



THE KANSAS UNION FARMER



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Organization

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Young and Old Take Active Interest in Farmers Union

National President John Vesecky to Southeastern Kansas Meetings Urges Farmers to Study and Push the Full Farmers Union Program

John Vesecky, president of the National Farmers Union, addressed five meetings in east and southeastern Kansas through the week of May 6, and reports that old time members are again hopeful and that younger men are taking part in building the Farmers Union.

"Our legislative program has appeal to all who have heard it explained, and the work the Farmers Union is doing in building and supporting sound cooperatives is second to none," Mr. Vesecky reported on his return.

The schedule of meetings included those at Lone Star in Douglas county, Osawatomie, LaHarpe, Girard and Parsons. Mr. Vesecky has written the following report of his trip:

Vesecky Describes Meetings
After trying for over a year to find some time when I could make a visit to the southeastern part of Kansas, and when the time would suit the convenience of the Farmers Union membership in that part of our state, State Secretary Rex Troutman finally succeeded in arranging for a series of meetings there the week of May 6th.

Monday evening I arrived in Lawrence, Kansas by bus and was met at the station by our old friend C. C. Gerstenberger, secretary of the Douglas county Federal Farm Loan Association. We ate supper together and after supper Carl and his daughter, Mrs. Fleming, took me to Lone Star where the meeting was to be had. Coming to Lone Star was like a home coming to me, as I have been there several times while I was State Farmers Union president.

The hall over the store was comfortably filled by the time the meeting opened. The young folks finished some much appreciated entertainment before the speakers were introduced. After I had finished with my talk, the chairman turned the meeting into an open discussion meeting, which was much enjoyed by all including myself. After visiting some time with the members and partaking of the usual Lone Star feed, Mr. Hack and his good wife took me with them to spend the night on their farm. Next morning after a bounteous breakfast, Brother Hack took me to the home of Mr. Ulrich, and after a short visit with Mr. Ulrich and his wife and son, Brother Ulrich took me to Osawatomie.

That evening I ate supper with Manager Glenn Hewitt and his family. By the time the meeting was to open dark clouds had begun to gather and probably because of the threat of rain, the crowd at that meeting was rather small. Those who were present showed their interest in the Farmers Union program by discussing the program after speaking. The Farmers Union Livestock Association was represented at the meeting by Manager Bill Bernhardt and Hog Salesman O'Neal. The Farmers Union Life Insurance Co., of Iowa, by Kansas State Manager and Vice President, Rex Lear, who all made short talks. After partaking of a good supper and visiting for a while we adjourned just in time to allow those who lived farther away to get home before the rain.

Welcome Wet Roads
The next morning, Rex Lear took me to Iola, where Manager J. C. Moore picked me up in the evening and took me to the meeting in LaHarpe. In spite of wet roads there was a fine crowd assembled at LaHarpe for the meeting. A splendid musical program was featured before the speaking by some of the students in the LaHarpe High and Grade schools. Since Brothers Acuff, O'Hara, and Marnell and State Director Geo. Reinhardt came in late on account of having gone to the Allen Center school house for the meeting, (That's their story and they stuck to it) I was the only speaker on the program.

At the close of the meeting I had farewell to manager and chairman Moore and trusted my fate to Bill Acuff and associates on the way to Parsons. To those who do not know Bill Acuff, he is the general manager of the Farmers Union Livestock Commission branch at Parsons. Jim O'Hara, (no relation to Scarlett O'Hara), and Bill Marnell are respectively manager and assistant manager of the Farmers Union Cooperative Business Association in Parsons. This is the same trio which with the addition of Ernie Dean and George Reinhardt, were my sponsors, body guard and cheering section when I made my first speaking trip through this region in January, 1936.

Friday forenoon I spent in the company of State Director Reinhardt, visiting the Farmers Union Business and the Parsons Sun. Senator Reed's paper, where we had our pictures taken for the paper, and come sodding the machine that the first bulb would not explode in the flash light. At noon I ate dinner at the home of Director Reinhardt and got acquainted with his charming wife and daughters, and then we drove on to Girard to visit with the Clausen family near that town.

Biggest Meeting at Girard
The Clausen farm about a section of land among the white tribe. They have an up-to-date farm with all the improved machinery, and most every kind of live stock excepting goats. In the past I have known only Elsie, who is one of our leading Junior leaders in this state, but I certainly enjoyed meeting and getting acquainted with Mr. and Mrs. Clausen and Elsie's three brothers and sister. They are a real Farmers Union family. After supper we all drove to Girard for the meeting.

This meeting was I believe the largest meeting of the series. The Chamber of Commerce room was full with several standing in the doorway. Some of Elsie's Junior Reserves rendered a much appreciated program, including a one-act play. After the program O. C. Servis, manager of the Farmers Union County Wide Business Association, took charge of the program. He introduced several dignitaries, among whom

were Manager of the new REA cooperative of which Brother Clausen is the president. I spoke last. After my talk, we all were treated to ice cream and cookies by the Business Association.

Saturday Mr. Reinhardt took me around to see some of the soil conservation work done by the CCC boys. The meeting in the evening was to be held in the basement of the municipal building, but because the chairs had been lent out we were given the main auditorium, which will seat about 3,000 people. Although we had a good crowd it was nearly lost in the vast expanse of seats. Several members of the labor central council were present and spoke of the meeting, as did also the secretary of the Parsons Chamber of Commerce, Mr. Perkins. After the meeting we all were treated to ice cream and cookies by Manager O'Hara. Several good musical numbers were rendered by local young folks before the regular meeting started.

At all my meetings in the southeastern part of Kansas I found much interest in our whole program of Education, Cooperation and Legislation. Even the business men are interested, as was proven in Parsons when after I finished speaking a young merchant came up to me and wanted to know more about our Cooperative program, and finally said that he believed that cooperation is the only way out of the present economic muddle. The eastern part of Kansas is ready for the Farmers Union.

All the old time members that I met are again hopeful, and many of the younger folks are ready to take up the work of building the organization. Our legislative program has been explained to all who have heard it explained, and the work of the Farmers Union is doing in building and supporting sound cooperatives is second to none.

