



# THE KANSAS UNION FARMER

Organization

Education

Co-operation



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## Enemies of Commodity Marketing Put Out "Poisoned Bait"

William Hirth, Publisher of the Missouri Farmer Answers Their Arguments in a Very Able Manner in Current Issue of That Publication.

The following story from the current issue of the Missouri Farmer meets and answers the arguments against pooling or commodity marketing.

At the present time an intensive drive by the Missouri Farmers' Association is being staged for the purpose of signing up at least 75 per cent of the merchantable farm products on a five year contract. This contract is very similar to the one that will be used by the Kansas Cooperative Wheat Marketing Association in securing the 44,000,000 bushel pool of the Kansas wheat by June 1, 1924. (Editors Note.)

In a nutshell, what is the real heart of the Producers' Contract as adopted by the M. F. A.? That for a period of five years not less than 75 per cent of the farmers of a given county or contiguous to the various Elevator and Exchange trackage all their merchantable grain, livestock, poultry and dairy products through the local marketing agencies of the M. F. A.

If this Contract were in effect throughout all the great grain, livestock, poultry and dairy producing states at this moment, what would be the result? The first result would be that the private local dealers in these commodities would have to close up shop and go out of business. Why would they be forced to do this? Because their overhead expense in handling only 25 per cent of the above commodities would be so much greater than ours in handling 75 per cent that the overhead expense alone would sooner or later drive them from the field—for overhead expense decides the success or failure of nearly every business. Why has Henry Ford no opposition in the building of a small automobile? Is it because other automobile manufacturers don't know how to build as good a small car as the Ford? No, almost any of them could do this. Henry Ford got the "jump" on them—he built the first small car and before the other fellows knew it his volume was so great that he had them hopelessly beaten on overhead expense. And exactly the same rule will apply, once the local marketing agencies of the farmer get an iron grip on the above commodities. Also when the private dealers realize that the Contract covers a period of five years they will quit offering "market bribes," because the 25 per cent on the outside won't be worth fighting for—and hence sooner or later this 25 per cent will also fall into our hands. Therefore the first result of the Contract would be to give us complete control of the marketing of farm products—and this is absolutely vital before we can hope to control the central markets, without which control Agriculture is doomed!

Why have I in the above premises included all the great grain, livestock, poultry and dairy producing states, instead of merely Missouri which marks the limits of the jurisdiction of the M. F. A.? Because the farm leaders of all the great Corn Belt states are watching us and if we put the Contract "over" then they will, beyond the slightest question, follow suit immediately. Only recently the editor of Wallace's Farmer asked to attend one of our big mass meetings where a Contract drive is started in motion, while numerous other farm publications intend to send special representatives the moment we get into full swing. In the meantime—has been previously stated, the marketing experts of the U. S. Dept. of Agriculture make no secret of the fact that the adoption of the Contract in this state is the most important move in the history of Corn Belt Agriculture. Therefore if the Contract "goes over" in Missouri there is little question that we will have blazed the way for all the great grain and livestock producing states, while the wheat growers are bringing up the rear in the big wheat producing sections.

Suppose This Were True? And now for the sake of argument let us assume that the Contract is in effect at this moment in Missouri, Oklahoma, Kansas, Nebraska, Iowa, Illinois and Indiana, the great Corn Belt grain and livestock producing states, and, further, that the local marketing of grain, livestock, poultry and dairy products has passed into the hands of the organized farmer. If this condition of affairs were true at this moment, then what position would we be in? The answer is that this would compel the great Board of Trade to run up the white flag in the sale of grain, while we would hold the whip hand in every great Stockyard's center of every Corn Belt—for while such livestock producing states as Texas, Colorado, the Dakotas, Michigan and the Eastern states would still be on the outside, not a single central Stockyard's Packing House would be able to operate without buying the lion's share of its supplies from those speaking for the Corn Belt farmer.

And with such power in our hands, does any sane farmer believe that we would permit hogs to sell around 6½ cents per lb. at the country loading

stations? Or does anybody believe that we would permit the various Stockyards to be swamped with hogs one day and face a famine the next? Wouldn't our leaders almost certainly do two things without a moment's delay—first, ask Congress for a tariff to shut out cheap pork and beef from the outside and, second, say to the Packers, "Now pay us a fair price for our hogs and cattle"—and with the tariff at our back, would they have any choice about the matter? Of course subtracted from such a price would be the loss on export pork and beef products and yet taking into consideration the great amount of pork and beef products being absorbed in this Country at this time this would not prove an item of disconcerting consequence. In any case we could compel a fair price for the meat consumed in the United States!

And with reference to wheat and with the Boards of Trade as now constituted largely eliminated from the situation, would we not pursue exactly the same tactics? Of course the ideal situation is where the local and central marketing agencies on grain, livestock, poultry and dairy products throughout the Country and where a great central Selling Agency has each of these commodities in hand. And this is the great final goal toward which all practical farmer leaders are driving—but with even the big Corn Belt states enrolled under the Contract, that this would mean hundreds of millions of dollars in extra price margins to the farmer and that the results thus obtained would make the outlying states clamor for the Contract Plan, of this can be little question.

