lunch which was served in the kitchen by the ladies of the Evangelical church.

Our distinguished guest at this meeting was Mrs. Ada Watson of Herington, who is the only daughter of our beloved Uncle John Tremble. This meeting was voted a success and we are going to hear much more from this section of Marion county later on.

Neighborhood Notes

In Cowley County
The monthly meeting of the Beaver Junior class, Local No. 1558, was held Tuesday, April 9, 1940, at the Beaver Township Hall.

The meeting was called to order by President Miss Laura Gottlieb, and the previous minutes were read by Secretary, Miss Doris Heffron. Roll call was answered by famous movie actor or actress. Songs were led by Laura Schantz and Miss Evelyn Heffron. It was moved and seconded to meet every first Thursday night in the month. Plans were made to have a roller skating party, April 17. Covered dish lunch was served and games were played. There were ten active members and eleven social members present.

Evelyn Heffron, Winfield.

In Douglas County
Our last quarterly meeting was held in Baldwin, April 13. I am writing you a copy of the resolutions passed in by the resolutions committee.

1. We affirm our position on the justification of the present gas exemption law, for all purposes except propelling vehicles and tractors on the public highways. We urge all farmers to strictly observe our present gas tax exemption law in order to avoid having it repealed.

2. We recommend that our officials of the Kansas State Farmers Union make a strong appeal to all Farmers Union business organizations, to require membership in the state organization as one of the primary qualifications of their personnel.

Signed: C. C. Gerstenberger
F. C. Flory
H. H. Ulrich
Harry Hobson
Miss A. A. Liggett
Resolutions Comm.

In Ellis County

Excelsior Local No. 606 of Ellis, Kansas, held their regular meeting on April 16. A large crowd was in attendance. Miss Esther Ekblad, State Junior Leader, was present. She gave several interesting talks on Farmers Union bills in the legislature.

A group of Juniors were present. Miss Ekblad also spoke about the things other Junior groups were doing and expressed the hope that there would be several from our group to go to camp this summer.

Miss Helen Weber will act as leader for the Junior group which will begin active work at our next meeting which will be held on May 6.

Three songs, O Junior, Friend, South of the Border, and Oh, John, were sung by Miss Catherine Re-

gina, Rose, and Helen Weber, and Norbert Neuburger.

Following the business meeting, a lunch was served by the committee. Next meeting will be held on May 6. Helen Marie Weber.

In Ellsworth County

Ellsworth County Farmers Union No. 41 meets at 8 p. m. on the second Tuesday of each month. At the last meeting it was decided to buy a piano to be placed in the Farmers Union hall. Mrs. Hysell was selected to pick out the piano.

Interest at this meeting was centered around the Junior clubs of the county.

It is necessary for the Juniors to meet certain activity requirements before they will be eligible to attend the state Junior camp in August. Competition is somewhat keen between our active Juniors.

Our discussion programs under the leadership of Albert Heineke are creating more interest each meeting.

At the next meeting on May 14 motion pictures will be shown by the Mound Ridge Cooperative Creamery. Meeting was adjourned to meet with the Juniors in the basement of the city hall, Tuesday, April 8.

Reporter.

In McPherson County

The third Farmers Union Junior party was held at the Johnstown Local April 16. Scandia, No. 8, North Union Johnstown were represented at this party.

The party began with group singing which was led by Keith Peterson, our president, Orville Rawson, called the meeting to order and the minutes of the previous party were read and approved.

The committee elected to study the paper project gave a report. It was

decided that we let this project alone until next fall. It was moved and seconded that the Secretary send a note of thanks to Helen Denney, for printing our song books.

The rest of the evening was spent in playing games. A delicious lunch was served by Johnstown Juniors. Ida Mae Carlson.

In Rush County

It has been a long time since this Local has sent in notes, and it is about time we let the rest of you Farmers Union Locals know that although we are just about covered with dust in this part of the country we are not "Gone with the Wind" yet.

We had our regular meeting on Thursday, April 18, and had a fairly good attendance.

After a short business meeting we had a card party. To me it seemed everybody had a good time. What the other members thought I don't know.

Around eleven o'clock we had a drawing for prizes. Brother J. M. Herrman won a sack of flour and Mrs. Marcara Kreutzer won a broom. We were going to give out a rolling pin for a prize, but since my wife was in the drawing too, I did not take any chances.

This Local is indeed specially privileged to have Bro. Charlie O'Brien as a member. Before we had him in our Local, the biggest part of us thought that money was something we didn't have. But since Mr. O'Brien has aroused interest in the monetary question we have found out that nobody has money, not even the banks.

He induced us to subscribe to the Constitutional Money Advocate of Minden, Nebraska. These two dollars were the best investment this Local

currently paid for the use of money. The state and national laws limit the interest rate on stock to not more than 8%.

Many cooperatives pay 4% or 5%, which is more nearly the current rate paid by private agencies. A lower interest rate also tends to discourage individuals from holding stock simply for an investment, and instead encourage individuals to own stock for the purpose of doing their business cooperatively.

V. SAVINGS DISTRIBUTED IN PROPORTION TO PATRONAGE. If a cooperative is to serve those who furnish the business this principle of a cooperative is very important. Profits are made from those who furnish the business. If the owners are the individuals who furnish the business then their purpose for owning the business on a cooperative basis is for the service the cooperative is to them. One of those services is the saving in the usual handling charges taken. Cooperatives distribute these savings to the individual members on a patronage basis.

VI. SALES TO AND PURCHASES FROM MEMBERS AT REGULAR PRICES. This practice does not encourage ruinous price-cutting wars with competitors. It does not tend to create a price situation which enables the individual not a member to buy and sell to just as good an advantage, as far as price is concerned, as the member. Price wars give some of the advantages of a cooperative to the non-members as well as the member who is actively supporting the cooperative. Cooperatives are usually playing safe to buy and sell at prevailing prices and return savings to members on a patronage basis.

VII. CASH TRADING. It has been very definitely and conclusively proven by actual records of cooperative experience that the extension of credit is an expense to the cooperative. The extra expense is due to loss in bad accounts, collection expense, extra bookkeeping, etc. Extra operating capital expense and loss of trade of those who owe are also difficulties involved. If savings are pro-rated on the same basis to cash and credit members, the man who pays cash pays the expense of extending credit to the credit member. Because credit is expensive and all members share the cost, a credit policy is not considered fair to all members. Cash trading is generally accepted as the fair and equitable way of doing business in a cooperative.

VIII. PROMOTION OF COOPERATIVE EDUCATION OR INFORMATION. A cooperative cannot be sure of success over a period of years if it does not give some attention to the problems of keeping members and patrons informed regarding purposes, principles, practices, and the expectations of the cooperative way of business economy. A cooperative business has a changing membership. Young people are continually growing up and taking the place in the community of those who die, retire or move away. So the job of keeping members and patrons of a community informed is imperative to the continued success of a cooperative.

The principles outlined and briefly discussed here are those fundamentals in which cooperatives differ from old line business institutions. However, it should be pointed out in connection with this discussion that good sound business practices are as potent to the success of a cooperative as such are to any business. The building of reserves and a strong financial organization, efficient bookkeeping and auditing, efficient use of labor and facilities, the elimination of speculation and risks, are all equally if not more important to the success of a cooperative than to any old line business.

DISCUSSION QUESTION

Should The Interest Paid on Capital Stock in a Cooperative Be Less Than the 8% Provided In Cooperative Laws?

a. Do cooperatives offer services that should make us more than "dollar" cooperators?

References: Kit on Cooperatives (50c) including "Cooperation—A Philosophical Interpretation," "Cooperatives in the U. S.—A Balance Sheet," "Cooperation, What Is It?" "Co-ops—How Far Can They Go?" "The Story of Farmer Cooperatives," and others. Also, "Cooperative Principles and Practices," Special Circular, University of Wisconsin.

CO-OPERATIVES

Observance of Cooperative Principles Is Fundamental To Cooperative Success

Among many people cooperatives are thought of as something very vague, far-off, or fanciful. Others will argue just as emphatically that cooperatives are tangible and very practical. Such folks will argue further that cooperatives are not just another business organization, no different from other competitive individual and corporation enterprises. True it is that cooperatives use similar practices in conducting their day to day operations, but the principles and purposes for which the business is conducted are as different as night and day.

