

THE KANSAS UNION FARMER

Organization

Education

Co-operation



VOLUME XXII

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THE ORGANIZED GRAIN TRADE WAGING A BITTER FIGHT

SEVENTEENTH ANNUAL REPORT FARMERS UNION JOBBING ASSN.

This is the sixteenth Annual Stockholders meeting of the Farmers Union Jobbing Association, and as Secretary Manager I will endeavor to give you a report and an account of my stewardship for the year 1929. I shall try to make it as short and give you as much information as I can and the kind of information I think that you will be interested in. I hope you will study this whole report carefully, and remember that there is no business too big, or that there is no order too small for us to handle.

We have had a very successful year from a net profit standpoint. Our net profit as a result of a year's operation is \$50,898.43. We have handled 3220 cars of wheat in Kansas City on consignment and 721 cars through our Salina office. We have had quite an increase in our business on wheat, while the corn has fell off some on account of the crop being much lighter than last year in Kansas from the territory in which we draw from.

Our Merchandise Department has enjoyed a very substantial increase in business. We have handled 410 cars of flour and feed, 155 cars of coal, 132 cars of Tankage, 17 cars of Oyster Shell, 12 cars of fruits and vegetables including salt, Cottonseed products 34 cars and have handled on consignment 232 cars of hay, besides handling a number of grain bins on which our commission was \$635.00, and some small commissions on oil and gas. The total commission on our Merchandise Department shows a gross income of \$17,958.55, which I think is an excellent good showing considering the amount of effort that has been put forth on this line. We are expecting and ought to double this merchandise business during the year of 1930. We have tried to handle the very best lines of merchandise that can be had, and while we have not been able to meet everybody's price, yet when quality is considered I am sure you will find our prices always in line.

I feel that this organization should not be looked upon altogether from what money we make or what profits we might show, that our main object and big thing that we should look to is the service we can give our stockholders and customers. And while you might think it selfish on our part, but I wish that we could establish confidence with our people that they would patronize their own organization a hundred per cent and not be shopping around. We have a great number of customers, in fact 85 per cent of our customers are very loyal and don't look any further for prices for they know that we are going to get quality stuff and get whatever they buy from us at the market. I am sure there isn't any advantage to us in making any more than a legitimate profit on anything we handle and that, you will concede, we are entitled to. We must build this business like all other business is built, on confidence, and we want your confidence and we are going to do everything that is possible to merit and maintain it. We are not going to handle any inferior products of any kind.

Salina Office
We feel that our Salina office is a very important office from the standpoint of giving service to all our members and stockholders, especially West of Salina. You can consign your wheat to our Salina office and get inspection and bids at Salina from the number of mills that are there and if they are not in line with Kansas City, or they are not up to your expectations you can have them sent on to Kansas City without any additional expense. This office is managed by Mr. A. T. Riley, whom I hope you are all acquainted with, if not I wish that you would get acquainted with him. He has handled the office in a very efficient manner, and Mr. Riley, you will find, is always ready and willing to be of service to you whenever he can, and you can have this service just for the asking. We are planning to give you even more and better service

from Salina the coming year as we are realizing more and more the importance of this interior market service and we expect to have storage facilities in Salina, if our plans materialize as we think they will, so that wheat may be stored in Salina for the account of any of the elevators that would wish to use that service. We believe the time is coming, in fact, it is here when wheat will not move into the big terminals so rapidly as it has in the past. It will be held back in interior markets like Salina. This would eliminate car shortages to a certain extent as one car can make several trips from the Western part of Kansas to Salina and be unloaded, thus relieving a lot of the railroad congestion in the big terminals and car shortages as we have experienced in the past. Railroads then will have all winter to haul the wheat from Salina to mills wherever it is needed. I wish that you would use this Salina office more. I am sure that you will find it to a great advantage.