Miss Clausen and the other young leaders in youth education deserve much credit for the work that they have done thus far. They merit the support of all our business organizations and of our whole membership. Let us get together in district groups and talk over the work to be done. Let us older folks get some of our younger members or juniors to go out and do organization work. Above all let us all read, discuss, and then back our full program and build the Farmers Union back to the place of leadership in members that we still have in our farms and if we are ever to get our fair share of the national income, Organization backed by intelligent cooperation can do the job. The people are ready for the Farmers Union, it is our, the membership's and officers' duty to bring it to them.

MUCH REA DEVELOPMENT

One U. S. Farm in Four Now Has High Line Service

Approximately one farm in every four now has high line electric service, while only one farm out of every ninety had electricity in 1935. A total of 1,700,000 farms now have electricity, according to the estimate recently made by the Rural Electrification Administration, as compared with 743,954 in 1935.

The REA has brought electricity to a total of 400,000 farms since its inception in 1935. More than half of these farms, or 225,000, were connected up in 1939, when the agency received \$140,000,000. It had previously been geared to a \$40,000,000-a-year program, and this year it is again being cut to the 40 million level.

Percentage of U. S. Farms Electrified as of January 1st

1935	10.9
1936	11.6
1937	13.4
1938	18.2
1939	20.6
1940	25.0

The Farm Appropriations bill, which includes the REA item, is still in conference, but the only question which Congress is now debating is whether or not the 40 million should be made available by direct appropriation or by an RFC loan. The House voted a direct appropriation, while the Senate asked that the funds be made available through the RFC, and a joint conference committee is now passing on this, along with other items in the Farm Appropriations bill.

War Piles Up Tobacco

Flue-cured tobacco stocks, rapidly piling up as a consequence of the Allied purchasing policy, will be 53 percent higher on July 1 than a year ago, according to the Bureau of Agricultural Economics. The stocks of flue-cured tobacco will total 1,450,000,000 pounds.

The 1939 production of flue-cured tobacco was large, amounting to 1,132,436,000 pounds. Though England earlier announced that she might lift the ban on U. S. tobacco, no action has been forthcoming and market experts see no improvement for the coming season. Flue-cured tobacco is now 42 percent below parity.

"Our policy should be to prevent these European wars if we can, and otherwise to stand aside while the nations of Europe find their own destiny. We must stand aside if for no other reason than that one strong western nation be left to preserve the flame of civilization,"—Charles A. Lindbergh.

Senator Capper For Legislation To Push Co-ops

New Bill Would Create Division of Cooperatives in Dep't. of Agriculture

Senator Arthur Capper has introduced legislation which would create a Division of Cooperatives in the Department of Agriculture. He writes as follows in the May 4 Kansas Farmer:

I have introduced in the Senate, and have hopes of getting action on it this session, what some would regard as a bill of minor importance.

But for me it is another step forward in the development of cooperative marketing of farm products, which I believe is one of the major approaches toward better prices and higher incomes for the American farmer.

I always have been proud of the fact that I was co-author of the Capper-Volstead act, the first recognition of farm co-operatives by the Federal government. This act is the basis of all farm co-operatives. Without the protection it gives to farmer marketing co-operatives, these never would have been able to stand up against the many attacks made on the farm cooperative movement.

Made Remarkable Growth
Growth of farm cooperatives in the United States has been remarkable in the last decade. The Department of Agriculture informs me that last year it is estimated that one-third of the farmers of the United States marketed all or part of their products, or made some of their purchases, through their own cooperative associations.

My latest bill dealing with co-operatives would establish a Division of Cooperatives in the Department of Agriculture, for research and advisory services to farm cooperatives, and to encourage and develop farm cooperatives.

There are a half-dozen or so government agencies which have to do with farm cooperative associations. They do not exactly work at cross purposes. But neither are they coordinated so their work, valuable as some of it has been, is either complete enough, or sufficiently available, to render the kind of assistance and information that is needed really to develop the co-operative movement.

Through the co-operative marketing associations, hundreds of thousands of farmers are getting better prices for their products. Their cooperative buying associations are enabling them to buy supplies at lower prices.

The essence of the successful co-operative is sound business management, and organization on sound business principles. I believe the establishment of this division of co-operatives in the Department of Agriculture will contribute toward better knowledge of what are sound business principles in the organization of co-operatives, and also will increase the chances for sound business management of co-operatives.

Such a division also would serve as a clearing house for information among the cooperatives, resulting in increased efficiency, resulting in greater faith in the future of farm co-operatives, and in the part these cooperatives can and will serve in bettering the position of the farmer in our national economy.

BOOST BY LABOR

Kansas A. F. of L. Endorses Farmers Union Program

The Kansas division of the American Federation of Labor passed a resolution during the State Convention, May 3 to 5, endorsing the objectives of the National Farmers Union program, and also will endorse John Vesecky, president of the national farm organization, was a speaker at the convention. A. V. Lundgren, president of the labor organization, is a resident of Salina.

To Solomon Elevator

Alfred Rensmeyer, formerly elevator manager at Voda and Collyer, is the new manager of the Farmers Union elevator at Solomon, assuming duties May 15.

Him: Well, I suppose you're plenty angry because I came home with this black eye last night.

Her (sweetly): Not at all, dear. When you came home you didn't have that black eye.

RETURNS TO KANSAS

Rex Lear Resigns Des Moines Position and Returns to Kansas

Rex Lear, state manager of the Farmers Union Life Insurance Company, Des Moines, Ia., who was elected to the board of directors of the company in January, and vice president in March, has resigned from the directorate and returned to Salina. He retains his title as vice president and will attend all board meetings.

After working three months at the home office in Des Moines, Mr. Lear decided he would rather stay in the production end of the insurance business, and came back to Salina to work with his Kansas agency.

"I'm glad to get back to Kansas," he said. "I'm proud of my Kansas agents and enjoy working with them." He plans to make a drive for a larger agency force and hopes to make Kansas the leading state in which the Farmers Union Life Insurance Company, Des Moines, the last of April, Mr. Lear resigned from the board, and E. F. Buckley, vice president of the Central National Bank and Trust Company, Des Moines, was appointed in his stead. Mr. Buckley will also serve on the investment committee of the life insurance company.