The principles and purposes with and for which cooperatives operate today are fundamentally the same as those founded by the Rochdale Pioneers 96 years ago. This of course does not mean that there is nothing new to learn about cooperation. It does mean that for the past 96 years the general fundamental principles and purposes have stood the test of experience and that today they apply as well as ever. Let us not be confused here between the fundamental principles and purposes of cooperatives and the mechanics which cooperatives use in applying the general principles. In other words, the methods which different cooperatives use to best apply the same principles to conditions in their particular community may vary, but all cooperatives are attempting to perform the same general service for the same general reasons. Although the cooperative movement itself has undergone marked development during the past 96 years, its commandments are still the eight fundamental rules adopted by the Rochdale Pioneers in 1844. Those principles are:

I. MEMBERSHIP. A true cooperative does not limit membership because of any racial, religious or political belief prospective members may have. A true cooperative takes the position that all classes of people should be served on the same basis and on equal grounds. A cooperative should take the stand that all can agree on cooperation, whereas there is a wide difference of opinion on political parties, and religious creeds. This of course does not mean that the cooperators themselves are indifferent to politics or religion, it simply means that all individuals can work toward a more just and fair economic order through the cooperative movement.

II. DEMOCRATIC CONTROL, OR ONE MAN, ONE VOTE. In a successful profit corporation there is usually a struggle for control by a small group of greedy stockholders, as each share of stock is entitled to one vote. A few or even one individual can purchase or get control of a majority of the shares of stock and thus control and direct the affairs of the corporation for their own benefit. In a cooperative no matter how many shares of stock an individual holds he can have only one vote. This leaves the control in the hands of the majority of members.

III. LIMITATION OF THE NUMBER OF SHARES HELD BY ONE INDIVIDUAL. Another safeguard to democratic control is the limitation of the number of shares of stock one individual may own in a cooperative. Our National and State cooperative charters provide that an individual member may not own more than 5% of the capital stock of the cooperative. Some cooperative by-laws limit the amount of stock even to less than that. The purpose of these limitations is to encourage larger membership and to keep the stock from being concentrated among a few individual members.

IV. INTEREST ON STOCK LIMITED. Stock in a cooperative is simply the members' contribution toward the complete ownership of the business. From the cooperative standpoint it is the money it has hired for use by the group. The interest rate should never be above that

ask teachers, professors or other intelligent people and be prepared for a surprise.

How many of us know that if a banker has \$100 he can go and lend \$1,000. This is not a personal experience, because the bankers will not even let me have the \$100.

I am sending in two articles out of the Constitutional Money Advocate which I hope will interest all of you. After some study on this subject, you will all clearly see that the present reserve system controls prices, wages and everything else.

It is too lengthy to start here, so close, hoping the Farmers Union will be money conscious in the future, and use the Farmers Union paper as a means of getting it to the people who otherwise would not learn about it.

Here's hoping for busier and better times, I remain,
J. J. Enslinger, Sec. ..
Local 648.

Dear Editor:
Doesn't it seem inconsistent to you that the American people must be denied the comforts, and even the necessities, of life when at the same time we are actually destroying our domestic products because of a so-called "over production" or "surplus"? What a crime, what an indictment against the intelligence of a people!

But who is to blame? Is not a Democracy founded and built upon the principle of "government by the consent of the governed"? In a Democracy the people are the government. Have we neglected our duty, have we forgotten to take an active interest in the affairs of our Government?

It is certainly evident that there is something wrong with our system of distributing the Nation's plentiful

products. The one most vital factor of government is the vehicle by which we distribute our products—namely, Money. It is safe to say that not one out of every ten people even claims to understand the money question.

The Constitutional Money League of America, Washington, D. C., an educational, non-profit, non-partisan organization, will send free literature on this important problem upon request. Address the Constitutional Money League of America, Washington, D. C., and enclose a three-cent stamp.

There has just recently been published, for the first time, a textbook for schools teaching the true Jeffersonian principles of the money question. These are the principles of the "program for monetary reform" as sponsored by over 300 of the Nation's professors and academic economists from 48 of our largest universities and colleges, such as Yale, Harvard, Princeton, Columbia, Cornell, etc.

It is my opinion that nothing could be of greater value to us today, for this book, "Basic Principles of Constitutional Money," points the way out of our economic distress in such a sane and practical manner. Indeed, Mr. Editor, I am fearful for the safety of our great Democratic form of government unless the reasonable wants of our people are satisfied without dotes and charity.

If anyone desires to know the reason why we have booms and depressions with want and starvation in the midst of plenty, he would do well to read the free literature which for a three-cent stamp may be obtained from the Constitutional Money League of America, Washington, D. C., an educational, non-profit, non-partisan organization, which organization by the way, is offering a splendid educational service to free the Nation.

Lifters vs. Learners
Poem by Ella Wheeler Wilcox

There are two kinds of people on the earth today, just two kinds of people, no more I say.

Not the sinner and saint, for 'tis well understood, The good are half bad and the bad are half good.

Not the rich and the poor, for to count a man's wealth, you must first know the state of his conscience and health.

Not the humble and proud, for in life's long span, who puts on vain airs is not content with his lot.

Not the happy and sad, for the swift flying years, Bring each man his laughter and each man his tears.

No; the two kinds of people on earth I mean, Are the people who lift and the people who learn.

Wherever you go, you will find the earth's masses, Are always divided into just two classes.

And oddly enough, you will find, too, I've seen, There is only one lifter to twenty who learn.

In which class are you? Are you easing the load, of overtaxed lifters who toll down the road?

Or are you learner, who lets others bear, Your portion of labor and worry and care.

The above poem has been selected to help define the reason for farmers, year after year, failing to master their difficulties, too many learners, too much inconsistency, too much, just as the International Bankers (Banker group) want it.

We read this poem from A. G. Black, in the last President's Message: "Government figures show that the farm debt is seriously out of line with farm income."

Why doesn't he tell us something we don't know? Mr. Black as well as Frank, the above condition must be such or Black and lot of learners would be without jobs.

High priced farm machinery; Wallace's lament last September when the farmers' wheat prices started to leave the 50 cent level; Eccles' excuseless deflation of currency and credit in 1937 and other times; and Hull's recent Reciprocal Trade agreement are some of the conditions which keep our income "just around the corner," and neither Black nor any of his leaders will put their thumbs

down on one of them, then why make sympathetic gestures?

It is indeed folly to nurse along a Debt adjusting program to run parallel with above continuing conditions, while additional farmers are being drawn in annually by the thousands due to the above conditions.

Am pleased to quote Virginia Kear, Colby, Kan., from K. C. Star: "Any sane white man knows that the Hull Trade agreements are detrimental to American agriculture because they allow cheap foreign labor to dump on the American market all the products which the new deal claims we already produce in surplus quantities. They planned it that way, to reduce the farmer's income so as to foreclose on his land." (So a lifter speaks.)

Cooperation in the Farmers Union has a place to fill, just as much as a roof on a home, but in reading our own paper I wonder if we are inclined to want to build the roof first, then the framework and last, the foundation?

While pre-stewing about our Cooperatives, the International Bankers are taking away our family-owned homes (later referred to as family-sized) at a rapid rate.

The only "foundation" to build on is a reformed money system as provided for in Article 1, Sec. 10, of our National Constitution, which any "lifter" Farmers Union member is familiar with, and on this "house," build a cooperative "roof" that will keep out the "bad-weather."

The Farm Journal for May gives advice on "The Next Step," page 15. "Farmers have, for a long time, lost their battle for the first chance at the American market. The next step in the fight is to elect to Congress this fall a majority of men who favor the American market for home farmers. A sufficiently strong majority could vote to cancel, with six months' notice, the agreements that are most objectionable."

But, will the Farmers Union see fit to first put its own house in shape? We have a State Convention at Parsons this fall. Will we farmers elect a lifter or a learner to represent us at the National F. U. Convention? Will it be a delegate who leans toward the present Farmers Union Reciprocal Trade Agreement representatives, or will it be a state delegate who will help lift the American farmer back into his own market?

