

THE KANSAS UNION FARMER

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

Entered as Second-Class Matter August 24, 1912 at Salina, Kansas. Under Act of March 3, 1872.

Acceptance for Mailing at Special Rate of Postage Provided for in Section 1103, Act of October 3, 1917. Authorized July 30, 1918.

A. M. Kinney, Editor and Manager
Mary Riley, Assistant Editor

Subscription Price, Per Year.....\$1.00

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SALINA, KANSAS, THURSDAY, JULY 30, 1931

THE GOVERNMENT SHOULD CONTROL THE ISSUE OF MONEY

On the front page of this issue we are starting a series of articles which we believe will prove one of the most important contributions in the service of agriculture and labor which has appeared for years. A careful study of these articles will show very plainly how a few men in this country have been able to gain control of the money and wealth of the country. Senator Couzens of Michigan is authority for the statement, "That four per cent of people control eighty per cent of the wealth." I will show why five hundred and four men, (according to the U. S. income tax report) received more income last year than the entire wheat and cotton crop sold for.

With the largest stock of gold ever owned by any country, in the bank vaults of the east, (over five billion dollars) yet the per capita circulation of money has decreased in the last few years nearly one-third.

Henry Wallace in Wallace's Farmer says "Dollars are getting to be worth more every year. Prosperity is getting to be worth less. Debts are harder to pay. Taxes are harder to pay. That is what the decline in price level (or the increased purchasing power of the dollar, if you want to say it that way) has added one-third to the mortgage burden on every farm and one-third to the tax burden. How can that be, some one asks. I owed \$6,000.00 on a farm in 1926. I still owe \$6,000.00. I paid \$200.00 in taxes in 1926 and my bill is the same this year.

True enough, but what are you paying the interest on that \$6,000.00 with? What are you using to pay the tax bill? Not gold dollars, certainly. You are no gold miner. You are paying interest in taxes with hogs and butter fat and oats and steers and eggs and whatever else you happen to raise. Doesn't it take one-third more of these things to pay the interest than it did in 1926. If that is so, haven't your debts, so far as the burden of it is concerned, increased one-third?"

The editor of this paper has never been fully sold on what is known as the greenback theory. The old greenback theory was, that government could issue an unlimited amount of paper money, and by printing the statement on these notes, that "this note is legal tender for all debts, public and private," would be able to keep this money on a parity with other forms of money.

We do not believe this could be done. We believe that the government could issue a reasonable amount of this money, based on its gold reserve, using this money to pay off the deficit in revenue of one billion dollars, last year, and also in paying for public improvements, such as roads, and so forth.

The international reference work has this to say about paper money: "Paper money is based either on the credit of the nation, or upon coin deposited in the national treasury. The so-called greenback money is an example of the former and gold and silver certificates, of the latter."

"Both, in a system of banking and in national currency, it has been found that a small amount of coin is adequate to supply the basis for much larger system of credit money."

There is no doubt in our minds but, that with the immense amount of gold which this country owns at the present time, the government could issue a large amount of non-interest bearing notes or bonds, without impairing the credit of the country at all.

We believe that the government should control the issue of money. The constitution of this country says that "Congress shall have the power to issue money and to fix the value thereof." But, ever since the War of the Rebellion Congress has delegated this power to private bankers. Early in the War of the Rebellion when the question of finances of this war came up the Congress of the United States authorized the issue of Sixty Million dollars in paper money. This \$60,000,000.00 of paper money was made full legal tender for all debts; public and private. Now this did not suit the bankers of the country so when the next issue of paper money was authorized by Congress, a clause was printed on the back of each note that "this note is legal tender for all debts, public and private, except duties on imports and interest on the public debt." The first issue of Sixty Million Dollars which was made full legal tender always passed on a parity with gold. But, the second and succeeding issues with the exception clause, immediately declined in value until at one time it took \$2.80 in greenbacks to be worth as much as \$1.00 in gold.

At the close of the war, prices of agricultural products and prices paid for labor were high. But when the Government called in these greenbacks and destroyed them and issued interest bearing bonds in the place of them,

all commodity prices and labor prices declined until we had the panic of 1873.

I am sure that a careful study of these articles which we are printing will show exactly how this came about. A. M. K.

FIGURES DON'T LIE

There's an old saying that, "figures don't lie". There are some people who do not believe that the passage of oleo taxation reduces its production, thus increasing consumption of butter and, normally, resulting in a higher price for butter fat.

The following data covering tax-paid oleomargarine products, is obtained from the statement of the Internal Revenue Bureau, and indicates a decrease of 47,017,387 pounds, an amount equal to 29.5%, during the first six months of 1931, compared with the same period in 1930.

	First Six Months 1930	First Six Months 1931
Oleomargarine	159,369,313 lbs.	112,351,926 lbs.

In June, 1930, the total number of pounds of oleomargarine produced was 22,178,428, and in June, 1931, only 13,180,342. These figures show a reduction of 40.5 per cent in June, 1931, in comparison with June, 1930.