As vice president of the second largest bank in Des Moines and as a former officer in the Reconstruction Finance Corporation, Mr. Buckley has had a wide experience in real estate investments and from this experience should be able to be of immense service to the Farmers Union Life organization.

FARMERS GET LESS

Farmers' Share Does Not Increase As Price Margins Widen

Despite the efficiency of large-scale production, the farmer has continued to get a smaller and smaller share of the consumer's dollar as monopoly control has increased over the past 25 years. An analysis of figures put out by the Bureau of Agricultural Economics shows that the margin going to the processors and distributors has swollen considerably over this period.

In a recent report the Agricultural Advisory Council stated that on food stuffs alone the farmers are losing \$2,000,000,000 a year because of the present disparity between farm prices and other prices.

While a one cent reduction in the farmer's share of the consumer's dollar seems like a trivial sum, the cumulative effect adds up to a staggering total. Thus, in the case of dairy products, the farmer's share has dropped from 55c in 1913 to 42c in 1939. The effect of this shift is to reduce the income of dairy farmers by approximately a third of a billion dollars annually.

The farmer's margin has decreased on practically all food products, but two most extreme cases are white flour and pork products. Though the farmer got 58c on the consumer's flour dollar in 1913, this proportion had gradually dropped until by 1939 it was only 39c. In the case of pork products, the farmers had been getting 80c in 1913, but this had fallen to 57c by 1939.

Year	Farm Value	Retail Value	F. Value Retail Val.
1913	\$134	252	53.0%
1914	137	258	53.0
1915	134	258	52.0
1916	155	285	54.0
1917	223	370	60.0
1918	245	424	58.0
1919	267	470	57.0
1920	272	514	53.0
1921	179	404	44.0
1922	170	374	45.0
1923	173	384	45.0
1924	170	381	45.0
1925	198	410	48.0
1926	202	418	48.0
1927	190	406	47.0
1928	194	407	48.0
1929	195	415	47.0
1930	171	391	44.0
1931	121	322	38.0
1932	88	270	33.0
1933	92	264	35.0
1934	108	295	37.0
1935	138	331	42.0
1936	152	342	44.0
1937	160	353	45.0
1938	130	321	40.5
1939	126	311	40.5

The most striking point about middlemen's margins is their rigidity and fixity in recent times. Price changes are passed either forward or backward, but absolute price spreads remain surprisingly constant despite vigorous changes in farm and retail prices.

Prior to 1915 the farmer received about 53c out of the consumer's dollar. (Continued on page 2)

The President's Message

By J. P. Fengel

During recent days my mind has unconsciously been running in reverse to the Resolutions adopted at the National Farmers Union Convention at Madison, Wisconsin, in November 1938 and it is my purpose to call attention to some of the outstanding problems embodied in the 1938 Resolutions as adopted at that Convention.

Conditions existent in America today force upon us the realization that we, as an organized group, must unite upon a militant program of action, that we must adopt a positive rather than a negative attitude towards the solution of our problems confronting our industry.

After one hundred and fifty years of life as a nation we find: Fifty three per cent of the farms are operated by tenants or share croppers. A large majority of these farmers who are still as owners, facing mortgage foreclosure under an interest structure which in itself is confiscatory. One-half million farm families existing on land whose fertility has been entirely depleted.

Three-quarter million share-cropper families in the south on a subsistence basis below that of peon labor.

A taxation system so ruthless that it leads to inevitable expropriation of lands and home, even to the deprivation of the actual necessities of life.

Unemployment and Relief
Factories closed and millions unemployed.

A relief problem which presents but two alternatives. The annual expenditure of huge sums of money, or the actual starvation of millions of helpless Americans.

The youth of the nation—hopeless and disheartened—facing a future without the opportunity for education, employment or homes of their own, tramping the roads, or enrolled in CCC Camps. The aged and infirm, a lifetime of productive effort, a liability to society and a burden to themselves.

Countless millions of citizens, driven by the nightmare of economic insecurity to mental and physical breakdown, with the resultant broken homes and wrecked happiness. Loss to the nation through the destruction of the morale of its people cannot be estimated.

Appropriate declarations were also made as to the needs of proper medical care, from disease and malnutrition, the result of which must be weakened and inferior race.

Value Civil Liberties

The priceless Civil Liberties so necessary and so precious to a democracy and not failing to place the blame for this condition where it rightfully belongs, the concentration of the wealth of the entire nation in the hands of less than 10 per cent of the population, which has resulted in the loss of purchasing power upon the part of the other 90 per cent has been the major contributing factor to all of the ills above cited.

These conditions show us the paradox of land, containing vast natural resources and raw materials, modern productive machinery and mental genius sufficient to provide abundance for all, and within this land, countless millions underfed, inadequately housed and poorly clad.

In view of such conditions as we have cited, we believe there must be a re-dedication to the Farmers Union to its original aims and purposes.

We believe that a more definite and aggressive policy towards changing these conditions must be made a part of our program. We believe that, unless this is done, America will become the victim of fascism and dictatorship, the prey of war lords and munition makers; a shadow and a degenerated Ghost of Democracy.

We believe the farm problem is only a part of a gigantic economic problem; and that this economic problem has been created by, and must continue to become more serious under the "Profit System" by which our business structure is operated. A profit system must be predicated upon the theory of scarcity, which necessitates controlled production and controlled distribution for the specific purpose of fixing price. Believing that a system of cooperative business, owned by producers and consumers alike is the only means by which the potential abundance of this nation may be made available to all its people and by which true Democracy may be maintained and safe.

(Continued on page 4)

Call Manager's Meeting for June 12 at Salina

Directors of Farm Cooperatives Are Urged to Accompany Managers to This "How-to-do-it" Conference—Active Managers Plan Discussion Program

Managers and directors of Farmers' cooperative business institutions will assemble in Salina Wednesday, June 12, for the annual Spring meeting of the Farmers Union Managerial Association, according to announcement by P. J. Nash, president, and manager of the Ellsworth County Farmers Cooperative Union. Dave Train, manager of the Lindsborg Farmers Union business association, is secretary of the Managerial association, and Glenn Hewitt, Osawatomie, is vice president.

The meeting will begin at 1 p. m., giving men time to travel through the morning. The program has not been fully arranged, but will generally be organized to give managers practical information on day-to-day problems of cooperative management. Time will be taken for round-table discussion.