Victor Hawkinson, Randolph, Riley County, Kan.

THE PRESIDENT'S MESSAGE

(Continued from page 1)

springs that have gone dry since oil field developments have begun, so I may have this information from as wide a field as possible for the use of my committee.

Some of our farmers living west of Great Bend and Hutchinson have taken the position that there was no danger in their section of the state, because their land was blessed with a sheet water under-flow from the mountains on the west and they need not fear either water shortage or water pollution, but just recently, I learned that at Russell, Kansas, even this sheet water under-flow is now contaminated and that city must secure its drinking water elsewhere, so, there is danger in any section of Kansas from water pollution, where there is oil development.

Will you please check this chart over as a beginner and as we learn more about the subject pass the information on to you and ask you to help us help you to save your farms and conserve water supplies above and beneath the ground.

CHIVALRY
"What happened after you were tossed out of the side exit?"
"I told the waiter I belonged to a very important family."
"So what?"
"He begged my pardon, asked me in again, and threw me out of the front door."—Toronto Labor.

SURVEY SHOWS... farm telephone is real money saver

I WANTED TO SEE HOW MUCH OUR FARM COSTS US, SO LAST MONTH I KEPT A RECORD AND FOUND—

...THAT OUR TELEPHONE SAVED US 19 TRIPS TO TOWN. IT'S 4½ MILES TO TOWN SO IN THE MONTH WE SAVED 171 MILES OF DRIVING

THE COST OF GASOLINE ALONE TO GO THAT FAR IS ABOUT \$2.50 NOT TO MENTION OIL AND OTHER EXPENSES OF RUNNING A CAR

ACTUALLY YOUR TELEPHONE DOESN'T COST YOU MONEY. IT SAVES YOU MONEY

AND IT'S SUCH GOOD COMPANY TOO

The farm telephone is a timesaver — and farmers who keep records know that it's a money saver too. Cold facts and figures prove that it costs you money to be without a telephone on the farm.

See your telephone people today about getting telephone service on your farm.

SOUTHWESTERN BELL TELEPHONE COMPANY

products. The one most vital factor of government is the vehicle by which we distribute our products—namely, Money. It is safe to say that not one out of every ten people even claims to understand the money question.

The Constitutional Money League of America, Washington, D. C., an educational, non-profit, non-partisan organization, will send free literature on this important problem upon request. Address the Constitutional Money League of America, Washington, D. C., and enclose a three-cent stamp.

There has just recently been published, for the first time, a textbook for schools teaching the true Jeffersonian principles of the money question. These are the principles of the "program for monetary reform" as sponsored by over 300 of the Nation's professors and academic economists from 48 of our largest universities and colleges, such as Yale, Harvard, Princeton, Columbia, Cornell, etc.

It is my opinion that nothing could be of greater value to us today, for this book, "Basic Principles of Constitutional Money," points the way out of our economic distress in such a sane and practical manner. Indeed, Mr. Editor, I am fearful for the safety of our great Democratic form of government unless the reasonable wants of our people are satisfied without dotes and charity.

If anyone desires to know the reason why we have booms and depressions with want and starvation in the midst of plenty, he would do well to read the free literature which for a three-cent stamp may be obtained from the Constitutional Money League of America, Washington, D. C., an educational, non-profit, non-partisan organization, which organization by the way, is offering a splendid educational service to free the Nation.

Lifters vs. Learners
Poem by Ella Wheeler Wilcox

Junior and Juvenile Department

Juniors from 16 to 21

Juveniles from 6 to 15

Junior Motto: "He Loves His Country
Best Who Strives to Make It Best"

The Task That Is Given to You

To each one is given a marble to carve for
the wall;
A stone that is needed to heighten the beauty
of all;
And only his soul has the magic to give
it grace;
And only his hands have the cunning to put
it in place.

Yes, the task that is given to each one,
No other can do.
So the errand is waiting; it has waited
through ages for you.
And now you appear; and the hushed ones are
turning their gaze,
To see what you with your chance in the
chamber of days.

—Edwin Markham.

YOUR LEADER'S MESSAGE

Esther Ekblad

Commencement

Before many weeks thousands of young men and women will be leaving school rooms with diplomas in their hands. Along with that diploma there will go into the world thousands of attitudes toward the future. What has it in store for young men and women?

We hear much today about the perplexities and the problems of youth. So much in fact that we almost tire of the phrase. It interested me to read the following in a recent article by Maxine Davis: "There is no youth problem. There is a social problem; there is an economic problem; there is a political problem. These are all problems of American citizens, of any age or economic status."

Miss Davis goes on to suggest that these problems are a part of our responsibilities as young adults, and urges that we assume these responsibilities by taking part in community enterprises—farm and labor unions, professional organizations, and social group activities, but to take part as adults. Being young is no reason why we should think of ourselves as something set apart. We are American citizens and should begin acting as such.

We are fortunate that the Farmers Union has recognized the need for coordinating the two age groups. Junior and senior members work side by side. There is no dividing line which will set one group up against the other. Our organization has done well to provide for such a set-up; let us encourage it.

For our commencement address to you who this year receive diplomas we take the liberty to quote further the admonitions of Maxine Davis: "You belong side by side with your fellow citizens. You are part of the national organization of society, where the experience of the old may be quickened by the yeast of vigorous youth; where the inherent qualities of youth may be leavened by the judgment of the middle-aged."

"Go out into the world as men and women."

"Old King Cotton"

The May Farmers Union Program Service comes to us as a voice from the South. We just can't resist calling your attention to it. It is prepared by Miss Peggy Dallet of the Louisiana Farmers Union. And it is a program that will bring us in spirit to the heart of the South during its presentation. In the program is a story of the Rust brothers, inventors of the Cotton Picking Machine, also a four-minute speech outline on "The Cotton Sharecropper," and an outline for a panel discussion on problems of Southern farmers.

We can grow cotton in Kansas but we have a desire and a will to use plenty of it, so let's give our locals a treat by having a program fresh from the South!

Spring Gardening

With May just in and spring days still at their best why not get at some last minute gardening in our local? If you have been rather inactive this winter, how about a good pep meeting this month? And let's get Junior classes under way. Juniors, you'll enjoy class activities with recreational learnings during the summer months.

We'd like to help you yield the rake and hoe. We'd love to answer calls from you and assist in planning a Farmers Union program for your community; to help you with a discussion and also to help add a touch of recreation for all. With publicity and enthusiasm on your part, folks will make time to attend the Farmers Union meeting.

With Your State Leader

The anticipation of meeting folks one hasn't seen before is much as I rode on the train to Ellis, Monday afternoon, April 15. I knew the names of a few folks and had been corresponding with one of the girls in the local, but my knowledge went no farther. It didn't take long after arriving at Ellis to know that I was in friendly hands, and as for names, it was almost safe to address anyone as Weber. Yes, fairly safe, but not foolproof, as the Weber's didn't quite have the monopoly on attendance.

The evening was spent discussing Farmers Union legislation, Junior activities and plans for a dance and local was sponsoring the following week. After the local meeting adjourned, the Juniors drew chairs off to one side and discussed the organization of a Junior class. Miss Helen Weber, an active member of the local who is still of Junior age, will be the Leader. We are hoping that the Juniors of this local will find it possible to join us at our Junior class this summer.

Thursday and Friday, April 18 and 19, were spent at Manhattan attending the Cooperative Conference held at the college there. You'll find reports of this most interesting cooperative meeting elsewhere in this issue of the K. U. F.

On the next Monday evening, April 22, we turned westward again; this time with Ellsworth as the stopping place. At the train that afternoon was met by the bride and groom of just one week, Mr. and Mrs. Hubert Voeltz. Mrs. Voeltz was formerly Roberta Webb. Roberta has changed her name but she is still busy at the jobs of a Junior Leader.

The Juniors met that evening at the Nienke home and I was privileged to be there for supper. Billie Nienke was one of our campers last summer. It was nice to see Billie again and to get acquainted with his family.

The meeting that evening was the regular class meeting of the Walnut Grove Juniors. Eight members were present. The lesson 24. The meeting was concerning the difference between corporations and cooperatives, with "The Cooperative Movement—Yours and Mine" as the study text. Important business was the problem of earning funds for camp. It was decided that the Juniors would sponsor a box supper sometime in May.