HIGH FREIGHT RATES AND LOW PRICES

The National Committee of Farm Organizations is acting as though it means real business. We had feared that this group, being hooked up so closely with the Farm Board, might not care to speak out strongly on subjects of a political nature. But at the July 15 meeting at Des Moines, some real fighting plans were laid.

First and foremost, definite plans were made to employ a rate expert and present evidence before the Interstate Commerce Commission on the 15 per cent advance rate case. This fight will probably cost the National Committee of Farm Organizations at least \$5,000, but if the case is properly presented, there is a chance of saving the farmers of the middle-west millions of dollars annually. Inasmuch as the Interstate Commerce Commission will start taking evidence on the farmers' side of this case in September, the National Committee of Farm Organizations felt that prompt action should be taken.

Next in importance after this freight rate action was the passage of a resolution calling on congress to empower the Federal Reserve Board and the New York Federal Reserve Bank to call a conference with the Central Bank heads of England, France and Germany to consider methods of handling gold reserves in such a way as to restore prices to a point which would not bear so unjustly on those who are heavily in debt. Before this resolution was passed, President Hearst, of the Iowa Farm Bureau, told about a meeting he had with President Hoover to discuss the matter of using monetary means to stabilize prices of all kinds at a higher level. It seems that President Hoover was not much interested and said that there was little demand for this kind of thing.

The members of the National Committee of Farm Organizations had many different ideas about the control of the national and international banking structure to make higher prices. All thought that something should be done, however, not only to help the farmers of the United States, but also to ally the dangerous unrest which is now prevalent over all of Europe except possibly France.

Of course, the committee went on record again commending the Farm Board. Nearly every member of the committee is trying to use the machinery of the farm marketing act in one way or another. The Kansas members of the committee were seriously disturbed because 25-cent wheat in Kansas is causing many Kansas farmers to feel that the Farm Board is directly responsible. The committee, therefore, went on record as pointing out that the Farm Board was not in any way responsible for the world-wide depression. —Henry Wallace in Wallace's Farmer.

FARM VALUES DROP BILLIONS

On One Item Agriculture's Loss in Ten Years Exceeds National Debt; Increase in Mortgages

The Census Bureau has been making a survey of farm values. The results were given out last week. They constitute a staggering answer to the question, "What's the matter with American agriculture?"

In the 10 years from 1920 to 1930, the American farmer taken collectively, lost \$13,426,165,000 in the value of his plant—that is, land and buildings; and at the same time increased his mortgage debt \$1,610,826,000.

His total "slump" in that decade was \$20,036,991,000. The total national debt on June 30, 1931, was \$16,801,281,491.71.

In other words, the farmer has been "deflated," on land values alone, to an amount greater than the remaining national debt.

Actually, the farmer's loss in that period was much greater. The mortgage figures can be brought down only to 1923, though it is known they have been increasing pretty steadily since, and in addition the census figures take no account of the farmer's losses on account of the drop in the price of his products. For the 10-year period that would amount to much more than the decrease in land values.

The Department of Agriculture is responsible for the figures on mortgages. In that connection, it must be remembered that the farmer's "plant" hasn't changed very much in 20 years. He is cultivating about the same acreage and, on the average, the condition of his buildings has not improved materially.

In 1910, the American farmer's land and buildings were mortgaged for \$3,320,470,000.

In 1920 his mortgage had grown to \$7,857,700,000.

In 1930, his property had dropped over 18 billions in value but the mortgage had swelled to \$9,468,526,000 in 1928 and, presumably, to a higher figure in 1930.

SPECULATORS BEGRUDGE AID TO FARMERS

At the annual meeting of the United States Chamber of Commerce last spring it was stated that political violation of business judgment rather than the failure of business leadership caused the world-wide business depression.

To say that government assistance to agriculture has been the cause of the depression is illogical to say the least. The depression began before the government took a hand in the matter. Farming conditions had reached such straits that business also was beginning to suffer and the federal government hoping to avert the general disaster undertook to assist the agricultural interests. The chamber of commerce itself was strongly in favor of the Agricultural Marketing Act until it became a law, then it began to oppose it vigorously. The Federal Farm Board has been severely criticized by the grain speculators, many of whom are members of the chamber. We will not attempt to state here who caused the depression, beyond saying that the aid given to the farmers by the government certainly was not to blame.

The government has protected industry with the tariff, railroads with the Jones-White law and labor with the immigration law. These all came long before the Agricultural Marketing Act, and were generally considered necessary to the industrial and business development of the country. With the advent of the first aid to the farmer, the passing of the Agricultural Marketing Act, the government is assailed on every side and accused of being largely responsible for the world-wide depression.

The government through this act has maintained the price of wheat for the American farmer at from 30 to 35 cents above the world price and has given to him some of the profits which would otherwise have gone to the speculators. And some farmers are dissatisfied with this!

It is clear why some of the grain speculators decry the action of the Federal Farm Board. Their profits are jeopardized!

