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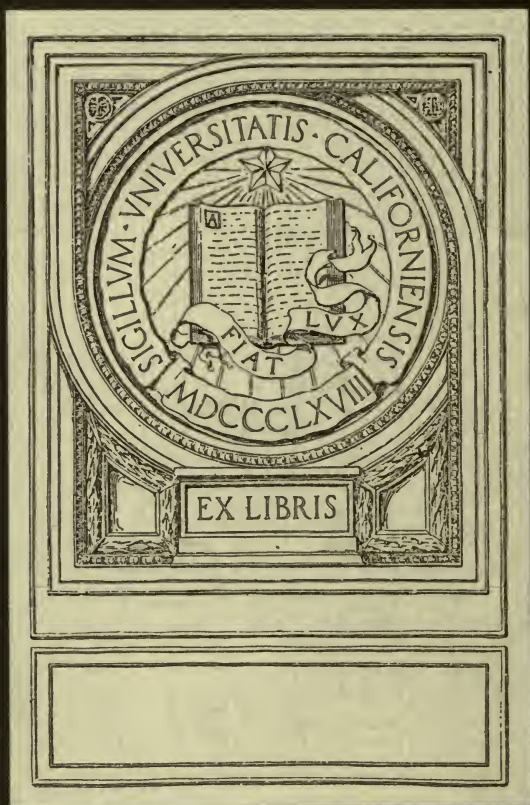
The Farmers' Educational
and Co-Operative Union
of America

What It Is
and
What It Is Doing



BY
A. C. DAVIS
National Secretary-Treasurer

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The Farmers' Educational and Co-
" Operative Union of
America

What It Is
and
What It Is Doing

WITH AN APPENDIX

Containing a Directory of the National and State
Officials, Excerpts from an Article on Co-
Operation, and Topics for Dis-
cussion in Local Unions

JUNE, 1913



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If you desire to better the condition of yourself and family both financially and socially, read this book.

If you believe the present system of marketing farm crops through so many middle men exacts too much toll from both producer and consumer, read this book and see what co-operation will do.

If you are skeptical about the business ability of the American farmer, yet open to conviction, read this book and be convinced.

If you are a farmer but not a member of the Farmers' Union, read this book, then send your application to the nearest local.

If the organization is not represented in your community write for additional literature to A. C. DAVIS, Secretary-Treasurer, Rogers, Ark.

NEW GRESHAM



NEWT GRESHAM (DECEASED)
FOUNDER OF THE FARMERS' UNION

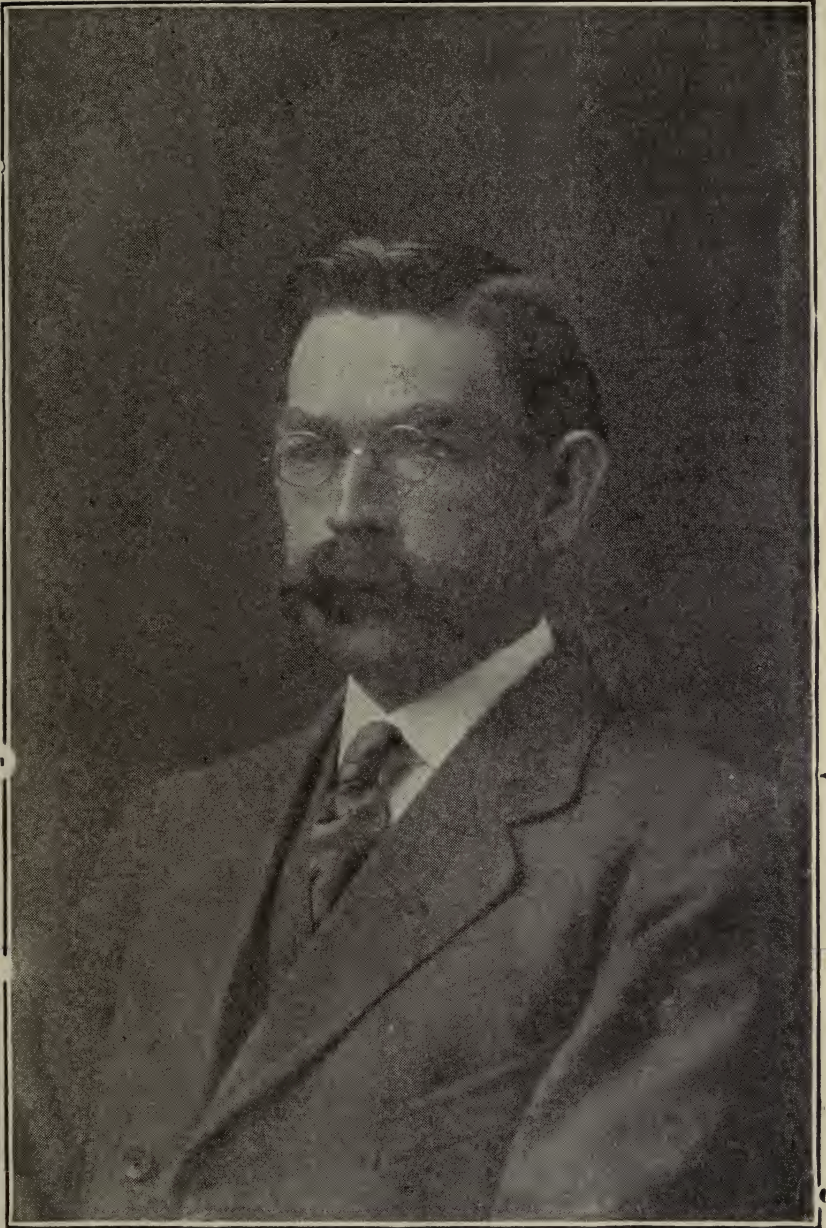
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CHARLES S. BARRETT, NATIONAL PRESIDENT,
UNION CITY, GEORGIA

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A. C. DAVIS, NATIONAL SECRETARY-TREASURER,
ROGERS, ARKANSAS

PREFACE

TO THE FARMERS OF AMERICA:

There is no more useful, more fascinating occupation than that of the farmer. No home is so capable of giving to the world a race of intelligent, patriotic citizens as that of the American farmer. Our high standards and ideals are more nearly preserved in their simple dignity and purity by the dwellers upon the farms. This is due as much, perhaps more, to environments and surroundings than to any inherent tendency to superior honesty and integrity. The charms of nature lend themselves to the development in the hearts of those whose daily lives are touched and softened by their presence, of a love for the beautiful, the good, and the true.