A Case in Point. Some days ago I had occasion to deliver an address in an important city in Iowa where Farmers' Union delegates from 14 counties had assembled for the specific purpose of listening to such advice as I could give them. It happens that in this city there is located one of the largest inland Packing plants in the West and it draws its hog supplies largely from the surrounding counties. Very frequently, sufficient hogs are not available in its territory, but because its paying prices are so close to the Chicago market that many farmers prefer to ship to the Union Stock Yards. Therefore it frequently ships in a train load of hogs from the St. Joseph Stock Yards which easily cost it from 40¢ to 50¢ more per cwt. than it offers to the farmer who resides within sight of its smokestacks. Why does it do this? Because it prefers to pay this premium on 25 per cent of its supplies, in order to get the other 75 per cent at its own price.

In other words, what this concern is doing in substance is this—it is subtracting the freight rate on hogs from its territory to Chicago from the price it offers to the farmer—it is putting this freight rate into its own pocket and in the meantime, it is disposing of its meat very largely in the towns and cities adjacent to its Packing house and therefore is just that much ahead of the game. When the old grizzled farmer who sat beside me asked me if he was to be sold this Packing Company surrounded with the Producers' Contract and if you could tell them where to head in?—the cheer they gave still rings in my ears and if one of our fieldmen had stepped up at that moment with a bunch of contracts, I believe they would have mobbed him for a chance to "Sign up."

Again, with the great Corn Belt states under control, does anybody believe that as I have previously stated, we would permit a gorged livestock market one day and a famine the next? Wouldn't we direct an even flow of cattle, hogs and sheep to the various Stockyards and would this within itself tremendously stabilize the price? And would we not in a similar manner prevent the gorging of the wheat and corn markets, which so often plays directly in-

to the hands of the big grain speculators? In other words, wouldn't we stop one group of farmers from competing against another group in demoralizing the grain and livestock markets?

What is the real trouble with Agriculture? Why is the average farmer having such a hard time to make both ends meet? Why during the last three years have thousands of fine Corn Belt farms sold under the sheriff's hammer? Is it not because the low World price levels and a swarm of middlemen and organized industry and labor are forcing the farmer to pay nearly twice as much for merchandise, freight rates, interest, taxes, etc., as he receives for the fruits of his toil? And if this is true, then how can we hope to change these conditions so long as we blindly turn our products over to the "other fellow?" And if as a matter of self preservation we want to get around the "other fellow," we must construct one of our own in the place

of it—and is there any way under high Heaven to do this except through the Producers' Contract Plan? The Doubting Thomases!

From letters I have received since the Sedalia Convention I am convinced that as farmers learn to understand the Contract and what it has accomplished for the Orange and Raisin growers of California, for the Citrus fruit growers of the South, for the Peach growers of Georgia, for the Dairyman's League of New York and for the Tobacco growers, that as these things have soaked in the overwhelming majority are in favor of the Plan and are ready to "sign up." As a matter of fact, many Clubs all over the state have already cast a 100 per cent vote for the Contract. On the other hand, however, I realize that among those who have studied the question carefully there are still a lot of "Doubting Thomases" and in order to get such farmers to see the light I am going to imagine that the following conversation will transpire between a local grain and feed dealer and a farmer—and I am going to assume that this farmer is a Farm Club man to the core!

Grain dealer: "Well are you going to tie yourself up to market all your merchantable grain, livestock, poultry and dairy products through the M. F. A. for the next five years?"

Farmer: "Well I won't have to decide that question until they start the drive in this county—but unless I change my mind I am going to 'sign up' when the time comes."

Grain dealer: "Well, I am very much surprised to hear a man of your intelligence say that—why farmers will think of signing a contract to deliver all their stuff to an outfit like the M. F. A. for five long years, such a thing as that is to me incomprehensible."

(continued next week.) Given a chance, pigs will make hogs out of themselves, lack of feed and shelter cuts down the chances.

## Farming Outlook for 1924

Henry Wallace, Secretary of Agriculture Believes It Is Brighter Than Past Year

The industry, courage and faith evidenced by the farmers of the Nation during the past three years are slowly bringing their reward. Improvement in agricultural conditions continues—not as rapidly as desired or needed, nor as rapidly as deserved, but nevertheless it continues. The promise of the year has been fulfilled.

So we come to the end of the third year of post-war depression with a feeling of greater confidence born of better times already realized and with justified hope of still further improvement in 1924.

In general, the crops of 1923 were good. Some sections in the cotton belt and in the wheat belt suffered from the ravages of weather and insect pests, but the aggregate crop production was equal to the average of the five preceding years.

Considering money return we find that the values of most crops are greater than in 1922. The total value of all crops is 12 per cent greater. The values of the wheat, rye, rice, clover seed, cranberry, peach and pear crops are below 1922; in the case of wheat 11 per cent below. The values of all other important crops are greater.