Recommendations
I would recommend that the Farmers Union Jobbing Association own and operate terminal facilities in Salina if the proper financial arrangements and the proper support from those who will have access to this can be had. I believe there are great possibilities in having terminal arrangements, storage facilities and such things in Salina. There wheat could be conditioned at a minimum cost and stored and the railroad facilities are such in Salina that it could be moved out most anywhere when the market fact. I also would recommend that a grain office be established at St. Joseph, Missouri. We have a number of our members and stockholders in Northeast Kansas who can ship to St. Joseph very advantageously, in fact, St. Joseph is similar to its members that Salina is to its members and tributaries, although St. Joseph will be of more service on corn than it will on wheat, yet there are times in the year that St. Joseph is a good or a better market than some kinds of wheat than Kansas City, in fact, it bears the same relation as Salina. Wheat can be shipped to St. Joseph from a good many of those points on to Kansas City without additional cost, and a lot of those points in Northeast Kansas can go through St. Joseph to St. Louis, if necessary, at an advantageous rate. And while considerable of our members have occasion to ship to Hutchinson and Wichita, yet I would not recommend an office in either of these places at this time, yet I would recommend some kind of working arrangement with the Co-operative Commission companies that are in those places. I believe a very satisfactory arrangement could be worked out where we would not be duplicating efforts and yet be giving our members the best of service. I would also recommend that some kind of working arrangements be made with the Missouri Farmers Union. They have quite a nice organization up in the north part of the state, several business institutions, and have no central organization in Kansas and I believe some kind of working arrangements could be made with those people which would be a benefit both to the Kansas organization and the Missouri organization and we would not be duplicating efforts.

Board of Directors
We have suffered a great loss in the death of our president, Mr. C. E. Brasted. No one knows better than I what he has given and the value of his counsel in bringing this organization to the place that it occupies now. I would not for a minute minimize the ability of any one of the directors, they have all proved themselves to be real business men in handling the affairs of this organization, Mr. Brasted being president I have had occasion to consult with him more than the rest, and really his place is going to be hard to fill. In fact, I have had the very closest co-operation and support from

The Grain Trade Is Waging What They Themselves Say Is a Desperate Fight for Their Lives Against the Agricultural Marketing Act, and The Federal Farm Board—The National Grain Journal for January Uses Forty Pages of its Issue in Abuse of the Act, President Hoover and the Farm Board

We are printing below some of the things they are saying, and also some of the headlines they are using.

"If the Agricultural Marketing Act was clearly written,—it would be impossible for the Farm Board to indulge in socialistic activities under it. For that reason, The National Grain Journal contends the Act itself is socialistic."

Now that is too bad. The fact is, it has been told that the Grain Trade hired a firm of constitutional lawyers to dig into this Marketing Act, to see if there was a chance to take it into the Supreme Court and have it declared unconstitutional. So far, there has been no attempt to do so. Probably the reason can be found in the following quotation from the same Grain Journal.

"If there was a sincere motive back of the Act, it would be plainly sincere. Anticipating its rottenness, those who wrote it added a clause providing that if any portion of the Act was illegal, it would not affect the constitutionality of the rest of it. That provision condemns it. Condemns its authorship. Proves it un-American. Proves it unfit."

So there, what do you farmers think of that?

Any laws which interfere with private graft, is always socialistic and unconstitutional to the ones whose private graft is interfered with.

The private grain trade is in exactly the same position as the saloon keepers when prohibition put them out of business; their business was destroyed, and they had to engage in business which was not in opposition to the progress of the country as a whole. The chain stores are putting out of business thousands of retail merchants; the chain banks will do the same for the country bankers; and only a few years ago, the automobiles closed up thousands of livery stables all over the country; and it would be much better for the grain trade to profit by their example, and begin to look around for opportunities to engage in some useful business.

We are quoting some of the headlines from this same Grain Journal.

"PLEDGE OF REPUBLICAN PARY BEING BROKEN; NO ACTUAL FARM RELIEF NOTICEABLE"

"TWENTY THREE BLUNDERS OF PAST FARM BOARD ACTIVITIES"

"HOW THE DIFFERENT FARM ORGANIZATIONS ARE PULLING AT THE FARMERS' PURSE-STRINGS"

"AGRICUTURAL MARKETING ACT ACME OF IMPERIALISM — TO AFFECT ADVERSELY EVERY CITIZEN IN THE UNITED STATES"

"EVIDENCE PROVING THAT THE AGRICULTURAL MARKETING ACT IS SOCIALISTIC AND THAT FARM BOARD ACTIVITIES WILL NOT IMPROVE AGRICULTURE"

"GRAIN TRADE TO FIGHT FOR LIFE AGAINST GOVERNMENT CONTROLLED MONOPOLY"

"AGRICULTURAL MARKETING ACT TO PROMOTE WASTE AND CURB OUR PROSPERITY AND PROGRESS"

"TOO BAD FOR PRIVATE INTERESTS THAT ARE IN THE WAY OF FARM BOARD ACTIVITIES"

"DEMAND MORE SOUND BUSINESS IN GOVERNMENT AND LESS GOVERNMENT IN BUSINESS"

"CANADIAN POOL ORDERLY METHOD OF DEPRIVING FARMERS OF THEIR MONEY FOR A PERIOD OF TWO YEARS"

THE CANADIAN POOL AND ITS SPECULATIVE TENDENCIES"

These headlines should be evidence enough to convince any farmer that the government and the Federal Farm Board is really in earnest in their attempt to do something for the farmers, and every farmer should get into this fight. This fight is not going to be any pink tea affair either, for the grain interests will use any means in their power to defeat this government program of aiding Agriculture.