If these statements are true, which I firmly believe, what can be more natural than the desire to perpetuate conditions than make a happy, prosperous, farm home possible, or if obstacles are impeding progress toward a realization of that end, to remove them forever. A great fault with members of our class is to become satisfied with, or indifferent toward, existing conditions; rather than to become active for something better. To reach the highest degree of efficiency as a citizen and an agent of civilization, the farmer must become an aggressive worker, not only upon the farm, but also in the channels of commerce.

There are two great problems with which the farmer is vitally concerned—the production of commodities and their distribution. With the facilities now offered by the Federal and State governments for teaching scientific agriculture, and the hearty co-operation by farmers themselves in the demonstration work, the problem of production is becoming less grave. The public is so much concerned in its food supply that you may rest assured no effort will be lacking to help you secure an increased production from your acres.

There is one problem, however, with which the public is not concerned; one that rests with you and you alone to solve, and that is the distribution of your crops at a price

that will remunerate you for the toil and labor of production. That this question can be settled by the individual to his own satisfaction is an absurdity. The solution can be worked out only by a system of co-operative marketing.

Whatever may be the lesser needs of a great farmers' organization, the chief aim and the only one for which it can claim the support of all American agriculturists is a determination to work out the crop marketing problem. This we put forward as our object in claiming your support for the FARMERS' EDUCATIONAL AND CO-OPERATIVE UNION OF AMERICA.

Farmers must become distributors as well as producers. The report of the Secretary of Agriculture shows that the farmer receives but 46 per cent of the price paid by the ultimate consumer for his product. The Farmers' Union is determined to secure for the producer a greater share in the profits. If you are interested in such a movement your attention is called to the work already accomplished by this organization in the twenty-one states now organized. A careful reading will convince you that the Farmers' Union is no longer an experiment but that after ten years of active development it must be recognized THE GREATEST FORCE OF THE AGE among American farmers.

In the preparation of that portion of this volume dealing with the results of the union's efforts to secure legislation, I have been ably assisted by T. J. Brooks, Professor of Marketing and Rural Economics, A. & M. College of Mississippi, President C. S. Barrett and others.

To those State Secretaries who have supplied me with valuable data concerning the Union enterprises in their respective jurisdictions, I am deeply indebted.

A. C. DAVIS,
National Secretary-Treasurer.

The Farmers' Educational and Co-Operative Union of America

WHAT IT IS *and* WHAT IT IS DOING

The Farmers' Educational and Co-Operative Union of America is a Fraternal Beneficiary Association of Farmers, the preamble of whose Constitution is as follows:

In the course of modern industrial development we find it necessary that the farmer not only apply the principles of scientific agriculture, but that he systematize his business by co-operation and apply the principles of scientific commerce.

Expensive and wasteful methods of exchange have been a constant drain on the farming class, and speculation has been allowed to demoralize markets and prevent the normal operation of the law of supply and demand.

To enable farmers to meet these conditions and protect their interests we have organized the Farmers' Educational and Co-operative Union of America, and declare the following:

Purposes:

To secure equity, establish justice and apply the Golden Rule.

To discourage the credit and mortgage system.

To assist our members in buying and selling.

To educate the agricultural classes in scientific farming.

To teach farmers the classification of crops, domestic economy, and the process of marketing.

To systematize methods of production and distribution.

To eliminate gambling in farm products by Boards of Trade, Cotton Exchanges and other speculators.

To bring farming up to the standard of other industrial and business enterprises.

To secure and maintain profitable and uniform prices for cotton, grain, live stock, and other products of the farm.

To strive for harmony and good will among all mankind, and brotherly love among ourselves.

To garner the tears of the distressed, the blood of martyrs, the laugh of innocent childhood, the sweat of honest labor, and the virtue of a happy home as the brightest jewels known.

FOOTPRINTS OF THE AGES

By T. J. Brooks, of the A. & M. College of Missouri.

Problems of Today and Lessons of Yesterday.

Modern history takes on a new glory in material development. Brains work with continents as fields of operation and with millions of dollars as capital. Thousands work at one task and move things as by magic. We drain a swamp in the morning and water a desert in the evening. Scientific management and systematization are just coming through experience and we see where millions have been wasted and millions are not yet saved. Ores are brought from the earth, fashioned into monsters and a million whirling wheels do the bidding of man.

Mountains are tunneled, rivers spanned, and cataracts harnessed as by the magician's wand. The oceans are flecked with floating palaces and racing greyhounds of the sea; the continents dotted with magnificent cities where is focused the commerce of the busiest age of the world.

The history of civilization is the history of the unfolding of the human mind. To break shackles from the brain loosens chains from the body. To master a new force in nature takes a tear from the cheek of unpaid toil. To strike down an infamy adds a smile to the countenance of innocence. An injustice eradicated lifts a sorrow from the heart of the world.

Fifty-four foreign corporations and individuals own an area in the United States exceeding the States of New

Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New Jersey and Delaware. The holdings of sixty-three owners in the United States exceed the combined areas of the German Empire, Denmark, Belgium, Holland, and Switzerland. Home and foreign land companies have spent \$9,000,000,000 for land in this country during the last five years. The feudalism of the Middle Ages was founded on land monopoly. Land values are now out of reach of the poor.

The indifference of the average citizen to sociological questions is appalling. No outside power or influence will come in and decide questions of statecraft. The common, every-day workman is the responsible party in a Republic.

The combined industry of ninety-three million people adds \$4,000,000,000 to the Nation's wealth annually.

There are two hundred and sixty-two thousand corporations in the country that have shown by their sworn statements that they annually receive in profits \$3,125,000,000.

There are a million corporations in the Union which control eighty-two per cent of the wealth of the ninety-three million people.

The cost of the municipal, county, State and National Governments is \$2,500,000,000.

So the trusts and corporations absorb all the net increase of wealth and the cost of the governments come extra.