It is surely to the farmers' interest to support the board and be guided by it, and to ignore the peevish beratings the speculators give it.—Southern Planter.

The President's Column

By CAL. A. WARD

INTERDEPENDENCE OF AGRICULTURE AND INDUSTRY

(Radio Speech by President Cal Ward over Station KSAC, Manhattan, July 22)

In these trying times when the whole economic structure of our country is disturbed, when the very foundations of agriculture and industry are trembling and when men and women in all walks of life are keyed to a high tension wondering what our next step will be, it is time for us all to collect ourselves and our thinking and plan definite steps to bring us out of this chaotic situation.

As a leader of one of the big farm organizations of Kansas, I want to assure my hearers just now that the men and women of our organization, in fact every patriotic citizen of the state, are facing an opportunity and responsibility prompted by an abiding faith that we will come out of this tragic situation and the experiences through which we are now going is foundation material for the building and developing of a greater Kansas and growing into that which will assure us prosperity in the years to come.

I am here today to say a few words in behalf of the Eastern Kansas Farm Products Utilization Day to be held in Lawrence on Thursday, August 6. May I say now that relative to agriculture and industry the leaders in all groups are facing their tasks and responsibilities together. Time and experience has revealed to us that we are no longer individualists. Our broad educational system, including the press, the radio and even the automobile has gone a long way in breaking down the wall of prejudice and selfishness that in days gone by placed certain limitations about society that caused us to be individualists.

I have been in many sections of the country the last few years and may I suggest that Kansas is outstanding in that our farm groups can co-operate with other groups in building and developing Kansas. Kansas is quite rich in natural resources. Also, it has a great record as an agricultural state, which is the greatest industry of the state. Kansas is the greatest wheat producing state in the Union with a bumper crop this year of two hundred million bushels. A large part of Kansas is well adapted to corn. We grow alfalfa, clover, timothy, and most of the other grasses. On most every farm you will find a flock of poultry. Hundreds of thousands of hogs are raised and fattened for market each year in Kansas. The live stock industry is also one of our big sources of revenue. The dairy business is not to be scoffed at. May I suggest that Kansas offers many inducements to this line of activity because the farmers are able to raise practically all their feed which is required in the production and manufacture of dairy products.

The various leaders of Kansas, in contemplating this great celebration to be held at Lawrence on August 6 fully realize the inter-dependence of agriculture and industry. They realize that we go up and down together. That the business men along the streets of our cities and villages and even manufacturers and industrialists of the state cannot prosper unless agriculture prospers. The farmers of the state realize that with the development and utilization of the commodities and products they produce that they are dependent to a large extent upon business and industry to provide and operate means of handling and even processing these into finished products that they may receive for their commodities production cost when they leave the farm. Therefore, a five-year program will be announced at the meeting to be held in Lawrence August 6, suggesting the best type of agricultural production and industrial development which will be most profitable under present economic conditions.

That there may be no mistake, may I suggest that this great meeting will be held under the auspices of The Kansas Farm Bureau, Kansas Farmers Union, Kansas State Grange, Kansas State College, University of Kansas and the Kansas Chamber of Commerce. I am especially happy that the meeting will be held at Lawrence. It may be a selfish reason, but it is my home county and home town. In addition, Lawrence is well located and suited for the taking care of the tremendous crowd which we are sure will be there that day. It has paved highways leading in from all directions. The program and celebration will be held in beautiful South Park which is well shaded. Best of all, you will admire the spirit of the Douglas county and Lawrence people. This will probably be one of the most important meetings of farmers and industrialists in the history of the state.

The importance is based on a strong program of the day and plans for a crowd of between ten thousand and fifty thousand people are being made. As I have already stated, the purpose of the day is to bring the people of Kansas to the realization of the inter-dependence of agriculture and industry and to show of us the industrial and agricultural possibilities of Kansas. Utilization Day is a result of a study and analysis of the possibilities of Kansas. The leaders of the state Colleges in co-operation with the farm organization leaders and representatives of the Chamber of Commerce came to a common understanding that such a day and such a program will bring us face to face with our opportunities.

We are asking the citizens from Eastern Kansas, and especially the farmers to plan now to attend this big celebration. From most any point in eastern Kansas you can soon reach paved or all-weather roads. Plan to take in the day and night sessions. Both will be full of interest to you. Ralph Snyder, President of the Farm Bureau, is general chairman and I happen to be Chairman of the Program Committee. Other members of that Committee are Carl C. Cogswell, Master of the State Grange; J. C. Mohler, Secretary State Board of Agriculture; Sam Wilson, Manager of the Kansas Chamber of Commerce; James W. Linn of the Kansas Agricultural College; Dean Frank Stockton, of the Business School Kansas University; and George Hedrick, Secretary Lawrence Chamber of Commerce.

May I say, primarily this is a farm meeting and no farm meeting in the history of the state has ever had the unified backing that is being given to this great meeting. The co-operation of all the state farm leaders demonstrates the importance of the five-year program for eastern Kansas.