A LESSON

John Johnson went to town one day

To buy some things to eat;

He took along, his bill to pay,

A load of choice hard wheat;

He drove upon the grain man's scales

And then his job was done,

For, said the grain man, hard as nails,

"This wheat will not grade one."

"I'll have to dock you for the dirt,

And there's some shriveled stuff"

He said in tones that seemed to hurt,

"It does not weigh enough."

He smelled and chewed it for awhile,

(A scientific test)

And then he said, with unctious smile,

"This wheat is not the best."

"My price is just six bits today

For wheat like this," he said.

John did not have a word to say,

He only hung his head;

But as he drove along the road

Toward his rural home,

His unused brain began to goad

And caused his thoughts to roam.

And thus he mused along the way,

"Although this wheat was mine,

I did not have a word to say

About the price decline;

I've been a blamed infernal fool,

But it is not too late,

To change; for I have been to school

And learned my lesson straight."

"I've thought that I could stand alone

And buck the farming game;

But in the market end, I own,

My efforts have been lame;

I'll join the Farmers Union clan

And boost with all my might,

To bring about the Co-Op's plan,

For it is just and right."

—A. M. Kinney.

GET ACQUAINTED WITH OLEOMARGARINE

Hello, Ole! It has been a long time since I saw you. Where have you been all the time? Although I understand you have been in nearly every household in the United States, especially the farm homes, this winter. Say, Ole, don't you know you are the most deceptive, (by virtue of the covering on your package), designing, and near non-entity in food value, as any parcel or package that ever entered a family home as food for consumption on the family table. Say Ole, you are some guy. After being incubated by the black man while wearing his birthday suit, then renovated by the so-called white man while holding his nose, then by immersion in sweet milk to give you the proper aroma—what deception!

Dear Ole, do you think we want to work evolution backward, by feeding oleo to our children. You are not even the monkey's natural food. Do you know what you have cost the farmers of this country in good hard cash? Twenty-five million dollars, to say nothing about under-nourishment.

Working on a basis of the average farmer's sales of butterfat and oleo purchased for the table for one month, we use the following figures: 100 pounds butterfat sold and 20 pounds oleo bought each month. Now then, if oleo is to blame for the lowering of butterfat from 45 to 30 cents, it is more than fair the loss should be charged to oleo. If a farmer loses 15 cents per pound on 100 pounds of butterfat by having to sell it on a low price market of 30 cents per pound he loses \$15.00 on this deal, and by not using his own product as butter for home use he loses about 5 pounds overrun at 45 cents, which amounts to \$2.25, or \$17.25 loss chargeable to oleo, which means a charge of 86 1-4 cents per pound to oleo. Adding the purchase price of 18 cents, his oleo costs him \$1.04 1-4 cents per pound.

Now on this same basis, if a farmer sells 20 pounds butterfat and buys 20 pounds oleo and charges the loss to oleo, his oleo costs him 44 1-4 cents per pound, and a farmer selling 200 pounds butterfat and purchasing same amount (12 pounds) of oleo, his oleo costs him \$1.79 per pound; in other words, he loses \$17.25 on a sale of 100 pounds of butterfat in order to save \$5.40 by purchasing 20 pounds oleo.—Henry Williams, Director Equity Union Creameries, Inc., Jamestown, North Dakota, in Equity Union Exchange.

Monkey Food

One day a farmer stepped into a store;
His actions told us he was feeling sore;
For as he paused, he spoke with troubled mein,
"I want two pounds of oleomargarine."

I asked him why he bought this filthy stuff;
He was ashamed, and yet he tried to bluff;
He'd sold his cream that day for thirty cents
Then bought this monkey food to save expense.

It took a million years, so Darwin said,
To evolve a man, from monkeys bred;
But man can make a monkey of himself
By buying monkey food to save him pelf.