While attendance has been in the past mostly managers, a special invitation is extended to directors of cooperative organizations. This meeting will give them a special insight into management problems. Mr. Nash has written the following letter telling of the coming meeting:

THE FARMERS UNION MANAGERIAL ASSOCIATION

P. J. Nash, Ellsworth President R. G. Hewitt, Osawatomie Vice President Dave Train, Lindsborg Sec.-Treas.

May 13, 1940

Fellow Managers and Directors Kansas Co-operatives:

The Farmers Union Managerial Association will hold its Annual Spring Meeting in Salina, Wednesday, June the twelfth, promptly at 1 o'clock p. m.

David Train, our secretary, informs me that the previous minutes do not specify any particular date for the Spring meeting. In as much as the Kansas Grain Dealers are holding their convention in Salina the latter part of May and considerable other activity in other matters is occupying the managers' time during this month, we thought it best to delay our meeting until the 12th of June.

Looking back over the past year, nothing very important or startling has been accomplished by the organization. A sincere effort was made by the committee appointed on Cooperative Education. The material on discussion topics, that have appeared in the Kansas Union Farmer, has been the result of the committee meetings. Perhaps these ideas will bear fruit in the years to come.

The Managerial Association need not justify its existence on actual accomplishment of specified projects. Its members are busy men burdened with responsibility to their own organization, and if by attending the meetings of the Managerial Association, they become better acquainted with their fellow managers and learn new approaches to their problems, membership in the organization is surely justified.

Personally, I have derived much good from contact with such men as Westage, Vernon, Servis, Lord, Vocum, Train, Moyer, Gregory, Thowe, Schulte and many other successful managers attending our Farmers Union Managerial meetings. There are many other managers who do not attend our meetings, who I believe, if they would attend, could add much to the value of these meetings and take away something worth while for themselves and their cooperative.

Complete plans for the meeting have not been made at this time. We plan to engage a good speaker to deliver a short talk to pep up the meeting, also Mr. Johnson of the Federal Surplus Commodity Corp. will take a few minutes to explain the working of the Food Stamp Plan. Probably the remainder of the meeting will be turned over to the managers and directors in attendance for discussion of topics of interest chosen by them.

Invite your directors to attend and plan to be there yourself, Wednesday June 12th.

Very truly yours,
P. J. Nash

5-POINT ARGUMENT

Secretary Wallace Lists Reasons for Farm Credit Adjustment Bill

"The real threat to our farm credit structure is to go on as we have been going," said Secretary of Agriculture Wallace in reply to charges made by opponents of the Wheeler-Jones Debt Adjustment bill that the bill would jeopardize the present sound position of the land banks.

Among the points made by Wallace in answer to those who oppose the measure and the shift of the Farm Credit Administration to the Department of Agriculture, are the following:

1. "Certain farm credit policies in the past have been unsound." If these policies had continued under the FCA's former regime, "serious losses to land banks and farmer borrowers would have resulted."

2. The heavy refinancing done in 1933-34 "bailed out the creditors but left the farmers with debts they can never pay" as the farmers' debts

were continued at the previous inflated and fictitious levels.

3. "The land banks and Land Bank Commissioner have foreclosed over \$5,000,000 loans since 1933, including voluntary deeds to avoid deficiency judgments; last year more farmers were foreclosed by the land banks than by any other class of creditors holding farm mortgages."

4. "More than 250,000 loans, or approximately 25 percent of the total, are now delinquent; the delinquency increased steadily in 1937, 1938 and 1939."

5. "The stock in 60 percent of the 3,700 National Farm Loan Associations has been wiped out or so badly impaired that loans no longer can be made through the Association."

Wallace declared that "unsound" credit policies which the former FCA officials had purchased resulted in "a foreclosure crisis last fall. While the FCA has now taken steps to offset some of the foreclosures resulting from short-term, high-debt refinancing, the range of its activities is sharply limited by existing legislation. The proposed measure would provide machinery for scaling down fictitious farm values, for refinancing farm indebtedness for keeping interest rates down to 3 percent, and for eliminating the present 5 percent stock purchase requirement of the land banks."

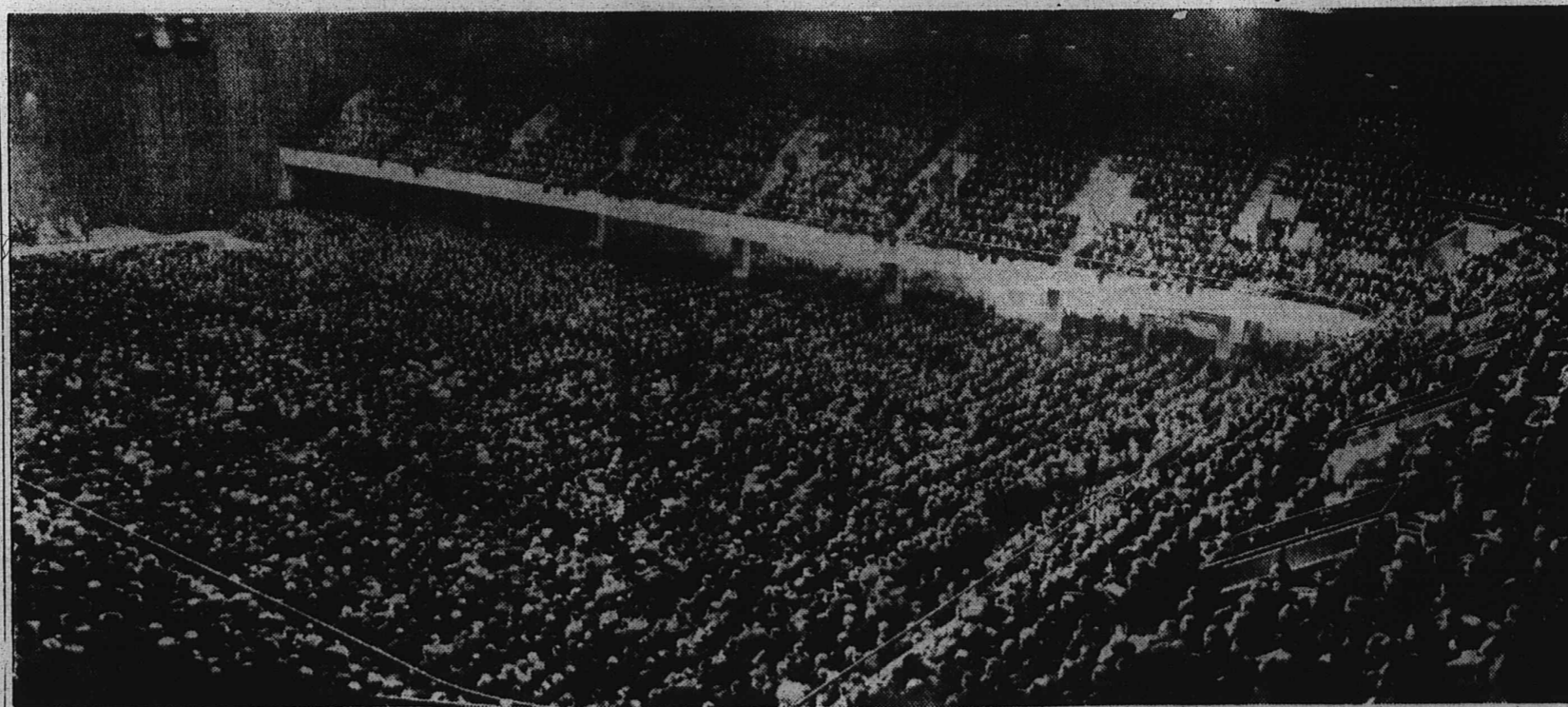
The National Farmers Union, the Dairy Farmers of New York, and the National Grain Terminal Association are vigorously supporting the debt-adjustment bill. It is being opposed by the American Bankers Association, as well as by leaders of the Farm Bureau and Grange.