Two feature speakers of the day will be Edward A. O'Neal, National President of the Farm Bureau, and Victor Murdock, Editor of the Wichita Eagle.

Not only will the grown up people enjoy this occasion, but the kiddies as well. A great parade which perhaps will be more than three miles in length will go down Massachusetts street at ten o'clock. Frank Blecha of the Kansas State College is chairman of the bands and floats committee and to date he has reported around thirty bands and thirty-five floats that will be in the parade. The floats will stress the products processed and marketed as Eastern Kansas products. Practically every community in this section of the state is co-operating in sending either a band or a float to Lawrence.

There will be industrial and agricultural exhibits on the grounds to be visited during the day. Various manufacturers and co-operatives will tell their story through these exhibits as they appear in the booths. Kansas products will be used entirely in the preparation of the food. The Chamber of Commerce of Lawrence is making plans for feeding and caring for the crowd. Thousands of box lunches as well as other refreshments and sandwiches will be served in South Park. Iced milk will be furnished free by the Milk Distributing Concerns of the city.

The Kansas Farmers Union is mailing out invitations to most of our locals in Eastern Kansas urging them to be in attendance. Whether or not these invitations get in your hands, you are invited, and we want you all there.

In closing, I wish to emphasize the importance of this meeting and I am of the firm belief that it is a forward step in the development of a greater Kansas and the looking toward permanent benefits that may be derived from our co-operation together.

KANSAS UNION FARMER WHEAT EXCHANGE

If members of the Union have anything to sell or exchange, please advertise in this department. Rate: 5 cents a word per issue. If run 4 times 10c per word for the four issues. Count words in heading, as "For Sale," or "Wanted to Buy," and each initial or figure in the address. Compound words count as two words. CASH MUST ACCOMPANY ORDER. THIS DEPARTMENT WILL PAY YOU.

CLASSIFIED ADVERTISING

WANTED

WANTED—Position as Manager of Farmers Elevator. You will make no mistake by giving us a chance at it, for we have had years of experience in the grain business and all the side lines. Have been employed but the firm has sold out just lately. Can give bond and good references. Give particulars in first letter. Address J. E. M., Kansas Union Farmer, Salina, Kansas.

FOR SALE

FOR SALE—Alfalfa Seed for Fall Seedling. Recleaned and tested. \$3.00 per bushel. R. O. E. Sample on request. George Kead, Jr. Randall, Kans.

WINTER BARLEY for sale. Makes better crops than Oats. Makes Best Winter pasture and good hog feed. 50c a bushel. Sample 10c.—W. J. Haylik, Tampa, Kans.

MORE MONEY FOR WHEAT

Lack of Congestion in Handling of 1930 Crop, Owing to Efforts of Farmers' National Grain, Resulted in Higher Wheat Price to Farmer.

Although admittedly the price of grain has been low during the past seasons, it undoubtedly is true that the influences wielded and the assistance rendered by Farmers National Grain Corporation made it possible for the cooperative producer to secure appreciably higher prices than he possibly could have otherwise obtained.

Such results were achieved largely through regulating the flow of grain to terminal and export markets.

This claim can be best illustrated by calling attention to just one phase of our operations—a factor of major importance because of its colossal proportions and complete success. To get what is meant clearly before you, you are asked to recollect that thru the month of June 1930, immediately preceding harvest operations, the ever present calamity howler and his brother, the habitual pessimist, were prognosticating an unprecedented congestion and glut of new crop wheat in the market centers because of no apparent outlet for the huge stocks of old wheat which already occupied the greater part of the storage space. What happened? Certainly not the predicted congestion, for there has been no critical congestion in any terminal market, not in the central, or northern, so far on this present 1930 crop. No such statement can be made of the movement during the summer of 1929 (A TIME WHEN THIS CORPORATION WAS NOT FUNCTIONING) wherein, because of deplorable congestion CASH WHEAT SOLD AT RUINOUS DISCOUNTS relative to options and paid tolls in millions of dollars of added expenses, demurrage, etc., on cars which had to be held on track for weeks and weeks before they could be unloaded. In order to avoid a repetition of conditions surrounding the previous season, the Farmers National Grain Corporation, in conjunction with the Grain Stabilization Corporation, began to shift its huge holdings from every point that held the slightest indication of congestion. These shifts were made to more strategic points closer to interior milling centers and to Atlantic and Gulf ports where millions of bushels of space was then and still is available. Thus in ample time millions of bushels of old crop wheat were gotten completely out of the way of the huge onrushing movement of new crop grains, and undeniably created a much higher level of values than otherwise could possibly have prevailed.

Certainly no individual private agency or any group of private agencies could have accomplished these results. Only an agency of nationwide scope and which had uppermost in mind the interests of the producer could and would have done so. The result actually achieved by creating this space and permitting new wheat to be properly marketed and housed actually made a difference in value to the producer of anywhere from 7 to 15 cents a bushel.