It is difficult to measure the productive value of livestock during the year, dependent as it is upon crops marketed in that form. In general, it has been a prosperous year for sheep-growers, fairly good for dairy-men, less satisfactory for producers of hogs, and discouraging for growers of range cattle. Cattle feeders, however, have done very well on the whole.

There are discouraging conditions

still to be overcome. There is the burden of debt. There are heavy taxes to be met. The cost of production and of what the farmers buy remains high. Farmers in the spring wheat territory especially are in straits from conditions largely beyond their control.

Experience gained during these years of depression, however, together with program already made, warrant a hopeful attitude for the coming year. Gradually crop acreage is being better adjusted. The domestic market continues strong. The children keep coming, and that means a steadily increasing number of mouths to be fed. Those who stay by the farm and do good farming can look forward to better times as a reward for their years of toil and hardship. Those whose business depends directly upon farm purchases can find decided encouragement in the growing gross income of the farmer, for he will buy as his income expands.

The year 1924 comes with the promise of continued improvement in the material prosperity of the farmer, and the farmer continues to be the material and spiritual backbone of the Nation.

### Notice to Local Secretaries

The Abstracts will not be sent to local secretaries this year as has been the custom in the past. Each secretary whose records are properly kept has his record showing the number of members and a record of remittances.

If for any reason any one is not able to determine the true status of their local from their records, we will furnish such ones an abstract on request.

C. E. Brasted, Secretary.

## Economic Prospects of 1924

Herbert Hoover, Secretary of Commerce Gives Interesting Comparison of Business Outlook for Coming Year With The One Just Closed

The important thing in formulating any judgment as to the economic future is an understanding of our present position and of the forces that are in motion for and against economic progress. The following summary is based on the annual review by the Department representatives throughout the world.

The economic outlook for our own country for the next year is bright. In general the world situation is hopeful. The general spirit of prudence, the absence of speculation, complete employment, high production, and the great financial strength and stability of the important states in the Western Hemisphere, together with promise of the early conference for systematic consideration of constructive solution of the world's greatest economic menace—Franco-German relations—all create a hopeful foundation on which the New Year may build.

An economic weather chart of the world would show three distinct areas. First, the Western Hemisphere, Asia, Australia, and Africa, which have made distinct economic progress during the past year, achieving a high degree of economic recovery.

Second, Russia, the Baltic, the Balkan States, the Near East, Italy and Spain which are still struggling with afterwar political, social, currency, debt, and budget problems but yet show undoubted progress in the restoration of commerce and industry.

Third, An area of economic depression resulting from the occupation of the Ruhr and the collapse in Germany. While most acute in that country, it radiates its depressing influence strongly over Poland, Czechoslovakia, Switzerland, Hungary, Scandinavia, Holland, and Great Britain. France can well be placed in this group because the failure to secure reparations has contributed to an unbalanced budget and the resulting indirect inflation. This has concealed the true situation and has given an artificial and forced draught to the industrial activity. The other countries of the group are suffering from a distressing increase of unemployment.

The German collapse has in less degree affected every other part of the world. The decreased consuming power of Germany and of the states most affected has contributed to the low price levels of food products in the United States and other food exporting countries. The decrease in her steel and coal production at first gave some stimulus to the production of other countries, but this is now offset by decreased buying power of the depressed area for other commodities. One other effect of importance has been the undoubted substantial flight of capital from many of the states in this area of depression to the United States, resulting in further excessive accumulation of gold here. The economic world has not yet felt the full impact of the occupation of the Ruhr. Were it not for the hope inspired by the initiation of negotiations for settlement of the German problem the situation would be most unpromising for the future.

Even with settlement accomplished there will arise considerable problems in readjustment of trade through re-entry of German coal and steel into the markets and through the possible (and to be hoped) return of capital which has sought refuge in the United States from many parts of Europe. During the whole year past—the events of the past year have at least served to inspire caution in the rest of the world and has contributed to the absence of speculation and, therefore, to their fundamental stability. If it is possible to reconstruct Germany's finances during the forthcoming year and to secure such assistance to Germany as will enable the stabilization of the franc, the world will have entered into a period of great hope and much promise of prosperity. For consumption cannot, of course, be accomplished without a large measure of disarmament in Europe, for the armies today maintained by 170 million people there are upon a scale which is repeated in the Western Hemisphere, would mean 3,000,000 men under arms—a strain that would have made recuperation almost impossible on this side of the Atlantic, even with the economic strength which this Hemisphere possesses.

Russia is slowly making progress with the inch by inch abandonment of communism and socialism. War has ceased in the Near East. Greece and Turkey are turned toward progress. The eastern states of Europe are sensibly approaching sound prospects for stabilization of budgets and currency. China is still disturbed politically, but her commerce is maintained despite of it. The Japanese disaster has had less effect upon her economic stability than many anticipated and has furnished new proof of the great strength and courage of that country. Latin America is steadily increasing in productivity but currency conditions in some instances leave much to be desired. Except in Mexico there has been a steady increase in political and social stability.