Answering the criticism that the Wheeler-Jones bill would destroy the cooperative nature of the present farm credit system, a contingent of 23 Farmer Union and Grain Co-op leaders came to Washington replied that the present credit structure "is not a farmers' cooperative as it is neither farmer-owned nor farmer-controlled." At present the farmers own less than one-sixth of the total capital stock of the four units under the Farm Credit Administration.

The farmers own \$131,585,545, while the government owns \$877,269,877. Losses that must be written off now total nearly \$300,000,000, or more than double the value of the farmer-owned stock.

The Dairy Farmers Union of New York says of the 5 percent stock purchase plan that "a pun on the words 'stock' and 'stuck' has already gone the rounds of the milkshed." The effect of the stock purchase plan is that a farmer borrowing \$5,000 must actually borrow \$5,250 in order to pay for the necessary stock. As a result, "the farm debt of the country is \$111,000,000 higher than it otherwise would have been" the Secretary stated.

Secretary Wallace Speaking to 21,000 Farmers at St. Paul



St. Paul, Minn., entertained for one day the largest crowd of strangers in its history, April 27. It was the biggest "farmer assembly" in history, according to the description by M. W. Thatcher, manager of the Farmers Union Terminal Exchange, and St. Paul, and chairman of the National Farmers Union Legislative Committee.

The meeting was a huge demonstration (21,000 farmers) to win national attention to agricultural problems.

Secretary of Agriculture Henry Wallace was the featured speaker, and he 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.

Wartime Germany Cuts Consumption of Farm Products

Analysis of Food Control Shows Self-Sufficiency Achieved in Many Lines

An analysis of the German food problem under the title, "Wartime Agricultural and Food Control in Germany" has just been prepared by the Office of Foreign Agricultural Relations, U. S. Department of Agriculture. The study—which appears in the current issue of Foreign Agriculture, monthly publication of the Office—is based largely on official and other German material and was prepared by Harry L. Franklin, Senior Agricultural Economist, who spent 12 years in Germany, one of which was under the National Socialist regime.

It is generally recognized that the Allied blockade of Germany during the World War of 1914-18, accompanied by a heavy reduction in German farm output, developed into one of the principal factors in the ultimate collapse of that country.

One of the principal objectives of the National Socialist regime has been to prevent the recurrence of a similar catastrophe. But despite strenuous efforts made in Germany since 1934 to achieve national self-sufficiency in food-stuffs, domestic agriculture produced only about the same proportion of the total food requirements in 1938-39 as during the 5 years 1903-13—about 80 per cent.

Complete or near self-sufficiency has been achieved for sugar, potatoes, bread, grain, cabbage, carrots, plums and cherries. However, for such essential items as meat—the production of which is to a considerable extent dependent upon imported feedstuffs—and particularly for edible fats and oils, German output remains heavily on the deficit side. The "fat gap" is the most serious food problem confronting Germany, because nearly one-half of normal requirements must be imported.

Normally Germany consumes about 1,800,000 tons of fats and oils in the form of butter, margarine, lard, and similar products. Imported oils, processed in Germany and utilized largely in the manufacture of margarine, account for about 600,000 tons of the edible oil requirements. About 95 per cent of the oilseed requirements must be imported. Such imports are now cut off by the Allied blockade. The oil-cake residue of the processed oilseeds, amounting to about 1,200,000 tons annually, was an important feedstuff for the dairy industry. Its absence probably has reduced Germany's dairy output, thus further intensifying the edible fat problem.

Under the food rationing regulations introduced in Germany on August 27, 1939, food allowances for the normal consumer present substantial reductions below pre-war consumption. For meat and fats, the reduction is around 25 per cent. However, people performing heavy manual labor, as well as members of the armed forces, receive extra allowances. The report indicates that the rations for normal consumers, which constitute the larger part of the population, are not sufficient to afford proper and adequate nourishment.

Fear Long War
Official German data indicate that the 1937 diet of the working family was at least 15 per cent below the 1927 (and pre-World War) level. And there are reasons to assume that the German diet further deteriorated between 1937 and August, 1939. It appears, therefore, that Germany entered the present war with a large proportion of its population already inadequately nourished. While that fact alone is unlikely to result in serious maladjustments during the first year of the war it is believed that the staying power and probably the health of those not in a preferred ration category may be seriously endangered during a war of longer duration.