Which means that labor is losing a billion a year of its capital stock and all its net increase.

There are six thousand men in the United States worth from one to ten million dollars each. There are two hundred and thirty-five worth from ten to one hundred million. There are six thousand whose combined wealth equals the value of the entire farm property of the United States.

By the manipulation of the rise and fall of stocks manipulators are able to siphon into their coffers the profits of the farmer, artisan and merchant. Most of the millions accumulated by the masters of high finance have not been gained by business per se, but by playing the stock market against the investing public.

The volume of money in the Nation is \$3,400,000,000, and to control a few hundred million of this at a time will affect the value of every species of property. By controlling the great banks, insurance companies, and various industries using millions of cash, market manipulation is accomplished.

What does all this mean?

Does it really have a meaning?

Does it mean that we are building permanently?

Is it best to sing lullabys and say nothing of these things because they have a tendency to rouse discussion and get people dissatisfied?

Is a man a crank and a disturber of the peace who mentions them?

Are these facts not alarming prophecies?

If so, and we heed not the meaning, we are void of those qualities of good citizenship which are essential to free government.

What is to be our record in the footprints of the ages?

THE FARMERS' UNION AND LEGISLATION. WHAT IS HAS DONE AND IS DOING.

There is not a great industrial organization controlling immense capital that does not have its paid retainers to watch legislation. It is money to those interested, as they have found by experience. There is nothing so strong in human affairs as the personal equation. If you want a thing done, be there in person and see that it is done or know the reasons why.

Why should the farmer be an exception to the rule?

No, the farmer does not have to hire men to watch legislation, but he has to take the consequences of not watching and pressing his claims—for the other fellow is certain to be there and keep busy. Non-partisan work before legislatures and congresses is the greatest force in public life. To persist in neglecting this branch of public privilege by the farmer would be a calamity to agriculture, and incidentally, to the country at large. We have a very complex system of government and this is one of the penalties we must pay for living in a republic.

Yes, the Farmers' Union already has written laws on the statute books of ten states and is effecting national legislation.

What are you going to do about it?

If you are "afraid" of this policy you can go way back and sit down—lay your weary head on a pillow of prejudice and die, for the world will never notice you.

If you think the policy a good one, the way is open for you to have as much to say about the measure to be pressed before legislative bodies as any one else. Come in and take part.

The farmer has three duties to perform and prospers or does not prosper in proportion to the success with which he handles the burden that rests on him:

He must know how to farm scientifically.

He must know how to market scientifically.

He must know how to have legislation in his interest.

These things the Farmers' Union is helping to do and its history shows that it is making remarkable headway, considering the small per cent of farmers that have helped and the tremendous obstacles in the way.

No matter how little it has accomplished, it is just that much more than all the unorganized farmers have done or can do in a public way. The individual farmer can produce, and there his function ends until he organizes. It matters not how much he knows he is powerless till he co-operates with other farmers on some definite lines.

Yes, the farmer must learn how to manipulate the legislative plow or never make the acquaintance of the other fellow at the summer resort.

The Farmers' Union is in no sense a political party, but it has taken a lively interest in public questions, both state and national, since it began its career.

To give a true index to its attitude on public issues its mode of operation is the purpose of this article.

It never indorses a candidate.

It never puts out a candidate.

It never formulates a political platform.

It agrees in conventions on a few measures, elects a Legislative Committee which goes to the Legislature, if a State Committee, and to Congress if a National Committee. And this committee argues the case before the committee having charge of the bill pending passage.

The attitude of the various members of the Legislature, or Congress, is noted and reported to the membership.

That is all.

This gives the members a chance to turn down those who turn down their measures.

The membership is never ordered to do so.

If they can't take a hint they can just take the consequence.

National Legislation.

The National Farmers' Union is asking Congress to pass a law further restricting immigration.

A law to prevent dealing in futures on margin.

It helped to secure the Parcels Post.

A law providing for the physical valuation of railroads, telegraph, telephone and express companies as an essential feature of proper regulation.

A law limiting the ownership of land by interstate corporations to that necessary in the prosecution of their business.

A law prohibiting citizens and corporations of foreign countries from buying lands in the United States for agricultural purposes; and that land now owned by aliens and capable of cultivation be bought by the government and sold in suitable homesteads for American citizens.

A law providing for the establishment of a Bureau of Crop Distribution, operated in connection with the Department of Agriculture. The bureau to collect and disseminate information on the condition of domestic markets and the best methods of selling; and this information to be circulated free as the consular reports are now circulated. This is of the utmost importance to truck farmers and fruit growers.

It is opposing any legislation leading to a central bank that will make it possible for the currency to be concentrated, and its flow, in answer to the demands of commerce, controlled by interested capitalists.

It favors such financial legislation as will wrest from the great financial interests the power now exercised over the money of the country; causing fluctuations in values, which lead to speculative gains by the manipulators and the bankruptcies of the thousands of victims.

State Legislation Requested By the National Union.

At the annual convention of the National Union, held at Shawnee, Oklahoma, September, 1911, the following was passed unanimously:

"We recommend that the Legislative Committees of the Farmers' Union in the various states work for the enactment of laws requiring the teaching of scientific marketing in the public schools (high school grade); that the Legislative Committees wait upon the Textbook Committees and urge the adoption of textbooks which treat of scientific marketing, and such other textbooks as will teach an appreciation of farm life."

THE STATE UNIONS AND LEGISLATION—WHAT THEY HAVE DONE AND ARE DOING.

Alabama.

In Alabama the organization was instrumental in securing increased state aid for farm demonstration extension.

It aided in the passage of a bill giving \$67,000.00 for building and repairing rural schools exclusively.

Also a supplemental appropriation of \$250,000 for the common schools.

It secured an annual appropriation of \$25,000 for farm demonstration work. This is to be supplemented in the counties by county appropriations through the work of the county unions.

The \$20,000 appropriated for county fairs is, through the efforts of the union, to be exclusively for premiums on stock and agricultural products. Each county must contribute as much as it gets from the state.

It helped to abolish the lease system of working convicts, and provided that they be used upon the public roads.

Arkansas.