Enjoy Lincolnville Program

Next in order of trips was a visit to the home town and home of our State President, The F. U. Co-op. Grain Elevator, the Oil company and the locals around Lincolnville sponsored a community meeting, Wednesday evening, April 24. The meeting was held in the Lincolnville high school and was very well attended. A half hour of music by the high school band, community singing and a short program, which was the evening's good start. It was my job to describe the Junior program, and Tom Hall was present to show his slides of co-operative grain

marketing. The manager of the elevator gave a pep talk on the merits of marketing grain cooperatively, and the grand finale was doughnuts and coffee.

It was so pleasant to visit with Mr. and Mrs. Fengel at their home. The Fengel home would be a fine place to stop and visit whenever we drive through Lincolnville. After getting some of their hospitality, I know all Farmers Union folks would be more than welcome.

The next day it was necessary for me to go to Herington in order to get a train for Salina, but how glad I am that it was necessary! My daughter, Watson, daughter of John Tromble, a much beloved Kansas Farmers Union president, lives at Herington. She invited me to have dinner with her that day. We had such a pleasant visit until train time! Many of us were too young to ever remember Mr. Tromble, and I do enjoy so much learning to know him through Mrs. Watson.

Campers were delighted to have Mrs. Watson visit us at Eureka Park last year, and now I have her promise that she'll visit us again this year. With a gift of money she gave the campers last year we have had a Junior Banner made which we proudly display at all Junior functions.

SECRETARY WALLACE URGES LAND BANK REORGANIZATION

(continued from page 1)

nationalistic and political interests which always stand up against anything which really will help the farmer. Some even of our friends have been deceived by the false picture which the enemies of the farm program have been spreading over the country. I shall repeat some of their fallacies, so that you may recognize them for what they are.

Number one: They say the farm credit system has been perfectly sound, but that now it is going to be wrecked by the Department of Agriculture.

Number two: They say that we are going to hand out money to farmers without any regard to whether or not it will be repaid, that we will use "soft credit" or "loose credit" policies.

Number three: They say that the value of the land bank bonds will be impaired.

Number four: They say we are going to pass a "death sentence" on the cooperative features of the so-called "farmer-owned" credit system.

Number five: They say that charity and relief are going to be all mixed up with sound banking.

In one breath they say the Secretary of Agriculture is too busy to think about the farmer's credit needs and in the next breath they accuse him of trying to be a credit dictator.

Learn New Facts
After the Farm Credit Administration came to the Department of Agriculture last fall, I began to find out things about this farm mortgage situation. I found it much worse than was generally realized. I found also that any proposals for improvement were met by a campaign of misrepresentation and vilification was be-

gun, and was carried on with increasing virulence. Nothing could be any more destructive to the confidence of investors or the welfare of the land bank system than such a campaign.

Under such circumstances, I decided to give the farmers and the public the full picture, just as I have found it, and so I am here to speak out today.

I propose, therefore, to take up these misrepresentations one by one, and answer as briefly as I can. What I say along this line will have to do with the land bank system. None of the following comments applies to the Bank for Cooperatives or the production credit system, both of which are functioning well. But with regard to the land banks some changes will have to be made—and the quicker they are made, the better it will be for everyone concerned.

In reply to Misrepresentation No. 1, that the land bank system was sound but is now being wrecked by the Department, the answer is that the land bank system has long been in weak position. Farmers were saddled with mortgage debts which were too great. As a result, 25 percent of all the farm mortgage loans held by the land banks today are delinquent, and 60 percent of all the national farm loan associations are either insolvent or their capital stock is so badly impaired they can not make any new loans. Since the Farm Credit Administration was organized, more than \$3,000 of the farm mortgage loans have been foreclosed off their farms and many thousands more are in immediate danger of being foreclosed. The Secretary of Agriculture has no power to change this situation, but he will have to help clean it up.

Neither were the directors of the farm loan associations as a group responsible. The farm depression of the last twenty years has hurt the land bank system just as surely as it has wrecked many thousands of country banks. In a few States the wreckage of farm loan associations has been almost complete, because in addition to the farm depression there has been year after year of unprecedented drought. It is against the destructive after effects of war and weather that we are battling, as well as against misrepresentations of bitter enemies. In the '40's we are going to hear a lot about the bad loans on land made by the government during the '20's and '30's. For the record I want to make it clear that the Department of Agriculture should not be held responsible for loans made before the Farm Credit Administration was transferred to the Department on July 1, 1939. But we are responsible, in view of the trust placed in the Department by the President and Congress, to do everything we can to help anyone else who is in trouble who have been victimized by the excessive loans of the '20's and early '30's. We must do everything we can in a sound way for those who have suffered from the weather.

Quote Misrepresentation 2. And now what about Misrepresentation No. 2, that we will make the land banks into "soft credit" or "loose credit" institutions, loaning excessive amounts to farmers who either can't or won't pay back? Several of the land banks have been dealing in "soft credit" for several years. If this is not true, why are 25 percent of the loans of the system delinquent and why has it been necessary to foreclose on so many farmers? My reply is that excessive credit never did anyone any good. "Soft credit" or "loose credit" in the form of excessive loans was a disaster to the farmer, because it has ruined the mortgage from some other institution than the Farm Credit Administration. We aren't going to sink the farmers again with a millstone of excessive debt.

Misrepresentation No. 3 is that the Department of Agriculture will impair the value of the land bank bonds. If there has been any impairment of these bonds, it was caused by the "loose credit" policies of the past, and not by anything that has been done since the Farm Credit Administration became a part of the Department of Agriculture believes that the guarantee of the Federal Government should be put squarely behind the land bank bonds. If this is done the land bank bonds of the future, instead of being weaker, will be as strong as the Federal government itself.

Misrepresentation No. 4 claims that we are going to destroy the so-called "farmer-owned" credit system. We don't believe in the farmer-owned credit system, but we don't like to see the word used where it does not apply. Those of you who have borrowed money from a Federal land bank know what I mean. As a borrower, you are a member of the farmer-owned credit system, and yet I wonder how many of you have so much as attended an annual meeting in the last 20 years. Perhaps one in four of us has turned out to one of these meetings, and yet the Farm Credit Administration has tried earnestly to breathe some life into the dry bones but without so very much luck.

You members of cooperatives describe a cooperative in very simple terms as an enterprise owned and controlled by the group affected. You farmers never have owned the land banks. The government, not the farmers, has provided and has been responsible for the huge amount of capital used by the land banks. The government has never been willing, and probably never would be willing, to give to farmers control of a system in which it has such a large financial interest. Even today, the government has never been true cooperatives. The thing to strive for is a cooperative spirit and technique in administration, but we should not be deceived into thinking that ought to make a real cooperative like your grain cooperatives.

Under the present system I don't think it will ever be possible to make cooperation in the farm loan associations a really living thing. To put a genuine cooperative spirit into the farm loan associations, it will be necessary for the directors to have something real to do, something other than to put such a mortgage commitment in Triple-A have to do. And so we stand for creating, not destroying, a cooperative farm credit system.

In reply to Misrepresentation No. 5, to the effect that the Department will mix up charity and relief with sound banking, I say that instead of mixing these two things we propose to do so unceremoniously that ought to have been done a long time ago. Where a man's neighbors judge him to be a good moral risk but where many years of bad weather and bad luck made him seriously delinquent, the way course would be to let that man continue on the land as a self-

How Set A Parity Price?

From The Western Producer:

A meeting of a branch of the Canadian Society of Technical Agriculturists held in Saskatoon recently was addressed by Professor E. C. Hopewell, Farm Management Dept. of the University of Saskatchewan. If press reports are accurate, Mr. Hopewell confined himself in the main to a discussion of the difficulties likely to be encountered in any effort to establish parity prices for agricultural products. He found them so great, in his opinion, to be practically insuperable, and stated "he was opposed to the idea of a parity price system because of rapidly changing conditions made it infeasible."