If men persist in feeding to their kids
This filth, then they are only greasing kids,
Down which the human race will swiftly flee
To that time when man's home was in a tree.

In time to come, if this goes on, we'll see
Hanging by their tails in some tall tree,
Our future generations clothed with hair,
Greeting us with silly monkey stare.

—A. M. KINNEY.

While I have given you a rosy picture so far, yet I believe that every one of you knows enough about business to know that no matter how pleasant some things may be, yet in every business there are obstacles and things that are not quite so encouraging and things that are not so easy to overcome. We are operating at this time an elevator at Zurich, Selden, Woodbine, Herington and Lebanon, five in all. The basis on which we are operating Zurich, Selden, and Woodbine has proved very satisfactory yet I am pleased with the showing that Herington has this season considering the conditions that existed at Herington the past year. They experienced two floods that almost washed them away damaging a lot of grain and merchandise. This had to be sold at a big sacrifice. It also washed out the bridge so that it was very inconvenient most of the summer to even get to the elevator. They have wound up the year with a loss of only \$840.00, which I think is very good considering all the handicaps that they experienced during the year. The flood proposition has been taken care of by straightening out the stream that runs through there and building another bridge. I believe it will eliminate any more flood trouble and makes the elevator and property there very handy to get to, and I believe that we will have a different story to tell about Herington the next year. Lebanon has also showed a loss the past year, which I don't believe it would be fair to blame it all on the present management as they have had several things to contend with. In the first place, the crop has been short in that territory, not a great deal of grain to handle. Every account shows a profit, yet not enough profit to take care of the expenses. We would be glad of your suggestions and advice. We want to conduct this business in the interest of its stockholders. I would also recommend that the profits this year after interest on Preferred Stock and interest on Common Stock is paid out be set aside in a reserve, as there are so many ways that we can be of service to our stockholders if we are in a financial condition to do so. We have got ourselves now where we have



REX LEAR

Kansas State Manager for The Farmers Union Mutual Life Insurance Co. is offering fifteen dollars in gold (\$10.00 first, \$5.00 second) for the best two essays written by Junior Cooperators on the subject, "Why My Daddy Should Have Life Insurance With The Farmers Union Company."

Insurance Agents Meetings

We are beginning on a series of meetings for agents and others interested in the progress of the Insurance Companies. Below is a list of these meetings with dates and meeting places. Each agent will receive a letter showing these and a request that he attend at least one meeting.

Town	Date	Headquarters
Topeka—March 21		Throop Hotel
Holsington—March 26		Monon Hotel
Oakley—March 27		Kaufman House
Norton—March 28		Kent Hotel

—Chas. Broom.

every one of the directors the past year, and I want you to know that I appreciate the men that you have elected on this board to handle this business. They have been the guiding hand and have always been ready and willing to give counsel and advice, which has been very sound indeed.

THE KANSAS UNION FARMER

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A. M. Kinney Editor and Manager

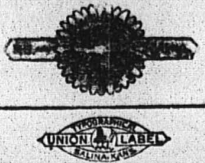
Subscription Price, Per Year.....\$1.00

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

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

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

SALINA, KANSAS, THURSDAY, MARCH 20, 1930



EASTERN EFFORTS TO DOMINATE HOOVER

President Hoover's administration has passed its first anniversary. It has been a year of adverse conditions in business, for which the President cannot be held responsible, and of bickering in Congress which has prevented action on his recommendations. Owing to the tariff contention and the inauguration of the Federal Farm Board policy, the year politically has been marked by a sharper division between East and West than has occurred in many years. This division is bound to continue for some time and possibly throughout the Hoover administration, and if so, it may result in compelling the President to take a pronounced position. This in fact evidently worried Senator Grundy of Pennsylvania, who the other day expressed his alarm over the statement of a Kansas City paper that on the tariff President Hoover leans towards western rather than eastern ideas.

Recalling that President Taft early in his term had a similar problem, also turning on tariff revision, an eastern paper, the Springfield Republican, ventures a prediction as to Hoover "The political fate of President Taft, it may be surmised, is a chapter of political history that is very familiar in White House circles. The Republican feels almost like risking a prophecy. It is that President Hoover will move West instead of East, if forced to move one way or the other, doing precisely the contrary to what President Taft did."