Although the Agricultural Department of the State University has served a great purpose, the farmers of Arkansas realized that additional facilities were needed that a greater per cent of the boys and girls of the farms could be placed in touch with advanced agricultural teaching. The Farmers' Union asked the Legislature to establish four Agricultural Colleges in the four quarters of the state, to be located in the county in each section giving the greatest bonus. The law was enacted and the colleges are now in operation, practically under the management of the Organization.

It asked for the submission to the voters of the state of a constitutional amendment providing for the Initiative and Referendum. The amendment was ratified by a large majority.

It asked that corporations be allowed to reduce shares from twenty-five to five dollars each, which was granted.

It helped to pass the pure feed bill. A law which requires all commercial feedstuff shall have the analysis and the source of the ingredients printed thereon.

It succeeded in having a law enacted allowing farmers to sell their produce in any quantity in any city or town without a license tax.

It supported a bill amending the revenue laws, which is now before the people for a referendum vote.

It helped to get appropriations for the Agricultural colleges.

It secured a law regulating male animals running at large.

It secured a law requiring railroads to furnish cars to shippers of perishable products within twenty-four hours after receiving orders.

It secured acts covering fertilizer analysis and feed inspection regulation.

California.

The California Farmers' Union is asking:

That agricultural instruction in the public schools begin with the primary grades in which its importance to civilization and why it is desirable to follow as a vocation shall be given prominence. This is to be followed in the secondary grades by teaching co-operative methods of marketing, contrasting them with the present methods of competition and speculation. Pupils in these grades also to be taught the necessity for careful grading and standardization of all products marketed from the farm.

National Legislation.

The California Farmers' Union is also asking:

That the National Government furnish the Agricultural Department daily information about markets which shall be distributed among farmers in pamphlet form similar to the consular reports now issued for the benefit of manufacturers and jobbers.

Colorado.

A four years high school course was necessary for entrance into the Agricultural College of Colorado. This practically prohibited a great number of worthy young men enjoying its advantages. No provision had been made for teaching domestic science. To remedy this and make the Agricultural College a real farmers' institution, the Farmers' Union secured the enactment of a law admitting students to a practical course in agriculture and stock raising

from the eighth grade of the country schools. This law also provides for a six months' course of domestic science for the girls.

The Organization assisted in the campaign for the Initiative and Referendum amendment to the Constitution which carried by an overwhelming majority.

It was active in abolishing the "pork barrel" methods in legislation, and placing internal improvements under a state highway commission.

Florida.

In Florida the Farmers' Union secured an appropriation of \$50,000 for farm demonstration work, and \$15,000 for a plant to manufacture cholera serum.

It also succeeded in having uniform text-books for public schools adopted.

It favored the law abolishing the convict lease system which the Governor vetoed.

The Florida division is asking for a tax on "invisible" property, stocks, bonds, notes, etc.

It is demanding three agricultural schools, and asks that the tax now collected on fertilizers be set aside for that purpose.

It wants the office of treasurer consolidated.

It is opposed to the fee system.

It favors the Torrens system of land registration.

Georgia.

The Georgia Farmers' Union secured the law reducing railroad fare.

It was the main factor in securing the establishment of Agricultural Schools.

It has succeeded in getting quite an increase in the public school funds—from \$800 to \$26,000 a year.

It blocked the movement for an appropriation of a large sum for the purpose of bringing in foreign immigrants.

The Farmers' Union was largely instrumental in securing the passage of the income tax resolution.

It secured a law against "bucket shops," and dealing in futures on margin.

(LET ME SAY RIGHT HERE THAT THE ORGANIZATION HAS SECURED ANTI-BUCKET SHOP AND FUTURE DEALING LEGISLATION IN EVERY COTTON PRODUCING STATE EXCEPT TWO—LOUISIANA AND TENNESSEE. THE NEW ORLEANS AND MEMPHIS EXCHANGES HAVE DE-

FEATED ANTI-FUTURE DEALING BILLS, BUT EVEN THESE STATES HAVE OUTLAWED THE BUCKET SHOPS.)

The Georgia Union led the fight for putting the convicts on the public roads. The bill passed and the state now has her convicts at work on her highways.

It favors the Torrens system of land registration.

The last legislature, at the request of the Farmers' Union, passed a fertilizer bill which forces the manufacturers to sell what they claim to sell under penalty of forfeiting one-half the purchase price. (This is noteworthy because of the fact that the only Farmers' Union fertilizer plant of any magnitude is in Georgia.)

It secured an increase of \$40,000 for Agricultural College Extension work.

It helped to secure a new State Educational Board.

Kentucky.

The social centers of the rural communities of America are the neighborhood churches and the district schools. No more fitting place can be found for assembling to discuss questions affecting the welfare of a community than the public school building. Every citizen takes a just pride in the educational institutions that dot the landscape as monuments of an advancing civilization. It is right and proper that they should serve as a forum for the enlightenment of the people. It is safe to say that 99 per cent of the thousands of local organizations of the Farmers' Union hold their meetings in the public school buildings. Their doors are thrown open for the use of the locals in every state in which we have organized except Kentucky. Despite the fact that the laws of this state refuse the use of the school buildings to secret societies, the organization, though handicapped, as can readily be seen, has had a wonderful growth. R. L. Barnett, who organized the state and has served continuously as State Secretary, together with the Legislative Committee, is working hard to have this law repealed and thus remove a great barrier to the progress of the Farmers' Union.

Louisiana.

The Louisiana Division is asking for:

A Constitutional amendment providing for the Initiative and Referendum.

An amendment to the law relating to the issue of coupon checks in payment for labor.

The repeal of the Marks school law.

The repeal of the act creating the office of Registrar of Voters and to place this duty upon the assessors.

The repeal of the Primary Election Law in so far as it relates to the registration of party affiliation.

For a law prohibiting dealing in futures on margin.

Mississippi.

The Farmers' Union of Mississippi has worked for and secured a law creating the office of Commissioner of Agriculture.

It helped to get the High School law.

It aided in obtaining the Normal Training School for teachers.

It was very active in defeating the efforts to repeal the law limiting corporate ownership of land to \$2,000,000.

It aroused the people and prevented the creation of an Immigration Commission, the purpose of which was to distribute foreign immigrants and cheap laborers throughout the state.