Mr. Hopewell at the same time admitted that agriculture was a "sprawling giant" unable to help itself. Government aid in its unification was, therefore, necessary. He recognized also the fact that agricultural prices were not in proper proportion to those of industry and suggested that financial aid be given to agriculture when and where necessary. Such assistance, he warned, should not be so great as to interfere with normal trends. A bonus which kept farmers in the production of one commodity in demand for which the commodity was not good business.

If it is assumed that a parity price for farm products means that every pound of butter, dozen of eggs and bushel of wheat are to be priced at a figure which will represent a state of perfect equilibrium with the costs of industrial goods then it is no wonder that the expert in farm management or accountancy should foresee a demand for which the commodity was not good business. It is impossible to reconcile with mathematical accuracy. But anyone familiar with the discussions of those who advocate parity prices knows that that is not what is contemplated. The aim is to establish a price for farm products which, taken in relation to the costs of production, will ensure a reasonable return to the farmer. The agriculturalist, Practical men should experience no unsurmountable difficulty in reaching an agreement on that problem. Granted it will not be mathe-

matically accurate. Neither will it satisfy everybody—that would be too much to expect. But to state that it cannot be done in a manner which will meet with the general approval of the farming community is to state something which we cannot accept. We feel quite sure, for instance, that it would be just as easy of solution as it would be to find an equitable and acceptable basis for "financial aid" and "bonuses" such as Mr. Hopewell alternatively but equally with precision suggests.

There are too many people who even yet do not seem to have awakened to the fact that freedom of markets and of exports has practically ceased to exist. The countries which are the chief importers of our surplus commodities have established rigid control over their buying. Under these changed world conditions the farmers of Canada are daily urged to make their contribution to the war effort. They are eager to do. They ask in return only that they be granted the means by which they can do it—that is a price which is not too high. That is the very least which they are entitled to expect and the is what they mean by a parity price.

We doubt if Mr. Hopewell would question the fairness of this proposition. He has on other occasions shown himself reasonable and possessed of knowledge and understanding of many aspects of the problems of agriculture. Might we suggest, therefore, that rather than devote himself to a futile effort to prove why a parity price as he understands it is "infeasible," he direct his abilities to the more positive and fruitful effort of seeking a method whereby farming in Western Canada may in these trying times be guaranteed a financial return which will defray costs of production and ensure a reasonable livelihood? For, as Mr. Hopewell knows very well, unless this can be achieved the Society or Technical Agriculturists and many other institutions in Western Canada may just as well strike camp and head for other pastures.

supporting citizen on a rental basis, obtaining a loan or grant. If he is on land although he has kept up his payments all these years. The time has come now to get to the hot spot in this controversy—interest rates. There was a time when farmers had to pay 6, 7 or even 8 percent to borrow money on land. In those days the private lender, the insurance company, and the local bank had things their own way. Then in 1916 the land banks started. Their competitive brought interest rates down, and especially has this been true since 1933. Farmers will never forget the debt of gratitude which they owe the land banks for reduction in interest rates.

It should be clearly understood that I am not attacking the land bank system. That system is of real value to agriculture. But I am attacking those selfish interests which oppose efforts to improve the system and put it on a better basis for serving farmers. Every year for seven years there has been a special act of Congress reducing interest rates on a year-by-year basis. At first the rate was reduced to 4½ percent and since 1935 it has been 3½ percent. This has cost the Federal Treasury nearly 40 million dollars annually. Many farmers would have paid their land bank 5, 5½, or even 6 percent in interest in 1939 if it had not been for this aid from Congress. The same farmers will go back to 5, 5½, or 6 percent in 1941 if Congress does not pass a similar law.

I want to see all the borrowers in the land bank system get the benefit of a rate at least as low as 3½ percent without the necessity of legislation every year and without the necessity of taking nearly 40 million dollars a year out of the Federal Treasury. This can be done by government guarantee of land bank bonds. It will take six or seven years to pay off all the present land bank bonds, but once these are out of the way the land bank system can be put on a self-financing basis which will enable the American farmer to get permanently the benefit of a 3½ percent interest rate.

Interest Rate Crime
It is because of our determination to get this 3½ percent rate permanently for farmers that there is so much shouting going on these days. In the eyes of some people the greatest crime of the New Deal is the reduction in interest rates. We are making in the Department of Agriculture commodity credit loans at 3 percent, tenant purchase loans at 3 percent, rural electrification loans at 3 percent, and so on. We are putting money to work at lower wages and some people don't like it. They are determined to get back to the good farm days of 5, 6, and even 7 percent interest. Now I don't object to seeing interest rates go up a little in times of great prosperity. Some increase in interest rates may occasionally be necessary to put a brake on a runaway market. But in times like these, and in times as they are likely to be when the war comes to an end, it is vital to have low interest rates.

The New Deal stands for low interest rates. The Old Deal stands for high interest rates. The battle is, but I do not choose this field of battle, but I do accept the challenge. And I am sure every real farmer in this room is ready for the fight.

ENJOY FOLK GAMES

Always popular at Farmers Union meetings are the folk dances. Pictured here is an Institute group of North Dakota, in costume, whose members acted as a demonstration committee at Institute parties.

The campaign against lower interest rates for farmer borrowers and against other proposals for changes in the farm credit system has been waged as vigorously as any other campaign against the farm programs since 1933. Among those most prominent in this fight have been the American Bankers Association and some of the state bankers associations.

I hold in my hand a circular sent out by the Minnesota Bankers Association under date of April 12, 1940. The mortgage situation in Minnesota and surrounding states has been so bad that it would seem desirable for the bankers to join gladly in a sound effort to relieve debt burdened farmers. I am sure of the bankers understood their own interests better, then would be helping us in lightening the farmers' mortgage debt load.

The bankers call these proposals—and I quote—"a step toward the complete socialization of agriculture in this country."

To farmers who have gone through this farm fight since the early 1920's this language has a most familiar sound. It is the type of misrepresentation that has been used in an attempt to block every effort to help the producers of this country.

If the people had taken this kind of propaganda seriously, there would be no farm programs at all. You can be pretty certain that when the interests raise the cry of socialism they are trying to drag a heavy carload of red herrings across the trail that leads to the real issues.

Few farmers and few friends of farmers are not going to be fooled very long by this kind of bunk.

The big money groups, who are fighting desperately against lower interest rates for farmers, profess to be great believers in the cooperative feature of the farm loan associations. You know how it is. If you take out a \$4,000 loan, you don't get \$4,000. Instead, you get \$3,900 and a recent

for \$200 in stock. The financial groups claim that makes you a cooperator. Actually, in most cases it means that you pay interest on \$4,000 even though you get only \$3,900 in cash. As a rule you get no return whatever on your stock. If a Wall Street firm undertook to sell stock on the same basis as the farm loan associations, investors who lost money by this process would be demanding all kinds of investigations. I don't think the word "cooperative" should be applied to a transaction in which the farmer in the majority of cases is bound to lose money.

I know something about this 5 percent stock provision because my wife and I have long paid interest on an \$8,000 land bank loan, although we got only \$7,600 in cash. I have our \$400 stock receipt here in my hands. I doubt if one farmer in a hundred thousand has ever seen his stock certificate. How many of you have ever read the receipt for your stock?

Mine reads, "This receipt represents your investment in stock on which dividends will be paid." My association is 90 percent impaired. It doesn't pay dividends.

Explains Stock Wording
The receipt goes on to say, "It will be accepted at face value on final payment of the loan." In view of the 90 percent impairment this simply is not true.

I read further, "If you sell your land this receipt should be transferred to the purchaser and you should receive the full face value thereof." The fact is that it is impossible for most farmers when they sell their land to get face value for their stock, simply because the stock isn't worth its face value.

Finally, this notice ends up by saying, "It can not be legally transferred to anyone other than the purchaser of the land mortgaged, on account of which this stock is issued." (continued on page 4)

PUTTING POUNDS

ON YOUR PULLETS

That's the job of every poultry raiser from now until fall—and to do that he needs to give those chicks good feed as well as good care.

Feeds that build today's powerful egg-laying machines are made with all the precision of a clock. It would be impracticable, if not impossible, for the farmer to mix into his feeds with a shovel the very small amount of manganese sulphate it takes to protect his chicks against perosis.