The Chicago option is presumed to reflect world price levels when this country's surplus wheat is of such proportions as to make it necessary to compete in foreign commerce, and at the time when the congestion afore mentioned was so acute wheat at our Gulf ports sold as low as 7 cents a bushel under the Chicago September option, whereas as on the 1930 crop, because of free movements and no congestion, our wheat at Gulf ports brought premiums of anywhere from 1 to 8 cents a bushel over the Chicago-September. Such price results were likewise, in the main, true in practically every other market center in the United States.

It will thus be realized that our claim is well founded that the marketing operations of the Farmers National Grain Corporation and The Grain Stabilization Corporation created for the producer higher values by 7 to 15 cents a bushel compared to world price levels than it was possible to obtain during the congestion of the year 1929.

"Nurse," said the patient, "I'm in love with you; I don't want to get better."

"Don't worry—you won't," she said cheerfully. "The doctor's in love with me too, and he saw you kiss me this morning."

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MORE ABOUT THE INCREASE IN FREIGHT RATES

(Continued from page 1)

interest that they made a bad investment in a mode of transportation that is rapidly becoming obsolete.

We pray for a little more consistency in matters pertaining to the Farm Board.

It seems according to the current issue, that the enemies to the Farm Board are responsible for the continued demands on the Farm Board to hold their wheat. It seems also that the politicians are to blame and we notice that Clyde Reed said that "Cal Ward is the guy that insists upon the Farm Board holding their wheat." Now it is our humble opinion that the quicker the Farm Board sells their wheat, the better it will be for the farmer. Because, if the Farm Board has this slug of wheat as they have been doing, that it will preclude any possibility of them getting any more money next year.

This of course barring any acts of God. It is the only way any commodity can advance in price on account of scarcity. And unless a sufficient amount of hoarding is done, it creates this scarcity and hoarding becomes a barish factor.

We believe that there is a very good chance for a quick adjustment in wheat prices, due to decrease in acreage in Argentina and Australia, where the farmer has been getting fifteen to twenty cents for the past six months; and to the terrible drought in Canada; to the prospective decrease in acreage in the United States; to the great amount of feeding as was done this winter out of wheat stocks; due to the increased consumption of wheat owing to hard times; and to the probability, that the Southwest will not raise a bumper crop next year, owing to the deficiency in the rainfall in the last fourteen months, not amounting to over seven inches.

All these influences will not help much, however, unless the European situation is permanently settled within the next six months, so that we can unload surpluses now on hand.

THE TRUTH ABOUT THE WHEAT SITUATION

(Continued from page 1)

years ago, with wheat for a world wheat crop smaller than last year but larger than that of 1929, with freely available export supplies ample to cover current import demands, and in the midst of general depression and commodity prices in general at levels some 25 to 30 per cent lower than in July, 1929.

Situation Made Worse By Foreign Measures

More and more wheat importing countries have extended anti-tightening measures designed to hold up wheat prices for their own farmers. Tariffs duties on wheat are at very high levels, in several countries equivalent to more than 100 per cent of the import price of wheat. The latest government regulations require mills to use at least 97 per cent of domestic wheat in Germany, 95 per cent in Italy, and 85 per cent in France and Sweden. Such regulations not only reduce the amount of wheat imports but limit it especially in the early part of the season. By reducing consumption of wheat, increasing domestic production, and disturbing the flow of wheat, they are tending to make the world wheat situation worse, and in particular for wheat exporting countries.

The declines in our wheat prices in the past two months, in the face of depressed world markets, are not due to the Board's past or present policies, except to this extent: Since our prices had been held above the world price by stabilization purchases until the crop began to fall, wheat prices had farther to fall when these purchases ceased. Much of the price decline of recent weeks, however, is nothing unusual or abnormal. Every year, as wheat cash prices decline, often considerably, at least to the extent of inducing liberal exports and purchases by those who hope to sell it later at a profit over carrying charges.

Stabilization Does Not Increase

The Farm Board does not encourage the production or discouraged the consumption of wheat, here or abroad, directly or indirectly. It has not grown or imported a bushel of wheat. Stocks in larger and world wheat moderately larger, as a result of stabilization operations which the Board has authorized and financed. The steps it has taken have served to cushion the shock of wheat prices from severe declines and could hold in check only for a limited time. The Board has consistently strived to bring home to wheat growers the facts of the world wheat situation, and urged farmers to improve wheat prices here, by materially reducing wheat acreage, production, and our large export surplus.

The United States continues to produce, beyond domestic uses, an annual surplus of about 200 million bushels, and to have a carryover far above normal size. So long as the United States has a large surplus in carryover and new crop, that surplus will be a big factor in making wheat prices, here and abroad, whether the wheat is sold or held, and no matter who owns the wheat. Stabilization purchases, as in the past year or two, and restraints upon sales of stabilization supplies, as in the present year, can lighten the burden on wheat prices, but they cannot remove it.