It is asking for a reduction of the contract rate of interest from 10 to 8 per cent.

It favors exempting money loaned at six per cent, provided the contract rate is reduced to eight.

It favors the enactment of a law prohibiting individuals from owning farm lands in excess of one million dollars in value.

It is opposed to allowing corporations owning any lands for agricultural purposes.

It favors a law that will place the convicts at work on the public roads.

It favors creating the office of County Commissioner of Agriculture.

North Carolina.

At the last session of the Legislature the Farmers' Union helped to secured the passage of the Farm Life School bill. It also worked for the adoption of the Torrens system of land registration, but the measure failed to pass.

The Farmers' Union of North Carolina secured the passage of an act requiring at least a six months' term of the public school, with compulsory attendance.

South Carolina.

The Farmers' Union in South Carolina advocated all the

measures relating to the establishment of the present State Department of Agriculture, Commerce and Industries.

It succeeded in having all provisions for immigration work stricken from the laws of the state.

It advocated and secured the passage of nearly all of the labor laws, including the factory inspection act.

It secured the passage of the model commercial feed stuffs act; and the seed inspection law; and a law regulating cotton tare.

It is asking for a law providing for complete cotton statistics to be reported during the season.

It wants amendments to strengthen the pure food and drug act.

It wants agricultural secondary education in the public schools.

Tennessee.

The Farmers' Union in Tennessee helped to secure an appropriation for the extension of farm demonstration work.

It secured a joint resolution of the Legislature, and signed by the Governor, condemning the efforts of the Immigration Department of the National Government to distribute undesirable foreign immigrants in the state and in the South.

It supported the bills for the rigid inspection of stock foods, seeds and fertilizers.

It opposed the efforts of the big shippers to place the responsibility for the adulteration of seeds upon the retail merchants.

It secured a law against bucket shops.

It is asking for a law against dealing in futures on margin.

It is asking for a law against the white slave trade.

Texas.

The Farmers' Union in Texas secured a law separating the Agricultural Department from several other departments and making it an independent institution.

It had the Commissioner of Agriculture made elective.

It secured a law requiring the State A. & M. College to teach cotton grading and classification. (THE ORGANIZATION HAD CARRIED ON THIS WORK IN VARIOUS STATES, AND INDEPENDENT SCHOOLS WERE TEACHING IT AS A PART OF THE CURRICULUM BUT THIS WAS THE FIRST TIME IT WAS

REQUIRED BY LAW TO BE TAUGHT IN A STATE INSTITUTION.)

It helped secure the law requiring agriculture to be taught in the public schools.

It secured the passage of the law against bucket shops and outlawed the practice of dealing in futures on margin.

It secured a law preventing railroads from issuing free passes, with certain exceptions.

It secured a reduction of freight rates on cotton.

Washington.

The Union in Washington has been instrumental in securing much needed legislation, most important of which was the INITIATIVE, REFERENDUM and RECALL.

AGRICULTURAL PROGRESS COMPARISON.

(From an editorial by T. J. Brooks)

The Farmers' Union started out on its career fighting the credit and mortgage system. To help in this it urged diversified farming and better methods of marketing. As a result the states where it has worked longest have progressed faster than others. The organization has been the means of getting the agricultural departments of the states and the National Government and the farmers together as never before in the history of the country.

The percentage of gain in the value of farm products for the entire country for the decade ending with 1910 was 81 per cent, and for the Farmers' Union states 108 per cent.

The value of the 1910 crop of the entire country was worth \$105,102,000 less than that of 1909. In the Farmers' Union states it was worth \$183,034,000 more. The percentage of loss in the non-union states was 3.6 per cent and the per cent of gain in the Union states was 10 per cent.

Just because some people will put Southern diversity solely to the credit of the boll weevil, I'll take a cotton state that the boll weevil has never reached and make some comparisons.

Georgia's gain in crop values in eleven years has been 188 per cent. Her 1910 crops other than cotton were worth nearly as much as the cotton and all others combined eleven years ago. In 1899 Georgia was surpassed in crop

value production by Ohio, Minnesota, New York, Kansas, Indiana, Missouri, Pennsylvania and Nebraska in the order named. Now she leads them all.

The cotton crop of 1899 was worth only \$376,566,000, which is little more than the value of the Texas crop of 1910. The crop of all the cotton states for 1910 was approximately \$810,000,000. This increase of values was due more to increase in price than to increase in production. At the 1899 price the 1910 crop would have brought only about \$450,000,000. See?

The period between 1899 and 1910 has been one of marvelous agricultural development in the United States. Its like has never been witnessed in the history of the world. In that short time the value of crops has increased by 188 per cent in Georgia, 173 per cent in South Carolina, 140 per cent in Texas, 129 per cent in North Carolina, 119 per cent in Alabama, 115 per cent in Arkansas, 126 per cent in Florida, 79 per cent in Mississippi, 226 per cent in Oklahoma, 72 per cent in Virginia, 69 per cent in Kentucky, 47 per cent in Louisiana, and 81 per cent in Tennessee.

Why is it that the Farmers' Union states are forging ahead of non-union states? Compare these figures and then be good enough to admit that the Farmers' Union has not done these states any harm. Another point. You know the boll weevil "ruined Texas" (?). Well, the pesky thing has shown the world that the South can flourish without cotton. So if the price don't suit, just quit raising it.

WHAT WE HAVE DONE AND ARE DOING

(a) In the Cotton Belt.

That the reader may grasp the significance of the statements to be made under this heading, it may be well to reiterate some things that were mentioned in the preface to this book. The chief object of a great farmers' movement, and the only one for which it can claim the support of the American farmer, is to work out a solution to the crop marketing problem. This policy has not been adhered to by the FARMERS' UNION with stupid rigidity, to the neglect of weighty matters that from time to time have developed locally and sectionally, as has been shown on preceding pages, but in the main the greater activities of the organization have been devoted to this particular field.