Our own country has shown a more

freedom from depressing European economic influences than most others. The explanation lies in the fact that although our exports are of profound importance less than six per cent of our total productivity is exported and of this only about one half to Europe. The proportion of different products exported to Europe of course varies and European conditions, therefore, have a fluctuating influence upon different industries. As less than one per cent of our manufactured products find their market in Europe the direct effects upon these industries is more negligible than upon certain agricultural products which are much more dependent upon European consumption, such as wheat and pork products, and we endure both economic and political reactions at home from this latter fact.

In 1923 the United States have witnessed the highest total productivity and movement of commodities since the war, with full employment, high real wages, greatly increased savings, large additions to home building, and the largest increase in railway equipment since the war. The whole has been accompanied by a remarkable absence of speculation, consequent over-accumulation of consumable goods, or dangerous expansion of credit. As we are not in a boom we can expect freedom from a slump. Some secondary interrogations can be raised as to the effect of the expansion of installment buying of consumable goods, the acute suffering in the Northwest agricultural areas, the increase on stocks of some commodities, and decrease on some advance orders. These items are small compared to the whole industrial fabric. Taking the country as a whole we never in history have enjoyed a higher standard of living and comfort, nor so great a degree of commercial and industrial efficiency as today or so wide an understanding of the forces which control the ebb and flow of business. As severe as the situation is in the worst of the agricultural states yet the disparity between agricultural prices as a whole and industrial commodities is gradually lessening and the economic balance is tending to right itself.

A more detailed examination of our own situation based upon the first seven months, and some later data indicates that our foreign trade will show about \$4,100,000,000 in exports and about \$3,800,000,000 in imports—an increase of seven per cent in the former and twenty per cent in the latter over 1922. The merchandise balance will be about \$300,000,000 in our favor. Net gold and silver imports will be about \$260,000,000 almost a full liquidation of the trade balance. On the other hand, our very large net expenditure upon tourists, emigrant remittances, and other curable items have been apparently liquidated by the very considerable flight of capital from Europe, by publicly issued loans to foreign countries and enterprises have been about \$300,000,000 net for the year, as compared to over \$600,000,000 last year.

Our manufactured production taken together will show about ten per cent higher than 1920 and fifteen per cent higher than 1922. The 1923 production of coal and coke showed great increase, about 15 per cent, over 1922. Production for this year increased over 1922 by about forty per cent in iron and steel, about fifty per cent in copper, about sixty per cent in automobiles, about fifteen per cent in lumber, about twenty per cent in cement, about twenty per cent in sanitary ware and about ten per cent in leather. Textiles were about the same as the year before.

In the agricultural products cotton production increased about three per cent; the total bushels of cereals show an increase of about three per cent; pork products about twenty per cent; beef about five per cent—with a slight increase in dairy products.

In construction work the large additions to our railway equipment have enabled the railways to fully handle the traffic for the first time since the war, and marks a great achievement. In building there has been about the same floor space constructed but there has been a great shift from public construction to make way for private work, as indicated by the decline of over twenty per cent in public building construction, and an increase of about fifteen per cent in residential building compared to 1922. The shift from public to private construction is also indicated by the fact that contracts for stabilization of budgets and currency. China is still disturbed politically, but her commerce is maintained despite of it. The Japanese disaster has had less effect upon her economic stability than many anticipated and has furnished new proof of the great strength and courage of that country. Latin America is steadily increasing in productivity but currency conditions in some instances leave much to be desired. Except in Mexico there has been a steady increase in political and social stability.

Consumption is indicated by the increase in sales of mail order houses by about thirty per cent, in chain stores by about thirty per cent, in chain stores by about thirty per cent, in chain stores by about thirty per cent.

## REDUCED FARE to STATE CONVENTION

### Important Notice to Members

A reduction of one and one-half fare for the round-trip on the "Certificate Plan" will apply for members (also dependent members of their families) attending the meeting of Kansas Division of the Farmers Union to be held at Emporia, Kansas, January 15, 16, 17, 18. The arrangement will apply from the following territory: All points in Kansas and the cities of Kansas City and St. Joe, Mo.