With reference to the agricultural labor supply in Germany, the report points out that several hundred thousand German peasants and experienced farm laborers have been called to the colors. However, Germany intends to substitute one million Polish farm workers plus some 300,000 prisoners of war already in Germany for the German agriculturalists now in the armed forces.

Of special significance in the German food problem is the fact that utilization of phosphate fertilizers has been reduced to 40 per cent of the 1936-37 consumption by the Allied blockade. Since yields of most major crops were at a very high level in the years immediately preceding the war the fertilizer shortage may result in a substantial decline in farm output.

No attempt is made in the report to forecast definitely the trend of Germany's total agricultural production during the present year. The favorable and unfavorable factors bearing on the situation are, however, indicated. And the report concludes with this statement: "On balance, analysis of these factors seems to indicate that a decline in production, rather than the maintenance or increase in total farm output, is likely."

Nor does the report attempt to indicate the extent to which Germany may be able to supplement its food supply by imports from Russia, the Scandinavian and Danube basin countries. However, as far as imports from overseas countries are concerned, it appears obvious that the Allied blockade, if continuing, will check any possibility of substantial aid from the latter sources of supply.

THE PRESIDENT'S MESSAGE

(Continued from page 1)

guarded, we urge that the following program, through which this system may be effectuated, be adopted:

Farmers Union Aims
Economic security: To bring economic security to Agriculture, always remembering that no group in an inter-dependent society may enjoy that security unless it is also insured to every other group within that society.

To bring to the farmer such price for his products as will insure to him a cost of production, a fair exchange with the industrial goods which he must have in order to operate his business.

To follow a course in sponsoring and securing legislation which will protect the rights of the farmer and aid in his struggle for equality, and in his right to bargain and

"Money or Your Economic Life"

By Wm. C. Gehrke

Editor's Note—The following article is the fifth in the series on the subject of Money, being written by Wm. C. Gehrke, principal of the Smolan Rural High School, upon the invitation of the state board of the Kansas Farmers Union.

Circulation of Money
In the last article it was illustrated how check money is created in nothing when the borrower comes to the banker. It was also shown that the decision of those who control the Federal Reserve System is what makes booms and depressions. The creation of demand deposits in the bank, then the liquidation of these, sometimes forced, which decreases the amount which can circulate as money.

To illustrate further the position of check money in the stream of commerce, let us again examine what is real currency. In normal times there is about five to seven billions of dollars in circulation as currency in the form of Federal Reserve Notes, Greenbacks, silver certificates, treasury notes, and all kinds of coins. This kind of money which is called currency because it flows freely between all persons and performs most of the exchanges of the country. Remember that the checks performed only limited exchanges between two or only a few persons. Since the total exchange value of products is many times seven million dollars it can readily be seen that the currency must be used several times in a year. The number of times it is used in different exchanges is called velocity, or rate of turnover.

Ridicule by Economists
The orthodox economist ridicules the suggestion that economic life is traceable to money manipulations. The orthodox economist becomes a good shock troop for the Money Power. He will use for his argument that in the low point of the depression there was actually over two billions of dollars more of currency in circulation than there was in the highest time of the Twenties. The Control Group and their assistants fail to point out that in times of extreme depression like 1922 and 1932 that demand bank deposits or check money were greatly reduced because of fear of bank failures and because of forced liquidation by the Banking System and the resulting low prices. It is because the Money Control Group fails to show that only five percent of the total money in circulation is currency and that the other ninety-five percent is check money, that many are confused.

During the World War when we had much economic activity, currency in circulation increased until there was forty billion in circulation and banks encouraged everybody with property to borrow. During the temporary prosperity of the Twenties a similar situation prevailed except that money was loaned to foreign countries to buy our products. In all the above cases prosperity reigned when there was an increase in currency and check money—depression came when both currency and especially check money was made scarce.

Many people may wonder when it is mentioned that Federal Reserve Notes are called in and destroyed. It must be remembered that these are private notes and are subject to recall by the Federal Reserve Banks in a number of ways. If you could call in and get rid of a thousand dollars worth of property you can see where you too would be willing to destroy money if you played the game of control as the Federal Reserve Bankers do. In 1920 a similar period followed a generous loaning period, the Banking System stopped all new loans and demanded all outstanding loans to be liquidated. Besides making money scarce the mad scramble to get goods on the market before it hits bottom is the big factor forcing prices downward in a hurry.

Checks Expand Circulation
The total amount of demand bank deposits at the present time is around twenty-six billion dollars. Because of hoarding only about eleven billion are in active circulation. This amount has an estimated turnover or velocity of about fifty times per year. The highest point in check circulation

organize, safeguard and perpetuate his cooperatives; keep a nation out of war; provide immediate aid for emergency need, and further the progress of the farmer toward the ultimate goal of a complete Cooperative Democracy.

To concentrate every educational effort towards building an understanding of the problems confronting the farmer and industrial worker alike; the necessity of world peace and the fundamental philosophy of the cooperative movement; To encourage and promote the growth of cooperative business institutions, which will serve the farmer and consumer at cost, acting as a deterrent to the concentration of wealth, and becoming the physical foundation of a true economic Democracy.

To carry the program of the Farmers Educational and Cooperative Union of America to every farmer in every state in the Union, and to conduct a campaign of Junior Education which will insure a well educated and constantly increasing membership.

Increase Farm Income
Basic price determination for all important commodities based on a fair exchange with industrial goods. Protection of the domestic market for the American farmer.

A domestic Allotment Plan for surplus commodities. Allotment to be determined on basic commodity units with minimum exemption for the protection of family-sized farms.

Use of cooperatives wherever practicable.

Administration in the interest in family-sized and cooperative farms by farmer farmers, democratically elected.

The Capital Structure
Expansion of the Farm Security Program to meet the needs of the bottom one third of our farmers with particular reference to A. Farm Tenancy; B. Debt Adjustment; C. Land utilization; D. Rehabilitation and Emergency Relief.

Restoration to Congress of the power to coin and regulate the value of money.

Abolish the system of issuing tax-exempt Government bonds.

The conservation of all natural resources, the preservation of peace

tion was in 1929 when the total amount to \$1,230,000,000,000. In this same year the amount of currency was only four and a half billions.