Originating in a great cotton producing state—Texas—naturally the question uppermost in the minds of the founders of the order was, how can the farmer secure a fair and equitable price for this great cash crop of the South? (Let it be remembered that adversity and not prosperity gave birth to the Farmers' Union. Prosperous farmers have very little inclination to organize. It matters not that other business interests find it expedient, even in times of the greatest prosperity, to co-operate that they may the more easily perpetuate conditions that give rise to their wealth—the farmer is too self-satisfied to concern himself with such business tactics. It is only when the iron heel of an oppressive and iniquitous system grinds out the last penny of profit for his labor and leave him and his family with scant food and scantier raiment that he becomes willing to profit by the examples of big business and organize for his own protection.)

The price of most staple farm crops is fixed and controlled largely by speculators and middlemen operating upon the boards of trade and exchanges. Upon no crop are the effects of the fictitious price maintained by this system of control more noticeable than upon cotton. That practically no facilities existed for storing and holding cotton at interior points has been a great boon to exchange operators, because this lack has forced the sale of a greater portion of the crop direct from the gin and demoralized markets throughout the harvesting season have been the inevitable result. To provide means for storing and holding, that distribution might be made more uniform throughout the year, the policy of building local warehouses to be owned and operated by the membership was early advocated by the Organization.

It is rather difficult to convey an accurate conception of the rapidity with which this movement spread. Some idea, however, of its magnitude may be gained by the statement that within less than five years the organization had spread into practically every cotton producing state, and simultaneously with the development of the Union, warehouses were built so that at the end of that time nearly every county had one or more warehouses in operation.

These local warehouses have been the basis of the success of the Farmers' Union in the South. It has been the policy of the National Union from time to time to fix a minimum price on cotton and to call upon the membership to withhold from the market until such time as this price could be obtained. These holding movements, though en-

tirely voluntary on the part of the membership, have been uniformly successful because of the strength of the local warehouse system. It must not be understood that these efforts to prolong the marketing period have not invariably resulted in securing the price agreed upon, but the effect, in years when proper determination was shown, has been such upon the market that a much better price, without exception, has resulted than would have otherwise obtained.

No data is at hand to give the exact saving in dollars and cents to the farmers of the South as a direct result of these holding movements, but that the sum total runs into the millions is evident when we reflect that the price has been gradually forced upward from five and six cents per pound to ten, twelve, and even fifteen cents per pound, and that during each of the past ten years there have been marketed from eight to fourteen million bales.

Time has served to show the strength and also the weakness of the warehouse system. Though very useful it is by no means perfect. The isolation of the warehouses under independent management has hampered largely any effort at co-operative marketing. Working independently, the difficulty of securing sufficient funds to loan on "distress" cotton has been very great in some sections at least. The determination to strengthen this weakness has given rise to the widespread effort to federate or amalgamate the warehouse interests of each state into one co-operative company under a single management. It may with safety be predicted that within a short time the system of warehousing and selling cotton will be greatly strengthened by the federation of interests, both state and nationally.

(b) In the Tobacco Belt.

The necessity for organized effort to break the power of the trust that has fastened its tentacles upon them, has long been felt by the tobacco producers of Kentucky, Virginia and North Carolina. The coming of the Farmers' Union offered the opportunity and the farmers of the tobacco belt were not slow to align themselves with the movement. The description of conditions surrounding the cotton producer, tending to circumscribe his influence as an individual over the distribution of the product of his labor, applies with equal force to the producer of tobacco. For that matter the methods of those who seek to control the distribution and price of farm crops of whatever character, are strikingly similar. Whatever the crop, the farmer is given

every encouragement to increase its output, except the greatest one of all—an equitable price, but the “interests” are careful to see that he has no part in controlling the equipment necessary for preparing his article for market after it has been produced. If he complains of the price, he is cheerfully told to double the increase of his acres with the same labor and the price will be satisfactory. Meanwhile the cotton warehouses, grain elevators and tobacco prizing houses are owned and operated by merchants and jobbers who have no other interest than to buy the raw product at the lowest possible price and sell it for as much as the trade will stand.

Having no prizing houses nor storage houses, the tobacco farmer has been forced to sell his crop at whatever price was agreed upon by the interests. No attempt has been made to acquaint the farmer with facts as to the quantity on hands in warehouses, the world’s demands, etc., all of which have a direct bearing upon the price of his product, therefore, he has sold his commodity absolutely in the dark.

These conditions are being rapidly changed by the Farmers’ Union. The membership is being urged to erect its own prizing houses, storage houses and tobacco factories. They are rapidly learning the advantage of pooling interests, and wherever this has been done in a business-like manner the results have been very marked. The tobacco farmer, like the cotton farmer, is learning that our boasted rights of the individual count for but very little when pitted against the cold blooded business practices of this commercial age. As a result, individual sales are giving place to co-operative sales. Through the prizing and storage houses erected by them, the tobacco belt farmers have pooled and sold thousands of pounds of tobacco and since beginning these co-operative practices the price has steadily advanced.

(c) In the Grain Belt.

With the exception of Illinois, Missouri, Kansas, Colorado, Washington and Oregon, that have for some time been organized as divisions of the Farmers’ Union, the organization is just beginning to reach the grain belt states. The brief sketches given of the character of work done in the cotton and tobacco belts of the country, had reference to the entire territory embraced in the production of those crops, because the Farmers’ Union is well represented

throughout those sections. In giving the results of co-operative efforts of marketing grain by the Farmers' Union, we shall have to confine ourselves to a very small portion of the grain belt. The demand for the organization has been greater than the supply of available organizers, but as rapidly as possible, all the grain states, from which are coming insistently requests for organizers, will be supplied.

Although the efforts to co-operate in marketing grain by the organization have been restricted to a small area, we believe a comparison will show that the results compare very favorably, taking into account the territory covered and the number of members with those secured where the organization is stronger numerically—in the cotton and tobacco belts. As suggested under a previous heading, the grain farmer stands on a parity with his brothers of the cotton and tobacco sections so far as being able to price the product of his labor is concerned. About the only difference between them is, his product is packed in sacks whereas theirs is packed in bales or hogsheads. The same routine identically is gone through with. The middleman or perhaps a dozen of them step in between the farmer and the consumer. He has sold his crop at harvest time for whatever the market offered and has given some one a handsome profit for holding it until the world needs it.