### Read the Following Conditions Carefully

1. Tickets at the normal one-way tariff fare for the going journey may be bought on any of the following dates (but not on any other date): January 12, 13, 14, 15, 16, 17, 18.
2. Be sure when purchasing your going ticket to ask the ticket agent for a certificate. Do not make the mistake of asking for a receipt. If, however, it is impossible to get a certificate from the local ticket agent, a receipt will be satisfactory and should be secured when ticket is purchased. See that the ticket reads to the point where the convention is to be held and no other. See that your certificate is stamped with the same date as your ticket. Sign your name to the certificate or receipt in ink. Show this to the ticket agent.
3. Call at the railroad station for ticket and certificate at least 30 minutes before departure of train.
4. Certificates are not kept at all stations. Ask your home station whether you can procure certificates and through tickets to the place of meeting. If not, buy a local ticket to nearest point where a certificate and through ticket to place of meeting can be bought.
5. Immediately on your arrival at the meeting, present your certificate to the endorsing officer, Mr. C. E. Brasted, as the reduced fare for the return journey will not apply unless you are properly identified as provided for by the certificate.
6. No refund of fare will be made on account of failure to either obtain a proper certificate, or on account of failure to have the certificate validated.
7. It must be understood that the reduction for the return journey is not guaranteed, but is contingent on an attendance of not less than 250 members of the organization and dependent members of their families at the meeting holding regularly issued certificates from ticket agents at starting points showing payment of normal one-way tariff fare of not less than 67 cents on the going trip.
8. If the necessary minimum of 250 regularly issued certificates are presented to the Joint Agent, and your certificate is validated, you will be entitled to a return ticket via the same route as the going journey at one-half of the normal one-way tariff fare from place of meeting to point at which your certificate was issued up to and including January 22, 1924.
9. Return tickets issued at the reduced fare will not be good on any limited train on which such reduced fare transportation is not honored.

### IMPORTANT

10. If it is not possible to purchase a through ticket to Emporia from your station buy your ticket to the nearest point where such ticket can be obtained and get a receipt or certificate from your local agent to that point. Buy your ticket to Emporia from this point and be sure to get a certificate or receipt from that agent. REMEMBER IN ORDER TO TAKE ADVANTAGE OF THE REDUCED FARE YOU MUST HAVE CERTIFICATES OR RECEIPTS SHOWING CONTINUOUS RAILWAY TRANSPORTATION TO EMPORIA FROM YOUR TOWN.

C. E. BRASTED, Sec.



## The Kansas Union Farmer

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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.

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

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

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

### ADVERTISING RATES ON APPLICATION



THURSDAY, JANUARY 10, 1924.

### WHAT'S THE MATTER.

There are quite a number of members of dead or weak Locals that keep on asking what is wrong with the Union. There is not one single little solitary thing the matter with the Farmers Union. Its principles, purposes and plans have stood the test for more than twenty years and are just as sound and as workable as they were when first formulated and given to the farmers of this country. The Union is stronger today than ever before in its history. It exerts more influence on public matters than any other farm organization. It was the pioneer in co-operative marketing. It has always led in that movement and it is far in advance at this time. The Farmers Union is the only organization that has developed a system of cooperative business for its members.

Where Locals are weak, where business associations are in need of support, where County Unions fail to function there is something the matter but not with the Union. The trouble is with the members who have forgotten their obligations and have allowed themselves to be misled by the advocates of experimental associations that have never accomplished anything for agriculture. The Union has made good. It deserves the support and confidence of all its members. It is time to quit asking what is wrong with the organization. Better try to find out what is wrong with the members.

Waste no time in trying to answer the man who declares that the Union has never done anything for him. The Farmers Union has made and saved hundreds of millions of dollars for the farmers of Kansas but the member who does not already know that is not likely to believe it. Close the argument by asking him what in thunder he has ever done for the Farmers Union.

### COUNTY FARM BUREAUS.

The Union has no fault to find with the county agents the Extension Service or the local County Farm Bureaus. Organizers are trying to establish Farm Bureaus in several Kansas counties at this time. Members of the Union should enroll in such organizations only with the express understanding that they are not to be federated with the Kansas Farm Bureau Federation.

There never was any place in Kansas for the Farm Bureau Federation and there will never be any general support of the county agents and the Extension Service until Federation goes out of business.

### THE FARMERS UNION WINS.

The Farmers Union Live Stock Commission Company is now the largest house operating on the Kansas City market. In November it took the lead in the number of car loads handled. The total business of this concern for the year now drawn to a close reaches almost ten thousand car loads.

The tremendous growth of this Union enterprise is good evidence that it gives satisfaction to its patrons. No one will continue to support a business that cannot show results. No advertising campaign nor the most expert traveling solicitors can get and hold patronage for a concern that does not please its customers.

The business of the Live Stock Commission Company for 1923 shows about 100 per cent gain over 1922. If the members of the Union do their duty to themselves and their organization the New Year will show another doubled turn over.

### SELF CONFIDENCE NECESSARY.

Too many farmers have no confidence in themselves. As a result they have little confidence in the success and usefulness of business enterprises conducted by associations made up of farmers like themselves. What a man feels that he cannot do for himself he fears cannot be done by an organization made up of others like himself.

Do you suppose the Farmers Union can get the market prices for wheat, live stock or hay is a question that is still asked by a good many

members of the organization who have never been convinced that they have the ability to do things for themselves that others have been doing for them at a cost that has reduced agriculture to bankruptcy.

The Union enterprises are selling consignments at prices that compare favorably with results obtained from other house. The Union insurance companies are protecting the property of their members for rates that mean large savings. It is time for every member of our organization to realize that his own service institutions are the most efficient and the least costly enterprises of their kind.