If the President should line up definitely for the western view on the tariff, the Republican thinks his action "would not lack political acumen." It suggests that Mr. Coolidge is a potential rival, so far as Eastern leadership is concerned. Mr. Hoover won his nomination because he was the western choice. The eastern politicians continued to the last to oppose his nomination, and there is no reason to believe they have changed their minds. The new tariff is going to be more western than eastern in any case, and largely because of the President's known attitude, eastern disgruntlement over the loss of control in tariff-making, added to the industrial recession and with prohibition on top of that, logically must suggest that Mr. Hoover's strength in 1932 will be mainly in the West, as it was in 1928.

The industrial East may be in for a period of depression and unemployment. There are some signs that it is the East's turn, after a severe agricultural depression in the West. If, then, eastern politicians continue to antagonize Hoover politics, on tariffs and agricultural relief, and provoke a party division, they have more to lose than the party itself. If they insist on being the party, against the administration and the majority in Congress, they may make a party split such as wrecked the Taft administration. They cannot get the electoral votes in 1932 in western states for any such program.

The lesson for them at the end of the first year of the Hoover administration is plain. Mr. Hoover has held to a middle-of-the-road course, not sectional, but not subservient to eastern influence. If a rupture in the party occurs it can be due to nothing but insistence by minority eastern regulars that they must be permitted to dictate the course of a Republican administration. They cannot do this with Hoover, and the only result of persisting in antagonism to his administration will logically be to drive him, as the Republican advises them, "into the arms of his home folks in the militant West."—Kansas Farmer.

SOME FACTS ABOUT MARKETING WHEAT

A great many statements are made concerning some of the operations in the wheat market. Many of these statements may seem unreasonable and leave a question of doubt with the reader. There are, however, certain facts obtainable about the wheat market, some of which are mentioned below.

The value of future trading may be argued. Hedging is a legitimate business and should be encouraged. It does not seem that pure speculation could benefit the producer. There is, no doubt, a great deal of dealing in futures, which is purely speculative as is indicated in the following facts. Reports from seven markets indicate that 361 million bushels of wheat was delivered on these markets in 1928. At these same markets twelve times as much wheat was bought and sold. Using these seven markets as a criterion, the entire crop during 1928 was bought and sold 31 times. In Chicago the actual wheat delivered amounted to 34 million bushels, while the dealing in futures amounted to 9,645 million bushels or 276 times the actual wheat delivered. It hardly seems possible that the producers of wheat share the whole profit in these various transactions.

Brokerage fees alone for all of the future trading in 1928 would amount to approximately \$33,790,000, or slightly over nine cents per bushel for each bushel of actual wheat placed on the market during the year. It hardly seems that all of this cost was borne by those not interested in producing wheat.

The producers of wheat, however, have been largely responsible for the following figures, which gives the percentage of the wheat crop in the U. S. delivered each month:

July 15.4%	January 4.5
August 18.6	February 4.1
September 19.6	March 3.8
October 12.6	April 2.5
November 7.7	May 2.5
December 5.6	June 3.1

LETTER FROM AN OLD FRIEND

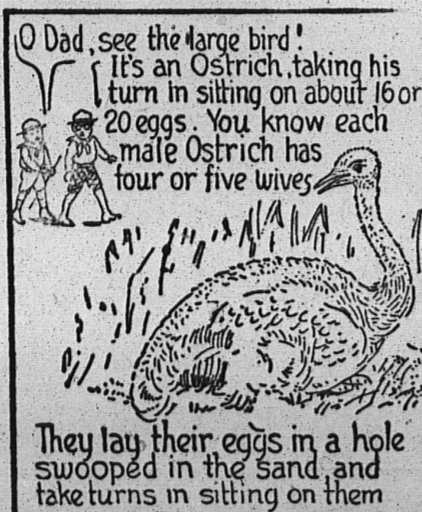
Mr. H. E. Witham,
General Manager,
Farmers Union Jobbing Ass'n.,
377 Board of Trade Bldg.,
Kansas City, Missouri.

Dear Harry:
The tail on the second hog from the left stands up the straightest but I like the one with a twist in it on the next to the last hog from the right side, as shown in your circular of January 24 announcing your Gold Medal "Farm-Tested" Feeds. Just how a tested feed could produce such a variety of tails on a common breed of hogs I don't understand. Maybe that is the explanation of this being good feed.

Your announcement looks good, Harry, and I am glad to see the association forging ahead as this indicates you are doing.