Assurance Given Wheat Will Not Be Dumped

The Board has repeatedly assured the public that the Grain Stabilization Corporation's holdings will not be dumped on the market, but will be handled in such a way as to impose the minimum burden on domestic and world prices. Complete withholding of these supplies, if it were practical, would not create a shortage of wheat, either here or in world markets, or materially improve wheat prices, while it would pile up more trouble for the future.

I have tried to make plain the real reasons for the present level of wheat prices. The facts I have stated are not new; there is no new "barbarism" in them. They are well known to buyers and sellers of wheat whose bids and offers make the going market price. They merely indicate the economic forces that have brought wheat prices down. These forces have been too powerful to be held in check indefinitely by any policies within the power of the Farm Board to adopt.

Grounds for encouragement are not lacking. The drought in the North American spring wheat belt, hard as it is on the farmers of Western Canada and our own Northwest, means a considerable reduction in this year's crop in that important area. Wheat

that will have a bargaining power somewhat comparable to that enjoyed by other industries, have been lost sight of in the more spectacular work of the stabilization corporation in temporarily boosting prices.

It is my suggestion that we, who are anxious to get the best results possible from the law we have, quit playing into the hands of our enemies by heaving bricks at those who have every reason to believe are our friends. We cannot afford to rely on luck or magic to clear up the world wheat situation. Luck may be with us or against us. But substantial and sustained improvement in world wheat prices, and of wheat prices here, calls for a material reduction in world production and increases in consumption where that is possible. Domestic prices will continue to reflect the world price until our annual surplus is greatly reduced. If American farmers will seriously cut down their plantings, if low prices bring similar contraction abroad, and in the meantime surplus stocks are gradually worked off, United States prices will again be established on a level that will show farmers a profit on the smaller production.

COOPERATION WILL SOLVE THE FARM PROBLEM

(Continued from page 1)

started operating with an amount of capital as low as \$2,000.00. Our survey shows on an average that the reserves equal two-and-one-half times the outstanding capital. While farmers are operating their cooperative oil companies to save themselves money, they are at the same time building substantial organizations, to which the communities in which they operate can point to with pride. Their average per cent of refund was 14.9 per cent.

The total savings of these companies, as I have stated, were \$7,800,318.40. In other words the cost of producing farm products in the communities where these cooperatives are operating, was reduced last year to the extent of almost \$8,000,000.00. Putting it another way, these farmers saved for themselves and the rural communities in which they live, \$8,000,000.00 most of which would have drifted back to the stockholders of the big oil companies along the Atlantic seaboard.

Does not a movement which accomplishes results of this kind, merit the support of every farmer and home resident in the state of Kansas. Think what these \$8,000,000.00 would buy. They would put electric light plants in the homes of 26,600 farmers, or it is a sufficient amount to install running water system in 53,300 farm homes. Think of the happiness and the enjoyment these running water systems or electric light plants would bring to farm communities. In other words, the movement which we are fostering and working so hard for, has for its ultimate object, the bringing to rural communities many conveniences which they have not enjoyed in the past.

Do you approve our program or would you just as soon see the profits on petroleum products leave the state of Kansas, and drift back East to make the already rich, richer? As a fellow-farmer, I appeal to you to go into this movement from the end of the state to the other. If there is no cooperative oil company in your community, take the lead in organizing one. If you have a cooperative oil company, see to it that it becomes affiliated with the other cooperatives of the state. The United Oil Company (Cooperative) of North Kansas City, Missouri. This company affords you an opportunity to participate in the manufacturing profits on the products you sell. It is working for the same principles for which you are organized, and has as its ultimate purpose saving money for farmers on petroleum products. Through the companies which operate the United Oil Company, they are serving more than 100,000 farmer consumers, and the number is increasing rapidly. So long as you patronize an Old Line Company and do not work with this large number of cooperators, you are defeating the purpose for which they, and yourself, are organized. We paid dividends amounting to \$1,135.58 to one of our member companies last year. The appreciation a service which is appreciated by an increasing number of consumers is shown by the fact that our oil and grease business increased 58 per cent the first six months of this year over the first six months last year, which gasoline and kerosene showed an increase of 75 per cent for the same period. This volume is approximately six times what it was for the same period two years ago. Net profits for the first six months of this year are 60 per cent greater than they were the first half of last year, and about nine times what they were during the same six months two years ago. These profits are, of course, returned to the member companies after reserves and interest have been taken care of. The company is owned and controlled by the companies which mean that all of the profits are theirs. I cannot believe that there is any group of farmers who would prefer to let their cooperative continue to be a "sign board" for one of the Major Oil Companies, rather than to become a part of a cooperative movement which is paying the profits back to the member companies, and an institution in which they have something to say about the operation.

It was never more important that farmers fight their battles shoulder-to-shoulder and from behind the same breastworks. I appeal to you farmers out here in this splendid state of Kansas who are selling your wheat for 25 cents a bushel, to organize cooperative oil companies from Missouri to Colorado and to link them up with the national cooperative oil movement. We should cooperate from the bottom up.