So it is with carotene, riboflavin, and other vitally important ingredients that mean so much to the health and growth of your flocks. They cannot be mixed in evenly at home, but with the modern feed-mixing equipment at your feed "factory" in Topeka, they are built into the feeds so that you can add pounds to your pullets as you feed them with...

KFU Growing Mash KFU Growing Mash Pellets Union Standard All Mash Starter and Grower Union Standard All Mash Starter and Grower Pellets

These feeds, along with a complete line of poultry and live stock feeds, are manufactured for you at your own cooperatively owned feed mill. Ask for YOUR OWN FEEDS at your local Farmers Union Dealer.

Farmers Union Jobbing Association

KANSAS CITY TOPEKA WAKEENEY

Price List of Vaccines and Serums

WE PREPAY SHIPPING CHARGES ON ALL ORDERS
Mail \$10.00 OR MORE
OF Orders C. O. D. Only

Do the Job Yourself... Be Money and Pigs Ahead

FOR HOGS

Clear Concentrate Serum.....\$0.65 per 100 cc.
Simultaneous Virus......06 per 100 cc.
Hemorrhagic Septicemia Bacterin......06 per dose
Anti-Hemorrhagic Septicemia Serum......1.80 per 100 cc.
Mixed Infection Bacterin......06 per dose
Pig Scour Bacterin......06 per dose
Hog Worm Oil......7.00 per gallon
Worm Capsules......02½ and .03½ each

MIXED INFECTIONS IN SWINE
Anchor Mixed Bacterin (Porcine)......6c per 5 cc. dose
Syringe for Administering (10 cc).....\$1.15 each

FOR CATTLE

Blackleg Bacterin......80.07 per dose
Hemorrhagic Septicemia Bacterin......06 per dose
Anti-Hemorrhagic Septicemia Serum......1.80 per 100 cc.
Keratitis (Pink Eye) Bacterin......06 per dose
Mixed Bacterin Bovine......06 per dose
Abortion Vaccine......25 per dose

FOR HORSES AND MULES

Encephalomyelitis (Sleeping Sickness) Western Type "Chick" Vaccine. One complete treatment of two 10 cc. dose bottles (NOT RETURNABLE) \$.60
Hemorrhagic Septicemia Bacterin......06 per dose
Anti-Hemorrhagic Septicemia Serum......1.80 per 100 cc.

FOR SHEEP

Hemorrhagic Septicemia Bacterin......06 per dose
Mixed Bacterin Ovine......06 per dose
Anti-Hemorrhagic Septicemia Serum......1.80 per 100 cc.
Worm Capsules......02½ and .03½ each

FOR POULTRY

Mixed Bacterin Avian......01½ per 1 cc. dose
Stained Fullorum Antigen, E. W. D. Test......4.80 per 500 tests
Anchor Elastic Worm Capsules......01½ each
Kamala-Nicotine Tablets......00¾ each

FOR DOGS

Rabies Vaccine.....\$0.50 per dose
"We will absolutely pay Patronage Dividends on Our Serum Profits to Members of the Kansas Farmers Union"—Paul Steele

ORDER FROM

Farmers Union Live Stock Commission
SOUTH ST. JOSEPH, MO.

Mrs. Sinner Writes

"I take this means of thanking you for the privilege of representing your organization, as their guest speaker, at the Cooperative Conference held in Manhattan, April 18 and 19. It is the first time I ever attended a meeting of this kind and it was very pleasing to note how all the farm organizations and Cooperatives of Kansas and the faculty of the Kansas State College were working together.

"When the leaders of our farm organizations and our managers, our activity board members, and the patrons can gather together and talk over their problems, in a meeting which you folks did, it marks unity and future success for all concerned.

"From my observations during these meetings I cannot speak too highly of the importance of holding such conferences and the benefit to be derived from them. I am confident everyone felt greatly rewarded for the time he spent there, and left with a broader vision of cooperation and a deeper desire to get busy and do his part toward advancing cooperation throughout the world, thereby raising the standard of living for the people of this nation.

"I was deeply impressed with the panel discussions on current problems of cooperation, which was under the direction of Mr. Rucker, whose pleasing personality created a real cooperative atmosphere, making everyone feel so free to express his ideas. Through these discussions and through this exchange of ideas, we gain a closer relationship to each other. We learn what others are doing, and profit by their experience; we gain new inspiration; we get away from our selfish ideas, (selfishness has no place in the cooperative movement); we become more devoted to cooperation and learn what we can accomplish when we all think together, buy together, sell together, and stick together.

"Because of my special interest and my participation in cooperatives, I was especially pleased to be a listener, and I feel your state has set a splendid precedent for other states to follow. It is well for us to take an inventory of our co-ops, once in a while, and see if they measure up to the purposes for which they were organized, and then see if we are measuring up to our patrons for cooperative loyalty!

"I suggest some very profitable meetings might be held in our local districts, our annual meetings—if we would make a copy of this vital questions which were printed in your last issue, for the co-op program, and then add those Mr. Rucker placed upon the blackboard, viz: Why were cooperatives organized? Have they done the job? Is there a job still to be done? How shall it be done? Do cooperatives justify their existence? And, oh, the joy of that fine fellowship in such co-op conferences, where folks come from all corners of the state. As a stranger, 'looking in' it did my heart good to see those warm handshakes, taps on the shoulder, or cordial 'Hello's' there. Fellowship plays a great part in working together. May you have many more successful conferences."

Mrs. Henry Sinner,
Harvard, Nebr.

ANALYZE PROBLEMS

Wells Reports a Study of Co-op Management

Using his knowledge of the development of the Grange League Federation, Thica, N. Y., J. E. Wells, Jr., deputy cooperative Bank Commissioner, Farm Credit Administration, Washington, D. C., spoke Friday morning, April 19, at the Cooperative Conference, Manhattan, discussing problems of management.

Emphasis in the choice of a cooperative manager can be placed on the applicant's business experience or on his farm and cooperative background and understanding. The GLF, Mr. Wells reported, insisted upon its executives having a "farmers' point of view," and guarded against their cooperative "going commercial."

Technical workers, of course, need have technical experience, but ordinarily GLF preferred to train its own personnel rather than reach out and hire its "top" men from the outside.

As a cooperative business develops, the directors have an increasing responsibility to be informed of the workings of their business organization. While a general manager is deemed necessary for greater efficiency of a cooperative's operations, the GLF found that the directors could have a better understanding if they conferred directly with department heads of the organization.

A budget is worked out by the directors in conference with these department heads, as well as the general manager, and the department is expected to conform to this budget in its financial operations.

"Working capital is sometimes a problem for farm cooperatives," Mr. Wells said, and is often a result of farmers being so "fixed asset conscious." While ownership of land and buildings is not to be discouraged, the possession of sufficient operating capital is important and should not be minimized by ambitious enthusiasts.

Pricing was another problem named by Mr. Wells, and various managers worry, best at a competitive level providing this is reasonable and earnings are fairly distributed to the faithful Mr. Wells discouraged price concessions to the buyers giving big volume orders over the small businesses. The danger of such concessions is that the policy leads to the fallacious principle that the business belongs to the firm rather than the farmers who organized it.

Following a Budget

A danger to be watched by directors is the misallocation of earnings by the management, especially in the encouragement of new or weaker departments of the cooperative.

Compensation of cooperative employees is an important problem for the management. Salaries of active workers must be competitive to those paid by old-line concerns, or the cooperatives will get second rate men.

Employees should be hired on a basis of experience, technical skill and character. Mr. Wells said, and he did not criticize the father in cooperative work who attempted to give his son a job. Criticism is only justified when the son cannot meet the job qualifications, and a family clique develops in control of the organization.

These are problems of success as well as danger of failure in the development period. Mr. Wells listed five points; a cooperative should not borrow more money than it can use to advantage; older employees should be used and not retained on the payroll for kindness; success should not



For a true farm organization, it is Farmers Union. But there's no secret about it—if farmers don't take an interest and try to work out their problems, they don't show much use for it.

That's why YOU need to attend your next meeting, need to study Farmers Union legislation; Farmers Union business cooperatives; the Farmers Union organization.

When You Think of Farm Needs—Think of Farmers Union Action!