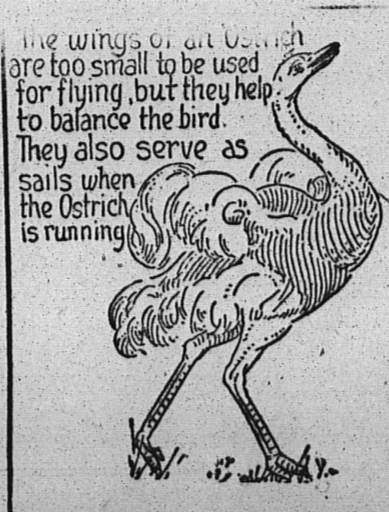
With best wishes, I am
Paternalistically yours,
JACOB H. TAYLOR.

DAD AND I



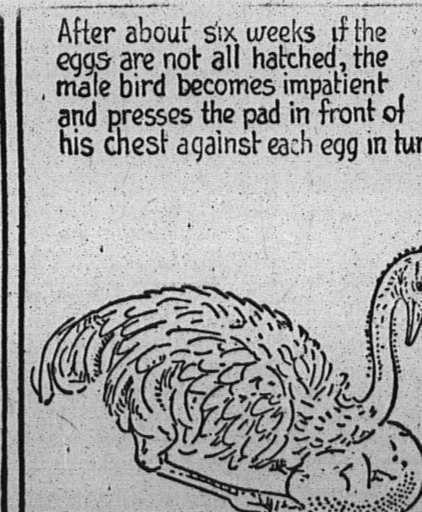
Dad, see the large bird!
It's an ostrich, taking his
turn in sitting on about 16 or
20 eggs. You know each
male ostrich has
four or five wives.

They lay their eggs in a hole
scooped in the sand and
take turns in sitting on them



The wings of an ostrich
are too small to be used
for flying, but they help
to balance the bird.
They also serve as
sails when the
ostrich is running.

After about six weeks if the
eggs are not all hatched, the
male bird becomes impatient
and presses the pad in front of
his chest against each egg in turn.



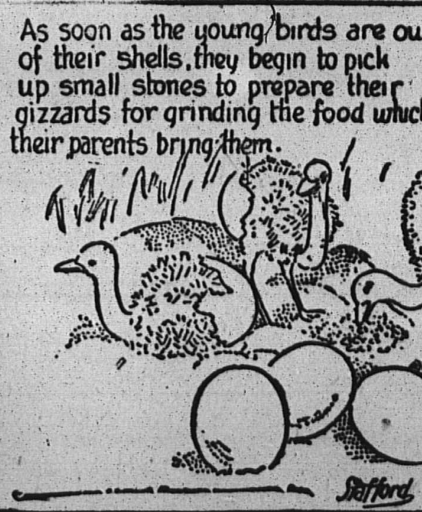
He breaks the egg, pulls out the
membranous bag with the young
bird in it and, after swallowing
the bag, goes on to another egg.

As soon as the young birds are out
of their shells, they begin to pick
up small stones to prepare their
gizzards for grinding the food which
their parents bring them.



By Stafford

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.. Federal Farm Board News ..

GETTING INTO THE FARMERS NATIONAL GRAIN CORPORATION

CHICAGO—"Getting into the Farmers National Grain Corporation" might well be the title of a series of articles now in course of preparation by the publicity department of the corporation, the first of which has just been released for general publication. The articles, it is announced, will deal with the various steps that must be taken by individual farmers and by farmers' co-operative grain marketing organizations in order to identify themselves with the national corporation, sponsored by the Federal Farm Board, and to participate in its operations. The first of the series of articles follows.

Article 1
"In the organization of the Farmers National Grain Corporation the aim is to centralize all the co-operative grain marketing activities in the United States. Ever more simply stated, this means the directing of all grain, produced by farmers who are willing to participate in the co-operative movement, through a common channel from the farm to the terminal and world markets."

"The fundamental factor in such a program is, our course, organization of grain producers on a co-operative basis as nearly 100 per cent complete as is possible. Results of such organization may reasonably be expected to bring the farm bar-raising power to a point where it matches the bargaining power of the industries with which agriculture must compete, at the same time giving the combined or centrally-governed agricultural organizations control of such volumes of the commodity as to wield a favorable price influence in the market."

"Resting primarily on the theory of farmer ownership and farmer control, perhaps the weakest link in the co-operative marketing of grain has been its lack of centralization. Co-operative units very often have been competitors—competitors for membership and competitors for business. Yet the goal that each unit has been striving to reach—that of enhanced grain values—has been identical. This element of competition often has had the effect of causing confusion among the very farmers whose membership and support were necessary to make these units successful."