WHEAT PRICE PROSPECTS FOR NEXT SIX MONTHS

The chances are strong that wheat will advance enough in the next six months to pay for putting wheat into inexpensive storage.

There have been 12 cases since 1894 in which wheat prices after reaching a peak, as they did in April, 1928, have declined to extreme low points. In 10 of the 12 cases, the extreme low has been reached in the period June to October, inclusive. With a southwest winter wheat crop of record size and poor prospects for spring wheat, there is more reason for expecting the low this time in July or August than in September or October.

In the 10 cases in which we have already had experience, the advances following a low have been moderate except in war time or in case of unusual developments in other producing countries. Most frequently the advances from the low point to the following January have amounted to 5 to 10 cents a bushel, although in a few unusual instances the advances have been much larger.

Since 1896 there have been 10 years, excluding the war years 1916 to 1919 inclusive, when there was a decrease in world's wheat production compared with the year before. In three of these 10 years price of wheat declined in spite of the reduction in

ATTEND KANSAS FARM PRODUCTS UTILIZATION DAY

(Continued from page 1)

of the Program Committee for the day. Other members of the Executive committee, each one representing one of the sponsors of Utilization Day, are: Ralph Snyder, president of the Kansas Farm Bureau; C. C. Cogswell, master of the Kansas State Grange; J. C. Mohler, state board of agriculture; Sam Wilson, manager Kansas Chamber of Commerce; James W. Linn, Kansas Agricultural College; Dean Frank Stockton, dean of Business school, Kansas University; and George Hedrick, secretary of the Lawrence Chamber of Commerce.

No farmers meeting in the history of the state has had the unified backing that will be given to this great event. The cooperation of all the state farm organizations demonstrates the importance of the program of the 5-Year plan for Eastern Kansas.

The two featured speakers of the day will be Edward O'Neal, national president of the Farm Bureau, and Victor Murdock, editor of the Wichita Eagle. Mr. O'Neal will be the principal speaker at the afternoon session and Mr. Murdock will deliver the main address in the evening.

A great parade, more than three miles in length, will be given on Massachusetts street at 10 a. m. Frank Blecha of the Kansas State College, is chairman of the Bands and Floats committee, and to date he has reported twenty-eight bands and thirty-five floats that will be in the parade. The floats will stress the production, processing the marketing of Eastern Kansas products. Practically every community in this section of the state is cooperating by sending either a band or a float to Lawrence.

The Lawrence Chamber of Commerce is making plans for the feeding and caring of the crowd. Thousands of box lunches, as well as sandwiches and refreshments, will be served in South Park and feed milk will be furnished free by the milk distribution concerns of the city. Kansas will be used entirely in the preparation of the food.

An interesting and educational industrial and agricultural exhibit will be on the grounds to be visited during the day. At the present time forty manufacturers and cooperatives have arranged for booth exhibits.

The complete program for the day is:

FORENOON.
Display of Window Exhibit 10:00
(Massachusetts Street)
Parade of Bands and Floats 11:00
Dinner Hour 12:00
(South Park) Lunches consisting of Kansas Products will be served at reasonable prices. Free milk will be served with lunches.)

AFTERNOON
(South Park)
Music by Visiting Bands 1:30
Speaking Program 2:00
Ralph Snyder, President Kansas Farm Bureau, Presiding.
"All speakers will stress the five-year Agricultural and Industrial Program of the Kansas State Board of Agriculture."
J. C. Mohler, Secretary, Kansas State Board of Agriculture.
Harry H. Woodring, Governor of Kansas.
Arthur Capper, United States Senator.
Edward A. O'Neal, President American Farm Bureau Federation.
Band Concerts 4:00
Supper Hour 5:00
(South Park)

EVENING
Speaking Program 7:00
Cal A. Ward, President of State Farmers' Union, Presiding.
H. Umberger, Dean of Extension, Kansas State College.
Ray C. Johnson, Dean of the University of Kansas.
C. C. Cogswell, Master Kansas State Grange.
Walter F. Kirk, Master, Ohio State Grange.
CONCERT OF MASS BANDS
Maurice Breidner, President, Kansas Chamber of Commerce, Presiding.
Victor Murdock, Editor of Wichita Eagle.

The question of the day will be "What are the Best Products to Raise and Manufacture in Eastern Kansas?"

A more systematic and thorough use of Kansas products in the home will also be stressed. Part of the program will be of interest to home-makers in towns and on the farms alike. The result will be a more desirable type of home life throughout the state.—Lawrence Journal World.

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Since 1896 there have been 10 years, excluding the war years 1916 to 1919 inclusive, when there was a decrease in world's wheat production compared with the year before. In three of these 10 years price of wheat declined in spite of the reduction in

size of world's crop. These three years were 1899, 1910 and 1929.