### REDUCTION OF FEDERAL TAXES

Secretary Mellon, sometimes referred to with more or less affection as Uncle Andy has announced a program of tax reduction that is warranted to reduce the income of the federal treasury something like five hundred millions of dollars a year. The logical result of such a measure should be to reduce the taxes paid by the same amount. That, however, is a different matter. Too many of the taxes imposed by the government result in higher payments to private interest than to the public treasury.

The secretary would reduce the tax on the bigger incomes and would make other adjustments which he says would improve business conditions. When the whole plan is analyzed it seems to be cunningly contrived to shift a considerable burden of federal taxation from the rich to the poor. That might be good for business but it would be mighty rough on the poor folks.

In truth it is doubtful whether there should be any reduction of federal taxes at this time. The republic owes about \$22,000,000,000 upon which interest it is paying at an average rate of about four and one fourth per cent. That debt should be paid. There will never be any very great tax reductions until it is paid. Also the debt should be paid just as soon as possible and as far as possible by the generation that contracted it. As the years go by a larger and ever larger part of taxes will be paid by the men who served in the army and navy during the great war. It is hardly fair, after requiring them to do all the fighting, to manage the finances of the country so that they will be compelled to pay most of the debt.

No one appears to have been very much dammed in good, huge dividends are being paid the shareholders in great corporations and the railways and steel mills are making money. Suppose the debt and settl mills are making money. Suppose the present tax schedules should yield a billion dollars surplus next year. It could all be applied to the debt and forty-five millions a year of interest charges cancelled. Good business sense as well as a just recognition of our obligations to our posterity indicates that we should keep on paying taxes and cut down our surplus income.

It is said that the chief difficulty in such a debt paying program is that congress instead of maturing bonds with surplus revenues will spend money like a parcel of drunken sailors for new public buildings and for scores of other projects that the people can get along without. It should be easy to stop that sort of thing. If the voters do their duty the present congress is the only one that will ever have a chance to waste the peoples money.

Better collect taxes as usual and do the unusual thing of paying debts with the money.

### OTHER PEOPLE'S MONEY.

Judge Charles E. Lobdell recently resigned the chairmanship of the Federal Farm Loan Board, with which he had been connected since the beginning of the rural credit system. Many people thought it strange that an officeholder voluntarily relinquish a salary of \$12,000 a year. When Thomas Jefferson became president he found all the big federal offices filled with his political opponents and proceeded to make a few vacancies which he filled with deserving democrats. He was severely censured by the federalists for discharging so many experienced job holders and defended himself by declaring that he had to have some places in his administration for his own supporters and as "office holders never resign and seldom die" it was necessary to make a few removals.

Lobdell is in sound health for a man of his years and is not at all the type of politician to voluntarily give up a well paid job and therefore there was curiosity about his resignation. The matter is now fully explained. Shortly after giving up the chairmanship of the Federal Farm Loan Board he was appointed general counsel and fiscal agent for the whole system at a salary of \$25,000 a year. This position, not contemplated in the law, was created for Lobdell by the presidents of the twelve banks who had secured their jobs while he was chairman of the board.

Congress wanted to know about the whole business. It looked like a raw deal between men who had fat jobs from Lobdell and the chairman who retired from a \$12,000 place to accept employment at \$25,000 a year from the men whom he had appointed to office. The Federal Farm Loan Board explains to congress that the responsibility for this piece of bare-faced jobbery rests with the presidents of the twelve regional banks and that the action taken was wholly within the law. Perhaps so but it is fair to ask just how many jobs can be linked on to the farm loan system without the permission of congress.

Lobdell's \$25,000 salary will all be paid out of the earnings of the federal farm loan system which in fact and in law belongs to the farmers who have been forced to mortgage their lands and homes to get money for carrying on their operations. The whole affair may be legal but it is another striking illustration of the generosity that marks so many men when they are handling money that belongs to other folks and especially when it happens to be the property of farmers.

### LOCAL ELEVATORS AND POOLING

The organized grain trade is making a desperate and thoroughly well financed campaign to convince local elevator associations made up of wheat growers that the pooling movement is against their best interests. The traders are well satisfied with existing grain marketing machinery. They are willing to let the farmers take all the chances of handling and shipping their products through local co-operative associations just as long as they know that they must get possession the very moment that the wheat or other grain is loaded out for shipment.

That there are risks in the local elevator business is abundantly proved by the present financial condition of a very large proportion of such concerns operated by farmers in every part of the wheat belt. During the past three years many such enterprises have failed and fallen into the hands of the traders. Others managed to get along and stay in business on borrowed capital usually obtained on the credit of unselfish directors who risk the safety of their own property and families in guaranteeing loans for the supposed benefit of the entire body of shareholders. Nothing resulting from pooling is very likely to make the condition of the local elevators any worse. Hundreds are now insolvent with little chance of recovery as long as they operate on the speculative markets.