"The Farmers National Grain Corporation rests upon a foundation that embraces all and displaces none of the existing co-operative grain marketing agencies. These include the regional or terminal commission agencies, operated on a many markets by elevator groups and other farm organizations; the farmers' grain associations, commonly known as the wheat pools, and the farmers' elevator associations, units of which are scattered over the country. Back of all these, however, is the individual producer. Without his support none of the others can expect to succeed. What is his responsibility and how may he best exercise that responsibility in developing the Farmers National Grain Corporation as his own marketing agency?"

"The individual producer becomes a part of the national agency, first, by joining a local co-operative whose organization plan qualifies it to become a stockholder in the Farmers National Grain Corporation, and second, by insisting that his local organization exercise that privilege. One is as important as the other. There need be no confusion in the farmer's mind as to which of the eligible types of local co-operative organization he shall join. In some areas only one of the recognized types is available to him. In this case his problem is simple. He should join the local organization and give it his loyal support in the form of grain delivered to it. In other areas there may be two or more co-operative organizations open to him. In these cases his problem may be a little more difficult, but far from unresolvable. The organization plan of one may appeal to him a little more than that of another, or may seem more nearly to fit his individual case. Either will meet his needs if it qualifies for membership in the national agency and assumes that membership. If, as may occur in rare cases, there is no local co-operative immediately available to the grain producer, then it is his responsibility, with his neighbors, to organize one."

"Two types of local organizations usually present themselves to the grain producer. One is the grain association, operating on the pooling principle, with which the producer identifies himself as a member, usually paying a membership fee and signing a delivery contract. Under the newer form of co-operative contract the producer has more or less latitude in the marketing of his grain, being permitted to pool on a daily, monthly or seasonal basis, and having the privilege of withdrawal at stated periods."

"The second type of local co-operative is the farmers' co-operative elevator. It may be a purely local unit, or one of a group of elevators that

operate a central or regional commission agency on a primary or terminal market. In some cases these grouped elevators are operated on a "line" basis, farmers' elevators or farm organizations owning stock in the terminal agency and thus in all elevators acquired by the agency. In other cases the local property is entirely, or almost entirely, owned and controlled by the producers in the community surrounding the elevator. In either case membership is acquired by the purchase of stock."

"In the setup of the Farmers National Grain Corporation three types of grain co-operatives, as has been pointed out, are eligible to participate in the operations of the Farmers National Grain Corporation through purchase of stock. Owing to the great number of local elevators, however, the policy of requiring them to operate through the terminal agencies or associations has been definitely established."

"Various agencies thus are open to the individual farmer through which he may make his national connection. It is, of course, necessary that each of these agencies conform to certain requirements, legal and otherwise. If the agency in which the individual producer is interested is not a member or does not meet the requirements of the national agency, it is part of that producer's responsibility to see that necessary changes are made. Once requirements have been met, the Farmers National Grain Corporation knows no difference between the various groups. Active, loyal and complete participation of all are necessary to the 100 per cent functioning of the Farmers National Grain Corporation."

With the permission of Governor F. Shafer of North Dakota, the Federal Farm Board today made public the following letter written by Chairman Legge in response to a telegram from the Governor under date of March 8:

"March 11, 1930.
Hon. George F. Shafer,
Governor of North Dakota,
Bismarck, North Dakota.

"Dear Governor:
"Replying to your question as to the basis of buying wheat after the congestion at terminals is relieved, this refers to a situation that is not in the picture at the present time as there is no possible hope for relief in this matter during the next sixty days at least. The tendency seems for the congestion to become worse rather than better."

"This is doubtless due to the situation in other wheat exporting countries—Australia, Argentina and Canada where local conditions, particularly financial, are compelling the liquidation of stocks on hand. In my judgment these would be liquidated at all these, however, is the individual producer. Without his support none of the others can expect to succeed. What is his responsibility and how may he best exercise that responsibility in developing the Farmers National Grain Corporation as his own marketing agency?"

"I want to call your attention to another feature of the wheat situation. We have asked the growers to cooperate with the Board to the extent of a ten per cent reduction in acreage, this for the reason that we cannot see how we can permanently hope to compete in the export market on that commodity, with the exception, of course, of a comparatively small quantity of high protein wheats which will always be in demand for mixing purposes, with other wheat products. Where investment in land, taxes, and labor are much below those prevailing in this country. It seems to us that the solution of this problem is to adjust our production to domestic demand, plus some of these premium wheats just mentioned."