In 1899 the price decline was largely reaction from the too high prices brought about by the Leiter corner of 1898, the Spanish-American war and other influences. Likewise, in 1910 the price decline was largely a reaction from the high prices accompanying the Patten corner of 1909.

In the four years preceding 1929, world production had increased each successive year. This, with slackening demand, gave a large carryover of old wheat in 1929. In spite of a decline of 12 per cent in the world's crop and a 11 1/2 per cent decline in the United States crop, wheat prices declined almost steadily throughout 1929. After this cut did not check the price decline and producers turned around and increased production 8 per cent in 1930, nor anyone else could do anything more than temporarily check the decline. The truth seems to be that this largely is one of the results of the concentration and hoarding of buying power that follows the big dislocations of money and credit resulting from financing expensive wars on credit. Like wheat, other commodities are feeling the effects of this disarrangement and in proportion as they aggravate it by increasing production at the same time.

Since 1928, the annual carryover of wheat from one crop year into the next has increased each year. This accumulating surplus is the most depressing factor affecting present wheat prices. At present, Farm Board holdings of stabilization wheat are a part of this surplus and carryover. It is not so much a question of who owns this wheat but the very fact that the surplus is in existence. This surplus will continue to be a depressing factor in wheat markets until it is needed to supply a quantity as is needed for a normal carryover.

The burdensome thing about the wheat in Farm Board hands is not that the Farm Board has it, but that the wheat could not be consumed under conditions as they now exist. If the Farm Board had permitted prices to be lowered earlier, and I had moved more of its wheat into expert, this wheat would have simply been in stocks somewhere else where it would much more likely be put upon the market than it is now. With high tariffs against the importation of wheat into most European countries, cheap American wheat does not give the European cheap bread so that he will consume more of it.

The general level of commodities has been settling lower since 1929. World's wheat production from 1921 to 1930 increased 45 per cent. World's population increased only 36 per cent and at the same time much of the population was reducing its consumption of wheat products per capita.

Price of wheat at the beginning of the 1931 season, however, is now so low that it will likely respond to any material reductions in the world's supply of wheat. There is promise of something like a 6 per cent decrease in the world's supply of wheat for 1931, although the United States crop will probably show an increase of 1 to 2 per cent. Any further reduction in 1932 crops will almost surely result in supply becoming a price-making factor of importance again in advancing prices. This being the case, there is reason for believing the turning point in wheat prices is not far off.

WE PROPOSE TO STAND TOGETHER

"Efforts will continue to be made to confuse the public mind regarding our methods of operation and our objectives. Continued attempts will be made to prejudice business men against the farmer's effort to inject proven organization principles and business methods into the distribution of his own products, under his own management and control, as other businesses have done. Such efforts result in the intelligence of business men whose interests are identical with those of the growers."

"We are not unmindful of the fact that wealth cannot be created by legislation, but we are mindful that it may be transferred from one group to another, or from one section of the country to another, by legislation. We have had such legislation virtually from the beginning of this country. Accordingly, the wealth produced by farmers had been transferred to other more favored groups. Not until farmers formed themselves into business organizations, under their own leadership and control, was the government in position to give them effective help."

"We have no fear that the Agricultural Marketing Act will be repealed whenever fair trial has been given this legislative advance, and it is believed that amendments may be advantageous, farmers and their business friends propose to stand together for its improvement."—C. O. Moser, President, National Cooperative Council.

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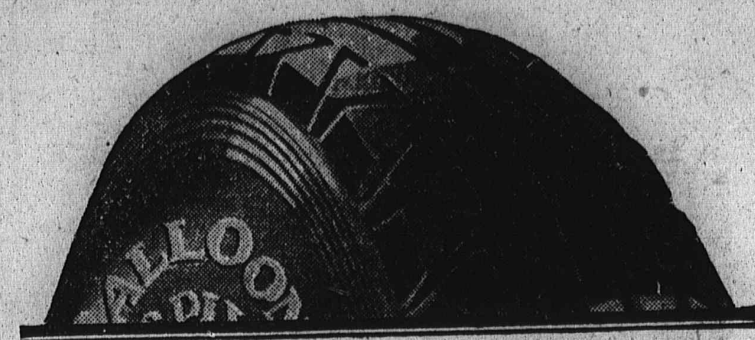
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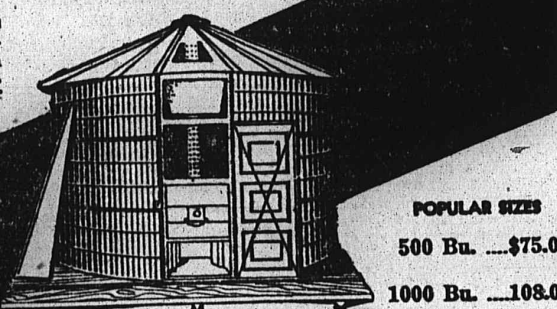
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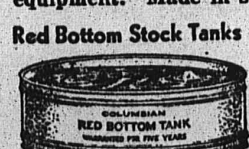
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