Uniform Grain Storage Agreement For All U. S. D. A. Agencies Approved

The Department of Agriculture has announced that Secretary Henry A. Wallace has approved a uniform grain storage agreement designed to unify storage rates, handling costs and other provisions affecting storage and handling of grain by agencies of the Department. The uniform agreement is expected to coordinate storage arrangements among the various agencies of the Department holding title to stored grain or grain that is held as collateral against government loans. The agreement will affect all grain stored in country and terminal elevators, but not that stored on farms.

Terms of the agreement were discussed with representative groups of terminal and country warehouses and their suggestions on commercial storage practices were written into the agreement insofar as it was practicable to do so.

Under the Uniform Agreement, the corporate agencies of the Department—Commodity Credit Corporation, Federal Crop Insurance Corporation, and Federal Surplus Commodities Corporation—operate under one contract and may shift the grain from one agency to the other without the necessity of drawing up a new warehouse agreement. In some instances one agency may move grain out of storage ahead of the specified time and another may move grain in for the duration of the agreement by paying the usual in and out charges.

Farmers who move their grain to storage and hold it for several weeks or months before placing it under government loan will benefit from the agreement as the warehouse rates are retroactive to the date the farmer places grain in storage. Such rates are also applicable to farmers who pay off their loans before maturity.

Storage rates under the agreement are provided for all grains. The rate is 1/30 of a cent a bushel a day for the first 7 months of the storage period on all grain except wheat and rye received by rail or water, in which case storage is paid at the rate for only 6 months. Free storage is allowed for the balance of the storage period. The rate for computing storage charges plus the free storage period will end with the crop year in the case of wheat held

under loan, but will extend for a full 12 months in the case of all grain held by Government agencies. For example, a farmer storing wheat under loan in the Kansas City area, where the crop year begins July 1, will get only three months free storage if the wheat is not warehoused until October 1. When the government holds title to the grain the agreement runs for the full 12 months regardless of when the crop year ends.

Loading and unloading charges amount to 1 cent per bushel for grain received by rail or water, 2 1/2 cents per bushel for corn received by wagon or truck, and 3 1/2 cents for other grain received by wagon or truck except in Zone I where the charge is 2 1/2 cents.

The warehouseman agrees to keep the grain in condition, turning it as required. Fixed charges are allowed under the agreement for this service. For corn and fixed charges in any area are 1-4 of a cent per bushel for the first 2 storage months. For other grains, the charges vary among zones according to climatic conditions and the possibility of damage to grain in store. Conditioning rates for each of the four zones follow:

Zone I—1/4 of a cent a bushel per month for first two storage months where grain is received by wagon or truck and for the first storage month for grain received by rail or water; States—Oregon, Washington, Idaho, Utah, California, Nevada, and Arizona.

Zone II—1/4 of a cent a bushel per month for first four storage months; States—Montana, North Dakota, South Dakota, Minnesota, Colorado, New Mexico and Wyoming.

Zone III—1/4 of a cent a bushel per month for first five storage months; States—Kansas, Nebraska, Iowa, Wisconsin, Michigan, Missouri, Illinois, Indiana, Ohio, Pennsylvania, New York, New Jersey, Kentucky, West Virginia, Virginia, Maryland, Delaware and Tennessee.

Zone IV—1/4 of a cent a bushel per month for first six storage months; States—Oklahoma, Arkansas, and Texas.

A complete explanation of the agreement and its operation is being made available to warehousemen by the Department.

of farm communities, and increase in farm income.

This farm credit issue is an issue which cuts deep. It vitally concerns the welfare of farmers, not only here in the Northwest but all over the United States. We hope it will be settled this year. But if it isn't, the issue will go on until it is settled, and settled right.

The Farm Credit fight, bitter though it may be, is only one of many fights, all of which are of the utmost significance to the future of our nation and the future of world democracy. Fundamentally, the one thing for which we are all battling is the right to live in our homes year after year, with enough money to feed and clothe our children properly and give them a decent education. In order to enjoy these rights, we must pay the price of cooperation, of sacrifice, of watchfulness, and of understanding.

We want no dictator from either Wall Street or Washington telling us what to do. But we do welcome a government which gives us the machinery for expressing our wishes through local leadership and through which the local leadership can combine for united national farm programs. This is the very soul of efficient modern democracy capable of standing up against threats, whether from within or from overseas. Trojan horses have worked in certain countries, but the challenge of the attitude of bitter minorities opposed to the rank and file of the common people. The dictators in their vaulting ambitions think they can place Trojan horses in this country and in Latin America. They think they can build a Trojan horse out of unemployment, out of bitter old Dealers, out of communists, out of racketeers. To meet the challenge of the dictators we need to be fully prepared, not only in the military sense, but also in an economic sense. The farmers are the very backbone of democracy. But if the farmers because of reduced income and burdened debt, are forced to leave their land, then democracy is threatened at its very source.

Influence of War

This war is certain to have the most serious repercussions on all agriculture. Since last September 1, the outside world has taken about 20 percent less of our food and to-

bacco than it did during the corresponding period a year ago. For political and economic reasons, England and France are not likely to buy nearly as much of our farm produce as we might wish. So far as possible they are going to try to buy within their own empires, from countries like Rumania and Turkey, for political reasons, and from countries like Argentina where the British pound and the French franc will buy more than they will in this country. The British and French wish to use their precious American dollars to buy things in this country which they can't get any place else, notably airplanes. If to win the war the British and French are forced to buy farm products from the United States, they will do so. Otherwise not. It is all a question of hard, military, business necessity.

Whatever happens, there is trouble ahead for American agriculture. We might as well recognize it and begin to prepare for it. For example, if we hold completely aloof from Europe and Asia after this war comes to an end, it is obvious that our exports will rapidly dwindle to the merest trickle. That means that Triple-A, Farm Credit, Farm Security, and all the other agencies of the Department of Agriculture will have the biggest task on their hands which they have ever faced. If, because of unusual European war buying of farm products, there should be a temporary agricultural prosperity, we must fight attempts that are sure to be made to destroy essential parts of our agricultural adjustment machinery. For after the war buying comes to an end, we will need this machinery more than ever. There must be agricultural preparedness as well as military preparedness. There must be preparedness for peace as well as for war. The agricultural problem can be made much simpler if the provisions of the peace make room for the farvisioned approach of President Roosevelt and Secretary Hull through the trade agreements program. But in any event, whatever the American people may decide on with regard to the peace, it is obvious that the Triple-A Farm Credit and the whole farm program must be improved and not weakened. Farm income must be maintained and the farm interest burden must be cut down and must not be allowed to pyramid again.

I fear the world problem is so great and will be so long continued that the Triple-A and Farm Credit will need a lot of help by Farm Security. There are nearly a million farm families who can be helped slightly by Farm Credit and Triple A. These families need loans from Farm Security and in drought years they may have to have grants. Until the world settles down and excessive unemployment ceases, we shall have to continue with the Food Stamp Plan for distributing farm surpluses to needy in the cities. Several million families in the city are spending less than five cents a meal per person and we intend to do all we can to see that people get at least an extra 2 1/2 cents per meal per person which otherwise would go to waste.

What, you ask, among the farmers and workers of the United States during the next few years will probably determine the course of world history during the next hundred years and possibly for a thousand years to come?

Efficient, modern democracy was perfected only recently in Denmark, Norway, Sweden and Finland. These countries, over the years, have been emphasizing the checking of the tendency to keep democracy working. In adapting their social and economic system to the necessities of the modern world, they have been far in advance of the United States. They were successful. But now ruthless hands have been laid upon the Scandinavian democracies.

In Western Europe democracy will be handicapped for long years to come by the war and the inevitable post-war reaction. Only in this hemisphere do we have the possibility of building in peace an efficient yet tolerant democracy, based on hard work, on honest and free speech. And the very essence of all this, as they found in Scandinavia, must come from farmers and workers, efficient in their job and filled with the spirit of cooperation. We, like the Scandinavians, must be ready and willing to make changes necessary to make democracy workable. We must do whatever is necessary to make our farmers and workers secure.