"There is no possible solution of this problem unless we get the cooperation of the growers themselves. No other industry in the world blantly produces without any attention to potential market possibilities. In endeavoring to obtain equality for agriculture, it is perhaps essential that agriculture adopt some of the basic principles of other industries. Wheat seems to be in the worst situation of any of our major crops, so far as the export market is concerned, but fortunately there is only a small amount of it exported on an average."

"Your growers will ask how they are going to get along with a less production, but if they can get more money, and we believe they can, by raising four bushels where they are now raising five, why should they destroy the market by raising the extra bushel? A twenty per cent reduction would make the tariff fully effective, but the ten per cent we are now suggesting would in our judgment put the trade on a fairly healthy basis."

"The present operations of the Stabilization Corporation will un-

doubtedly result in their having upwards of 100,000,000 bushels of wheat on hand at the close of this present season, and if farmers are going ahead trying to produce an additional surplus on the basis that some way will be found to take care of it on a fair price level another year, they are going to be mistaken. If they will cooperate the Stabilization Corporation will be justified in paying storage charges and carrying this wheat for a time in the hope that a crop shortage somewhere in the world will give them an opportunity to unload it, but, if on the other hand, the farmers' attitude is to let George do it all, the natural procedure would seem to be to dispose of the wheat the best they could and write off the loss, but doing this would probably adversely affect the price of the 1930 crop. May we have your cooperation and support in trying to correct this situation?"

"Very truly yours,
"ALEXANDER LEGGE,
"Chairman, Federal Farm Board."

FEDERAL FARM BOARD

Mr. George S. Milnor of Alton, Illinois, today was made vice president and general manager of The Grain Stabilization Corporation, which has headquarters in Chicago. He at once took active charge of the corporation's operations, relieving Mr. William C. Kellogg of the double responsibility of directing the activities of the Stabilization Corporation and the Farmers National Grain Corporation.

When The Grain Stabilization Corporation was organized February 11, Mr. Kellogg, who is vice president and general manager of the Farmers National Grain Corporation and also president of the Stabilization Corporation, consented temporarily to take over the management of the Stabilization Corporation's affairs, pending the completion of negotiations for a general manager which were begun at once. The appointment of Mr. Milnor affords an opportunity now for Mr. Kellogg to give more of his time to the management of the Farmers National Grain Corporation.

Mr. Milnor is a man of wide experience in the milling and banking business.

THE FIRESIDE FARMER (By John D. Harvey)

He plows his furrows o'er the merchant's shining floor and orates of his deftness and his shrewdness. Day after day he sits beside the land while he sits by the stove to dodge the chill. He knows the ins and outs and awaits the farmers' doubts and tells them how to raise more corn and wheat; he tells them how to sow and how to plant and hoe and how to prune the pumpkinvine and beet. He tells them how to feed their hogs to slack their greed and make them make unprecedented growth, but no one heeds the agricultural creeds of one who spends his precious time in sloth. Day after day he sits beside the stove and spits his ambler wheresoever it may fall, the while his tongue wags till listeners are gone. And he at dusk must heed the supper call. He never heard a plow, he never milked a cow, he never fed a chicken or a pig; he never farmed the dirt and still he's an expert at telling farmers how they ought to dig. He tells them what they need to make their work succeed, the while his fervor rises to blood heat. His indolence gets worse and he does the reverse of his advice so thorough and complete.

FARMER BROWN PAYS THE DIFFERENCE

(By John D. Harvey)
"I'll take a can of cream to town," said Farmer Brown one day. "I'll send some eggs," said Mrs. Brown before he drove away. He went to market in suspense; what would his produce bring? Would butterfat be thirty cents? Would eggs bring anything? He took his stuff to Haggweller who runs the grocery store and after waiting for a spell the test and count was over. "Our service charge for testing cream is thirty-one cents now and though it may not hardly seem just right to you, somehow, you'll owe me sixteen cents for that," said crafty Haggweller, "such thin and testless butterfat it doesn't pay to sell. "Your eggs are freckled, white and red, they don't match at all. "I'll have to dock you for that," he said. The price once more did fall. "Old Brindle's past her usefulness," said Farmer Brown that day, "I'll ship her to K. C., I guess." Soon she was on her way. "For cows like her a fellow gets a canner price but still she'll help to pay my little debts such as my tooth-pick bill." He got "returns" but did not know whether to cry or laugh. The letter read, "This firm you owe six dollars and a half."

Stock Yards