The low point in check circulation (demand bank deposits) was in 1933 when it was only 430 billions of dollars. Quite a drop from the huge figure above. In the year 1938 the latest figures at hand, show check circulation of 530 billions of dollars.

Thus check circulation has only increased a little over a hundred billion for the little increase of economic activity since 1933. This however is many billions below what it was in 1929. There was also a slight increase in the currency circulated for 1938 which rose 6.8 billions of dollars. This is just 1.4 billions increase over the low of 1933.

Our present check money is by its own nature unstable, as money, because the volume is not under control, hence subject to wide fluctuations. Our modern check money is created by debt. When a man borrows a \$1,000 from the bank, he creates a debt with the bank. In this manner a thousand dollars of money in the form of a demand bank deposit is created, as has been explained. However until this debt is paid this deposit circulates as money, being transferred from one depositor to another depositor and from one bank to another. The money, as a demand bank deposit, continues to circulate until the debt is paid either voluntarily or under compulsion. We must also remember that in addition to creating money from these private loans, banks also create money when they buy the Government's United States Government, of any other political subdivision, or corporation. A later discussion, under bonds will reveal how this is performed.

More Wheat for Loans

On June 30, 1929, the banks had \$41,000,000,000 of such loans outstanding. When the banks contracted these loans on June 30, 1932, to about \$20,000,000,000 they contracted the money supply accordingly; so that both demand and time bank deposits fell to the record lows of 1932. This contraction of loans by the banks is what caused the shrinkage in check money from \$1,230,000,000,000 in 1929 to \$450,000,000,000 in 1932. This changed the value of a dollar, where in 1929 a dollar would hardly buy a bushel of wheat. It works the same hardship where debts exist. In 1929 when 1,000 bushels of wheat would pay a debt of \$1,000, in 1932 it took 4,000 bushels to pay the same debt. This should also make it plain why farmers try to produce more wheat to pay the original debt. If there is such a thing as overproduction this is what makes people try to make fun of the farmer because he wants to plant more wheat. It isn't the farmer's fault in planting, it's just that he has had too much faith in those who control the money and the business. The instability of money and the unfairness which companies it will last until the Government exercises its Constitutional authority and exclusively creates the money which the people need as a medium of exchange. The regulation of the volume and value of money is an absolute necessity if we can call our government sovereign.

It is known under certain conditions when money is fairly stable, that the national increase in wealth or production is about four percent per year. If conditions were made normal, through stable money, we would now have about a fifty percent increase over the production in 1926. However living under the bankers monetary system the net loss since 1926 is estimated to be over \$164,000,000,000. The estimated net loss would not include the four percent normal annual increase.

For those of you who have time to read and may feel that I indict the bankers too heavily, I challenge you to read "The Bankers' Conspiracy." This book only costs fifty cents and was written in 1933 by the eminent banking authority Arthur Klison, who lived in England where he died a few years ago. This book gives the real causes of the World War and the present international crisis. The second edition of this book will go to press May 10. I shall be glad to receive advance orders for those who care to read it.

and the encouragement of home ownership. The basis for the collection of taxes be, net income of ability to pay taxes.

In this Convention of the National Farmers Union our organization again declared and dedicated itself to these lofty ideals, promoting Peace, Democracy, Security—abundance for all, equality, protection for the home, the family-sized farm—an income for farmers sufficient to permit him to own his own home as respectable, industrious people are anxious to do for themselves, providing a future for the youth of the nation, the relief of the aged, the employment of the unemployed, the American market for the American farmer, the right of collective bargaining, the development of his Cooperatives, with ample protection for them, the safe guarding of cherished Democracy, the safe guards against foreign "isms" the promotion of an educational program for the adult, and fostering an educational program for the youth in agricultural economics, with a means of knowing the causes responsible for these farmers unjust and deplorable situation that they might be the better qualified to meet the problems of the future and be capable of lending their ability to the peaceable solution of those problems as based upon fact and the true analysis of the actual conditions—their cause and the real remedy for present situations and conditions.

It might be a good idea for each of us to ask ourselves a few questions and then try and answer them, and after we have done so make up our minds as to whether the Farmers Union program is right and whether it is not deserving of our support and membership.

What other farm organization is declaring itself favoring security for the farmer, economic freedom, to place agriculture on an economic balance with other industries, the American market for the American farmer, discouraging corporation farming—favoring the family-sized farm as the ideal business unit—raising the income from the sale of the products of the farm so farming as an industry may provide the necessities and comforts of life—decent

farm homes to replace the outmoded farm homes of today—an opportunity for an abundance for all willing to work and to be thrifty, these and many others form the objectives and purposes of the Farmers Union.

If other farm organizations do not promote these lofty ideals, all of them or at least most of the more important of them, then why is not the Farmers Union the organization deserving your whole-hearted support?

We believe every farmer should be a member of the Farmers Union. We believe every farmer needs us and needs them not only as members but stockholders and patrons of our self help facilities, our cooperatives serving producers and consumers at cost and instead of further concentrating wealth in the hands of a few, the Cooperatives will redistribute that wealth in savings to you. Let us reason and work together, cooperate, thereby we will perpetuate home ownership, Democracy, Americanism, security, abundance for all and save America.

More Help to Old Is Seen as Need Thru Rural Areas

Over Quarter Million Farm People are Included Under Social Security Act

The first figures on the number of farm families receiving aid under the Federal-State Old-Age Assistance program were recently made available to Farm Research, and they show that more than a quarter of a million needy farm people are under the program. No farm figures are yet available for New England, and hence the total will run over higher than this amount.

So great is the need for this aid that Roosevelt has already told his lieutenants to draw up plans for an expanded program to be used as a campaign issue. Reports show that 253,278 farm people, outside of New England, were accepted for old-age assistance between the period of July 1937 and July 1939. Relatively to their proportion of the population, it is found that more farm people are included in the program than non-farm.

Farm people over 65 years of age comprise 23 percent of the population, whereas 28 percent of the old-age payments are being made to farm people. Part of this difference may however be explained by the fact that anyone now living on a farm is included in the farm total, though the person may have moved to the farm only recently.

The Social Security Act provides that federal funds be appropriated to match state funds on a 50-50 basis, providing the federal share does not exceed \$20 monthly per person.