In the case of the Northwestern wheat grower, who produces a superior article of export, the interior warehouses and terminal elevators owned and operated by jobbers have kept him at their mercy. About the only thing he could do was to sell outright at his shipping point. The teachings of the Farmers' Union, however, opened an avenue of escape and he has taken advantage of it. A policy suggested early in the organization of this territory, which includes Washington, Oregon and Idaho, was the erection of interior warehouses by the membership and the leasing or building of terminal elevators at the ports by a joint company. This policy met with the instant approval of the farmers and today they have in operation a number of warehouses and terminal elevators in Portland, Oregon, and one at Seattle, Washington.

The Washington state division and the National Union co-operated in sending a representative of the Farmers' Union to Europe to arrange European connections in selling their wheat. The trip was entirely successful and at last the wheat farmers of the great Northwest are conducting a successful co-operative marketing system.

(d) In a Variety of Things

In addition to marketing the staple farm crops peculiar to the sections now occupied by the Farmers' Union, the organization has, in a number of states, found it necessary to pay special attention to the marketing of fruits and perishable products. Especially is this true in California, where practically all of the members are interested in producing one or more of the delicious fruits for which that state is famous. Where the fruit or vegetable interests are of sufficient magnitude to warrant the venture, the method most commonly pursued in disposing of the product has been to form a special organization or company, in many cases incorporated, which is given certain duties as an agent, and in consideration for the service rendered the growers enter into specific contracts with reference to the handling of their crops.

To solve the crop marketing problem is the one great object of the Farmers' Union, but, magnificent as has been the results of efforts along that line and fraught with such tremendous importance as will be the ultimate solution to this question, the usefulness of the organization to the great body of farmers does not end there. It has proven a most excellent means of assisting them in buying their supplies advantageously. A statement made by one of the prominent workers in his argument in support of co-operation among farmers will serve to illustrate a condition to offset which the Union has in a large measure turned its attention. This gentleman said: "FARMERS ARE THE ONLY CLASS OF PEOPLE WHO SELL AT WHOLESALE AND BUY AT RETAIL." A moment's reflection will show you the truth of the statement. This method, directly the opposite of that pursued by any other class of business men in the world, has been changed in a number of localities by members of the Union, making purchases by the local rather than individually.

So many and so varied are the uses to which the organization has been put in assisting its members, that rather than attempt to cover them in a general way I shall briefly outline some of the enterprises now being conducted in each of the twenty-one states, omitting any reference, of course, to the handling of the staple crop of that section, as that has been touched upon in a previous chapter.

By States.

ALABAMA.—The farmers of Alabama use annually vast quantities of fertilizer. Through contracts made by the state officials with fertilizer factories, the price has been materially reduced and the members have been saved thousands of dollars. Great saving has also been effected in the purchase of flour, groceries, implements, dry goods, etc.

Locally the members have in operation forty-one stores, twenty-nine gins, and five fertilizer factories and mixers, and a number of warehouses erected for the seed trade alone.

The farmers of Alabama have not hesitated to invest in the things essential to the furthering of their interests.

ARKANSAS.—The Farmers' Union Cotton Company of Arkansas has handled very successfully a large amount of cotton for the membership, on the commission basis. The season of 1911-12 has been one of the best years of the company's history.

In addition to a number of gins and cotton seed houses owned and operated by the members, they have established in a number of localities mercantile establishments, some of which claim to be operating upon a co-operative basis.

Perhaps the most remunerative enterprise has been the sale, through the Union, of small fruits and vegetables for which certain localities are famous. In quite a number of the shipping centers the Farmers' Union has absolute charge of all packing and shipping and marketing.

The State Union owns its official organ, the RURAL EDUCATOR, and is now arranging to purchase a press and other office equipment to cheapen the cost of printing the paper.

CALIFORNIA.—A very successful business enterprise conducted by the members in California is the California Farmers' Union, Incorporated, of Fresno. The organization in California is confined for the most part to that section of the state which produces the dried and canned fruits so much in demand by the markets all over the world. These fruits are packed or canned by local companies in their own packing houses and the sale is made by the Central Company under contract. This company sends many car loads of these fruits to the Eastern United States and to England, Germany and other European countries. The quality of the packing and the safe methods of business

employed enables it to do a business of several hundred thousand dollars annually.

COLORADO.—The State Union conducts a department known as the buying and selling agency, with offices at 357 Railway Exchange Building, Denver.

There are several fruit companies as well as a number of local companies that handle melons, canteloupes, etc.

The Union State Bank at Rifle has a capitalization of \$25,000.

There are a number of mercantile establishments and creameries located in various parts of the state.

A worthy institution is the FARMERS' MINING, MILLS AND MERCANTILE COMPANY, of Glenwood Springs. This company owns a coal mine and flour mill and manufactures the Farmers' Union brand of flour and breakfast foods.

The membership in Colorado has a greater diversity of enterprises than any other state.

FLORIDA.—Florida has a number of mercantile establishments that handle the produce of the membership and sells them farm supplies at a great saving. The farmers have shown some activity in procuring gin machinery and other equipment that will reduce the cost to them of preparing their product for market. The enterprises of Florida, while not numerous, will compare very favorably in results with those of the other states.

GEORGIA.—One of the largest and most successful strictly co-operative enterprises conducted by the members of the Farmers' Union is the Union Phosphate Company of Georgia, with offices at Union City. This company owns its own phosphate factory and 600 acres of phosphate land. The company is said to have over five thousand stockholders.

ILLINOIS.—So diversified are the farm products of the portion of Illinois now covered by the organization, that the members have found it necessary to form local associations to handle the products peculiar to their section, and to purchase their supplies. These clearing houses or exchanges have been uniformly successful in securing fair prices for products and have saved the members considerable by purchasing supplies at wholesale. A number of mercantile establishments with ample capital for conducting a successful business, are now in operation.

The Farmers' Union Milling and Supply Company of Tamaroa is an incorporated company with \$10,000 capitalization. This company operates a sixty-barrel-a-day flour, meal and feed mill, and carries a line of farm implements.

INDIANA.—The County Unions of Indiana have organized county exchanges to handle their live stock and other farm products. Several counties have built elevators to handle their grain crops and the companies operating them usually carry a line of farm implements and other farm supplies.