Pooling requires elevator service and pays for it at a fair price. The reports of the state wheat growers units now operating show that local elevator charges now average about four and half cents a bushel. If a local elevator handles 200,000 bushels of pooled wheat it will have an absolutely assured annual income of \$9,000 a year from that source alone. That is sufficient to pay all the operating expenses, and to pay eight per cent interest—dividends on a capitalization of twenty thousand dollars and to provide a substantial payment annually on the mortgage debt that is a part of the liabilities of very many of the farmers co-operative elevators.

If every bushel of wheat produced in the territory of a co-operative elevator is marketed through the pooling association the co-operative can pay its expenses, pay its debts and make more money than ever by handling feed, coal, flour, coarse grains and other lines of business. Instead of threatening the solvency and impairing the usefulness of the local elevator owned by the farmers, co-operative marketing for the first time in the history of such concerns offers a way for operating them with security and without danger to the property and families of loyal directors.

### WHO FIGHTS CO-OPERATION?

In a recent issue of a grain dealers organ printed in Chicago, the manager of a Farmers Union Co-operative elevator in Kansas is quoted as saying that the Union is trying to pool a large volume of wheat and that he is advising all the shareholders of his concern to stay out. It would be well for the members and directors of that association to ask their manager a few questions. Who suggested to him that it would be well for his people to stay out of the co-operative movement? From what source does he get his information about pooling? How many co-operative house solicitors visit his office every month and what do they all think about co-operative marketing? Does he loyally support existing co-operative grain agencies with all his business?

The organized grain trade never raised any serious objection against the local co-operative elevator system. In fact many commission houses sold their line elevators to the farmers' companies because they expected to be able to handle all the wheat consigned to board of trade houses. The local elevators whether co-operative or privately owned interfered little and mostly not at all with the operations and profits of the grain merchants in the terminal markets. Now that there is a movement on foot with every prospect of successfully substituting new sales agencies for the old profit taking board of trade operators the farmers elevators are being used by the grain speculators as a channel through which to stir up grower opposition to co-operative marketing.

The shareholders of Farmers Union elevators and the directors and officers of those concerns should wake up to the fact that a bold and impudent attempt is being made by the grain speculators to align them against the co-operative movement. Their own managers and officers have been converted to the belief that the existing grain marketing system is perfect and that its primary purpose is to serve the farmers. It is an almost perfect system from the standpoint of the grain merchants but it is a system that wastes the farmers money and prevents the growers of wheat from having anything to say about the prices of their product.

One good way to judge the value of any movement is to locate its enemies and determine and analyze their motives. The organized grain trade is not spending hundreds of thousands of dollars in fighting co-operation in the interest of the farmers. It is not the failure but the success of pooling that they dread.

### GET IN GOOD STANDING.

After December 31st no member of the Farmers Union in Kansas will be in good standing unless he has paid his \$2.25 dues for 1924. Just as soon as any Local shows that condition we are going to start and keep standing a list of 100 per cent Locals. Any Local that can show all the dues for 1924 paid and reported to the county and state secretaries will be eligible for membership on that Honor Roll.

We hope to start the publication of the Honor Roll with the first issue of the paper in January. What Local is ready? Better yet how many Locals are ready? The Union is doing a lot for the membership. The membership can help along a lot by doing something for the Union.

## COMMENT ON WORLD'S NEWS FOR WEEK

### Dividends Are Much Greater

Than usual this year. There has not been the big issue of stock dividends that attracted so much attention a year ago but all the new capital shares floated at that time seem to have earned a fair income on their face value during the business year just closed. This seems to prove that while their issue was in fact, in many cases, a mere capitalization of opportunity or possibility the judgment of the men responsible for the greatest addition to volume of stocks outstanding in the history of business was good.

Corporations that issued stock dividends up to as high as one thousand per cent a year ago have just finished a twelve month of operations in which they have earned and are now distributing good dividends on that extra capitalization whether it was of surplus earnings or business opportunities.

### Prohibiting and Abolishing

To say nothing of forbidding, restraining and enjoining are exceedingly popular pastimes for many persistent people in these days. There was a time when every rational human being was presumed to have sense enough to regulate his own impulses, properly curb his own improper desires and generally to rule his own soul and act as the captain of his own destiny. "Them days appear to be gone forever."

There is nothing so very nice about tobacco. It cannot be chewed, smoked or inhaled as snuff without giving offense to considerable numbers of people. The used pipe is not a sweet scented piece of furniture. The spittoon or cuspidor is not nice nor can human ingenuity make it an attractive parlor ornament. The cigar, best beloved by the man who smokes it is always held in contempt by all other smokers and worst of all no one has yet invented a type of cigar that can be consumed by fire without the leaving behind a residue of ashes that may be good for fertilizer but certainly seem greatly out of place on a Persian rug or a vest. Cigarettes, popularized during the great war are still forbidden in many states that have not revised their laws for several years.