We must be watchful and strong or the day will come when forces opposed to such necessary changes will prove to be the Trojan horse within our own gates. We must be watchful and strong or the day will come when a Trojan horse will capture some nation in this hemisphere and we shall have to undergo the endless nightmare which has long convulsed Europe. Pan-Americanism, democracy, cooperation and peace are the fires we must keep alight on this hemisphere until such time as the nation which has long convulsed Europe, which they themselves created, and the world can slowly start rebuilding.

In all this effort to strengthen our own democracy, credit on land is by a part. But in connection with the rest of the agricultural program it is vital, because it contributes so greatly toward stable farm communities. And in closing I urge you to organize to fight for your host. Fight for a better credit system. Fight to guard your farm program against every kind of attack. I trust this meeting is not just another meeting. It should and must lead to action.

THE CLOAK ROOM

W. P. Lambertson

The Wichita Convention was thrilled with a name lady who just dared to say her say.

Ed Rooney used three sentences nominating John Hamilton—one of them was a speech.

If the Bingham forces had started a march after the Newkirk vote, Nanle might have gone East instead of West.

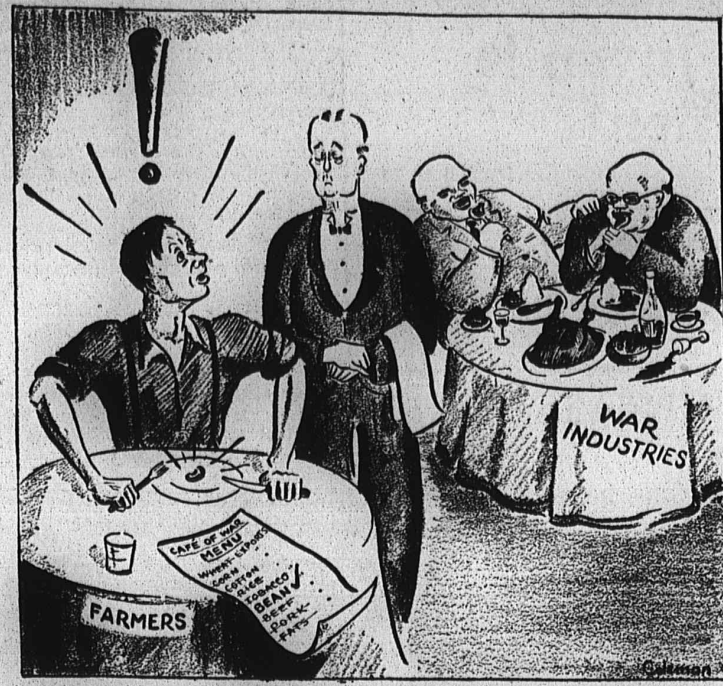
The short paragraph endorsing Sen. Capper for President, came as a surprise at the very end of the Resolutions, but it had a grand acceptance.

Watch out for Richard Robbins and Zane Hansen for they are from small towns.

Five people came to hear me speak at Falls City Monday night besides the ones I brought.

There is a dearth of county candidates over the district regardless of the pow-wowing of conventions.

Without rain and after a late spring some alfalfa is six inches high on the 6th of April.



Members of the Co-op House, sponsored by the North Dakota Agricultural College Farmers Union Local, proudly display their new sweaters, bearing the insignia of the Co-op League of the U. S. A.



Committee at the N. D. A. C. Farmers Union Local count letters, totaling six hundred, written through their Local, urging Senators and Representatives to give their support to passage of the Farmers Union Debt Adjustment Bill, S. 5509.

CO-OP CONFERENCE AT STATE COLLEGE IS ONE OF BEST

(Continued from page 1)

The problem today is more acute than ever before, despite the development of farm cooperatives. Membership cooperative education was emphasized, and more community meetings sponsored by cooperatives were encouraged, especially where Farmers Union Locals are not active.

Building reserves was given much importance, and the generous payments to cooperative members of large patronage dividends was considered a mistake. Cooperatives would need take no back seat to the biggest of corporations if they had not paid out savings back to their patrons, it was said.

COW'S NEST

"That new farm-hand is terribly ignorant."

"How's that?"

"He found some milk bottles in the grass and insisted he had found a cow's nest."—Oswestry Commercial Circular.

PURCHASE

IONIA, Mich. (P)—The city of Ionia recently bought its own city dump for non-payment of taxes. The property, included among other parcels offered at a sale of tax delinquent land, was discovered to be owned by two citizens. The latter had paid no taxes for 15 years, believing the city owned the property. The city thought it owned the property, too. So, to make sure, City Clerk Raymond Coon bid in the dump.

EAGER VOLUNTEERS

Everything about the R. A. F. headquarters was interesting to the visitor from the American embassy, and he asked a never-ending string of questions.

"Say," he exclaimed, "how is it that you seem to have so many Scotsmen among your pilots?"

The guide, a bit fed up, snatched

We Manufacture—

Farmers Union Standard Accounting Forms Approved by Farmers Union Auditing Association

Grain Checks, Scale Tickets Stationery Office Equipment Printing

—the CONSOLIDATED printing and stationery co. SALINA - KANSAS

CLASSIFIED ADS

(continued from page 1)

Very few, if any, of the stock feed dealers of this section have attained the prominence in the community that has been awarded this popular Kansas City establishment. By means of their commendable business policies, assurance of quality, lowest prices and efficient service, the capable management has been accorded a large and well earned patronage from among the thrifty careful farmers.

During the past 25 years of their satisfactory service in farm supplies and feeds they have gained the confidence and support of the most exacting farmers.

When you bring your problems in feeds to these leading, reliable authorities you are assured of a satisfactory solution.

Trade with the Farmers Union Jobbing Association and save money.

EMBARRASSING MOMENT

A breakfast guest at the White House during the Coolidge administration, was astonished to see the president pour his beverage from cup to saucer.

Not to be outdone, the guest followed suit.

The president added cream and sugar in the saucer, and tasted the mixture with his spoon.

The guest was about to do likewise when Mr. Coolidge set the saucer on the floor for the dog.

—Our Dumb Animals.

CLASSIFIED ADS

Per Word, 1 issue 3c
Per Word, 4 issues 10c

CERTIFIED, Frost-proof Cabbage and Onion Plants. Cabbage, all varieties. Parcel Post Prepaid, 200, 65c; 500, \$1.00; 1,000, \$1.75; Express collect 2,500, \$2.00. Onions, all varieties. Parcel Post Prepaid, 500, 60c; 1,000, \$1.00. Express collect, 6,000, \$2.00. Prompt shipment. Safe Arrival, Satisfaction guaranteed. Catalog Free. Union Plant Company, Texarkana, Arkansas.

Farms Wanted

WANTED to hear from owner of farm or unimproved land for sale.—Wm. Hawley, Baldwin, Wis.

Tobacco

TOBACCO. Postpaid guaranteed very best aged mellow, juicy red chewing. 10 pounds \$1.25. Smoking, \$1.00. Mar-



Point No. 1 in Selling Your Live Stock

The Packer Interests are organized and centralized. Are you helping build a selling organization to protect your interests as a producer?

The Farmers Union Live Stock Commission Company has salesmen who have your interests at heart. They're your hired men, and are always at your service.

"YOUR OWN FIRM"

FARMERS UNION LIVE STOCK COMMISSION CO.
Kansas City—Parsons—Wichita

Up 75 Feet and Still Growing!

By that we do not mean some magic sort of a bean stalk. We are talking about the grain storage bins now being added to your Farmers Union Terminal Elevator at Topeka.

June 15 will see the completion of these 12 huge tanks and the modernizing of our grain-handling equipment there, so that the "new" elevator will be ready to handle the new wheat crop.

The big letters, "FARMERS UNION" on the elevator can be seen for miles. They tell the world that by **STANDING TOGETHER**, members of the Farmers Union have built this additional grain marketing machinery. They tell the story of accomplishment in spite of setbacks and opposition. They give an indication of the possibilities of cooperative activity.

Stop by and see this under construction if you should go through Topeka. Plant Manager George Bicknell will be glad to show you around and tell you of the many advantages in elevator ownership and operation.

IT PAYS TO COOPERATE!

Farmers Union Jobbing Association

KANSAS CITY TOPEKA SALINA