At present the total payments to individuals range from a high of \$32.97, which is the California average down to \$6.01 per month, the Arkansas average. Each state sets its own standards for old-age assistance but must conform to minimum federal requirements in order to obtain federal funds.

Average Monthly Old-Age Payments in Selected Farm States

N. D.	.....	\$17.78	Ia.	.....	\$20.13
S. D.	.....	17.67	Minn.	.....	20.64
W. D.	.....	19.07	Mich.	.....	18.47
Okl.	.....	17.59	Ohio	.....	22.82
Wisc.	.....	21.65	Ala.	.....	9.42
Nebr.	.....	15.61	Ga.	.....	8.07
Texas	.....	8.75	La.	.....	14.10

Until January 1, 1940, the federal contribution was limited to \$15 per person, but according to the amended Social Security Act now in force it may pay as much as \$20 per month, making possible a total federal-state payment per individual of \$40 monthly. The average state-federal payment for the country as a whole amounts, however, to only \$19.53 per month.

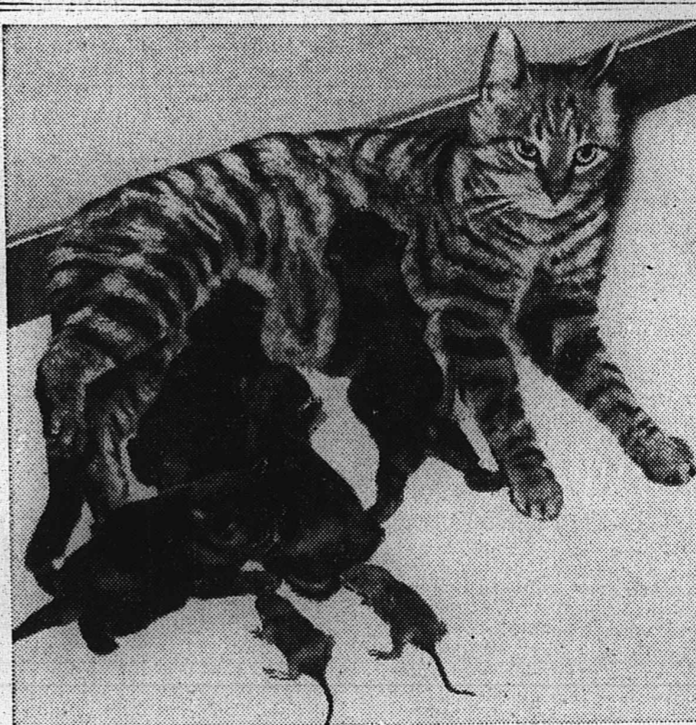
Fur Farming Increasing

(Continued from page 3)

farming, when there were comparatively few farms and the supply of ranch-bred animals was limited, fabulous prices were paid for the live animals that were required as breeding stock. The price of a pair of silver foxes at that time went as high as \$35,000, whereas today they can be obtained for about \$100. Now that the fur farming industry is firmly established with large numbers of farms in all the provinces, the demand for live animals has diminished and the fur farmers have turned their attention to the raising of animals primarily for their pets. For many years fur farming was concerned almost entirely with the

DO YOU KNOW?

By The KANSAS INDUSTRIAL DEVELOPMENT COMMISSION



ALWAYS ROOM FOR MORE—The ancient grudge between cats and rats was forgotten in Syracuse, N. Y., when "Little Tig" adopted two motherless rats found in a field, and put her family on a "First Come, First Served" basis.

silver fox, but during the past few years marked success has been attained in the raising of minks. Other kinds of fur-bearing animals, such as cross fox, blue fox, raccoon, skunk, fisher, marten, fitch—are also found on the farms, but their numbers are small in comparison with the numbers of silver foxes and minks. Recently the valuable chinchilla, a native of South America, has been added to the list of fur-bearing animals on Canadian fur farms. The last census of fur farms recorded two farms—one in Saskatchewan and one in Alberta—raising chinchillas.

Father: "Who was the man I saw you kissing last night?"
Modern Daughter: "What time was it?"

New Streamlined Life Insurance

Farmers Union Life of Des Moines, Iowa, offers you this sensible new policy:

- For all ages, 5 to 50
 - For only \$10 a Year
 - Paid Up in 23 Years
 - No Medical Examination
- PLUS these Valuable Features:
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What this Streamlined Life Policy Provides . . .

- A cleanup and burial fund that every man should have
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- A safeguard against the big investment you have in your children.

For Information Write—Rex Lear, Salina

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Take this successful farmer's word for it . . . the low costing insurance premium pays for itself many times over. You can never tell about property loss by wind and weather—until it comes. Only INSURANCE can protect you from such financial loss.

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

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FARMERS UNION LIVE STOCK COMMISSION CO.
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The Farmers Union Mutual

OFFERS protection for your property against fire, lightning, tornado, wind-storm and hail.

LOWEST reasonable cost.

25,000 policyholders with nearly 80 million dollars of insurance in force.

Since the company's organization April 13, 1914, all claims have been paid promptly on proof of loss.

The Farmers Union Mutual Insurance Co.

Salina, Kansas

THE CLOAK ROOM

W. P. Lamberton

Chief Ben American Horse, football star and graduate of old Carlisle, used an interpreter before a House Committee.

The fact the N. Y. Yankees have been knocked into the cellar is a good thing for baseball. What would help our democracy most in November?

The House frequently takes out a bill headed for the Senate the accepted Senatorial functions—for trading purposes in conference.

The mockery of "King of the Jews" at the Crucifixion is not excelled by the German offensive against small nations to "safeguard their neutrality."

They use the word intra-state yet in the ICC, but never in Wage-Hour division, yet both are nationwide and under the same Constitution.

A minister in convention was denied the floor for a third speech so he asked unanimous consent to pray, opening with "Paradoxical as it may seem to Thee, Oh Lord."

CLASSIFIED ADS

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

Insurance Agents

Wanted: Reliable Agents for good territory in Kansas, experience not necessary, schooling will be given. Farmers Union Life Ins. Co.—Rex Lear, Salina, Kansas.

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, 65c; 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.

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TOBACCO. Postpaid guaranteed very best aged mellow, juicy red chewing, 10 pounds \$125. Smoking, \$1.00. Mar

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