So for one reason or another tobacco has many enemies who would abolish its use. This in spite of the fairly obvious fact that it is one natural product of the soil that was intended for human consumption only. This must be true since no other living creature except the tobacco worm, will eat it in any form. The abolishment of tobacco. They may succeed but there are a lot of other things that should be prohibited before congress and the intelligent citizenry of the republic add an anti-smoking amendment to our once well known constitution.

The abolishment and restrainers, the forbidders and the prohibitionists should be encouraged to take a swipe at the comic strips and supplements that are circulated by so many of our alleged newspapers, to restrain the motion picture theatres from further collusion with Charlie Chaplin, Harold Lloyd and others of their kind

in spreading their perverted productions before the eyes of the old and young to prohibit grandmothers from dressing and acting like flappers and middle men absorbing all the profits of trade and production.

### Wheat

#### Is Coming from Canada

In constantly increasing amounts. Our northern neighbors produced a surplus of more than 300,000 bushels and they produced it much more cheaply than is possible in this country. Also the most of Canadian wheat is of higher quality than our own grain. The result of all these things is that great quantities of imported wheat are now clogging the northern markets and mills. That wheat pays duty at thirty cents a bushel, freight for thousands of miles and is offered in Minneapolis at prices lower than the cost of production in this country.

The only excuse for a protective tariff is that it is a part of a system of laws designed to confer benefits impartially on all the people. Our present tariff imposes duties on various commodities that increase the cost of supplies purchased by Kansas farmers about \$100,000,000 a year. That might be all right if there were compensating provisions to add more than \$100,000,000 a year to the value of Kansas farm products. There are no such provisions. There is not a single schedule of item in the McCumber-Fordney tariff that adds a dime to the income of any Kansas farmer.

American farmers have lost their expert market for wheat. They cannot compete in Europe with wheat produced by cheaper labor or under more favorable conditions in Canada, the Argentine, Australia, India and Russia. Without a higher tariff on wheat our growers are certain to lose the home market in a very few years. Congress must act on this matter immediately if a serious danger to the prosperity and safety of more than two millions of farm families is to be averted.

Ask your congressman and senators to vote for a sixty cent duty on wheat and for the repeal of the draw back and milling in transit clauses of the present tariff law.

### Wrestling

#### Is the Slowest

Dullest and least attractive of all athletic pastimes that have been invented by men who prefer to use their muscles for other than productive labor. The other night two well developed, perfectly trained men each weighing about 225 pounds, each and hauled at each other for nearly two hours for the entertainment of a Wichita crowd of six or seven thousand persons. Whenever either of the big boys who were striving for what is called a world's championship got unusually rough there was prolonged applause. The spectators were not there to enjoy a pink tea performance. They wanted to see some one hurt and cheered every phase of the contest that was painful and agonizing to either of the contenders.

There is little doubt that if each of the wrestlers had been given a spiked club with permission to beat the

ther into pulp the audience would have had a much better time.

### Arguments Supporting a Bad Case

Are never lacking especially when there is plenty of money with which to pay advocates and press agents. The big dividends now being distributed, the fact that even on their own valuations the railways earned about six per cent in 1923 and the general hullabaloo about prosperity does not seem to affect the argument that business would be better if corporations and large incomes paid lower taxes.

Also, there is that old sockdologer of a reason now doing new duty, that if the tax rates were lower there would not be so much dishonesty in making returns to the treasury. Just why a man who is crooked enough to steal a large sum from the government by swearing to a false tax return would be made more honest if his taxes were reduced is one of those things that is hard to understand. It must be true, however, because all the big dogs who are advocating lower income and corporation taxes declare that if they have their way there will be fewer evasions of the law.

The same line of argument should apply to other crimes. Why not abolish murder, burglary, embezzlement, arson and adultery by repealing all the laws providing for the punishment of those pastimes? In short why not undertake to abolish crime, vice and tax paying by reducing all the penalties?

### Coolidge

#### Will Probably Win

The republican nomination for the presidency. The rules of his party are about all on his side. The National Republican Committee has readjusted representation in the convention in such a way that the South has its usual number of votes and there is every indication that every delegate from the below the well known Masons and Dixon's line can be delivered by Brother Bascom Slemph who has specialized in that sort of political activity for many years.

Johnson, La Follette and Pinchot will each have some support on the first ballot and it is barely possible, and mighty barely at that, that among them they may have enough votes to prevent a nomination on the first ballot. In that very unlikely event there is, of course, some chance that the president cannot be nominated. All the La Follette delegates will be stickers and last ditchers who will never go to Mr. Ford's safe nan. The Johnson and Pinchot men are not likely to be quite so irreconcilably chained to the progressive chariot wheels and enough of them to nominate Coolidge will probably get away from their instructions on the second or third ballot.

Looks like the president is already but he may be blocked by a coalition, out for Gifford bde-siaogtveco of his opposition in which case look out for Gifford Pinchot who is a republican that can be counted on to carry wild and radical northwest.

## FORMAL ANNOUNCEMENT

OF THE ORGANIZATION OF

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