*KANSAS.—Kansas has eighteen (18) Co-operative Associations owned by members of the Farmers' Union. These associations have paid dividends ranging from ten to twenty-five per cent. They handle all farm products for the members and buy supplies in wholesale quantities. The handling of grain through their own elevators has been so successful that some of the associations are now contemplating the erection of flouring mills at convenient points.

One of the most successful of these associations is the Osborne County Farmers' Union Co-Operative Association, chartered with a capital stock of \$10,000.00. It conducts business at three places, Osborne, Downs and Portis. Through operations of this association, farmers have received seven cents more per bushel for their wheat, and the price of flour has been reduced to the consumer thirty cents per barrel. The Association handles immense quantities of coal oil, lumber, coal, fence posts, etc.

Possibly the greatest benefit the organization has been to the farmers of the state, members and non-members alike, in a material sense, is the fact that through its efforts binder twine can now be bought direct from the state for about one-third the price formerly charged by dealers.

The members in Kansas are kept thoroughly posted about Union affairs through the columns of their own state paper, which is sent to every member in good standing.

*For some reason the Kansas officials failed to get their report of business enterprises to the office in time for this edition, and for that reason we have made excerpts from the former edition of this booklet. This is a source of regret to us, because the membership has more than doubled in that state within the past year and we feel sure that many more enterprises of merit are in operation than we have been able to list.

KENTUCKY.—Most of the efforts of the organization in this state have been devoted to the marketing of the tobacco crop, yet they have found time to establish in several counties Produce Stock Companies that have been very successful in handling farm products and merchandise. Some of the warehouses, in addition to selling tobacco, have arranged to sell live stock and other products for the membership. They also have established at Fulton a flouring mill and elevator under the control of a company capitalized at \$13,000. There are fifteen accredited agents representing the Farmers' Union in the purchase of farm supplies. The farmers of Kentucky are alive to the usefulness of the organization.

LOUISIANA.—The state business agent represents the Trades' Association composed of all the cotton warehouses of the state. As these local companies must maintain a local agent through a great portion of the year at least, it has been found practical to have them handle syrup, potatoes, peanuts, live stock and other farm products for the members. To greatly strengthen her companies and place them on a sound business basis, Louisiana is now planning to federate them and charter one company with ample capital to meet all business requirements.

MISSISSIPPI.—The State Union has an excellent means of communication with its members by owning its official paper, which is sent to every member in good standing.

MISSOURI.—This is another state in which the products are so diversified that it has become expedient for the members to engage in a great variety of enterprises. They have established eleven incorporated mercantile houses whose combined capital stock amounts to \$150,000. In addition to these there are 125 smaller stores located in different parts of the state. There are in successful operation a large number of creameries, some of which have had to run at full capacity day and night to accommodate the trade. All of them have a ready market for their products.

NORTH CAROLINA.—North Carolina uses vast quantities of fertilizers and the organization encourages home mixing by assisting the members in buying the raw material at a saving of from \$3 to \$5 per ton. Co-operative stores have sprung up in different sections of the state that furnish goods to the members at a slight advance of cost. By acting in a co-operative way, business arrange-

ments have been made for furnishing agricultural implements at wholesale prices. This state has entered upon an active campaign for building warehouses for cotton and tobacco.

OKLAHOMA.—This state is interested in the production of wheat as well as cotton, and the membership has erected mills for manufacturing their own flour. Several stores and co-operative associations of various kinds have been established.

OREGON.—The Oregon division includes the southern counties of Idaho. Reference has already been made to the work done by this division co-operating with the Washington State Union, in handling the grain of the Northwest. The Secretary assures me that the saving on grain alone has run into the millions of dollars.

Old line companies have been forced to handle their business on a margin of one-half cent instead of from 5c to 10c, as was formerly the case. Through the Terminal Warehouse Company, counties that do not raise wheat are enabled to buy a first class grade at the actual market instead of about 50 per cent above the real market—a condition that existed for a number of years.

Three flour mills are in operation that not only secure better prices for the wheat, but materially reduce the cost of flour to consumers.

Oregon has three Exchanges handling almost all farm products and buying such staple goods as are wanted by the members.

The two general merchandise stores operated on the Rochdale plan report a very large volume of business.

Most of the locals act in a co-operative way in buying wood, coal, salt, binder twine, grain bags, posts, dried fruit, etc.

A very satisfactory business has been built up by buying co-operatively the fruits and raisins sold by the California Farmers' Union.

SOUTH CAROLINA.—South Carolina has three banks, two brokerage companies, and a considerable number of warehouses.

There is a movement now on foot to build more warehouses and federate them after the plan adopted by the Mississippi Union. The charter has been applied for and the capital stock is being raised.

There are numerous county business agents who have saved a great deal of money to the farmers of the state. This has been especially true in the purchase of fertilizers.

TENNESSEE.—From an agricultural standpoint, the state of Tennessee occupies a unique position. Its staple products are cotton, grain and tobacco, and therefore, it cannot be classed as belonging exclusively to either of the groups of states producing these articles. In addition to these crops, there are great sections of the state devoted to the production of peanuts, still others to live stock, and others to fruits and vegetables. The methods employed by the membership in storing and selling the more common staple crops do not differ materially from those employed by the organization elsewhere. Cotton belt farmers have their warehouses, and in a number of instances operate gins owned co-operatively. Tobacco belt farmers have their tobacco warehouses and prizing houses.

Farmers of the peanut belt have, heretofore, sold their peanuts in the rough just as they came from the vine. When members of the organization began to offer them direct to wholesalers instead of the local buyers and recleaners, they were at a disadvantage because the nuts were not recleaned. This has spurred them to erect a large recleaner, costing \$4,500, at Johnsonville, on the Tennessee River, which is now in operation.

Members of the Farmers' Union have taken active interest in organizing and financing country banks, and at least two banks are owned outright by members of the Union. These banks have made loans to farmers to help them hold and market their crops. The Secretary reports them in splendid condition. The deposits of the bank at Ripley average \$175,000.

Tennessee has a business agent who has saved the members thousands of dollars in the purchase of their fertilizer and farm supplies.

Many counties that do not grow cotton have erected warehouses for the special purpose of storing fencing, wagons, implements and other material bought in quantities, from which distribution is made to the membership.

Among the business enterprises of the organization in Tennessee may be mentioned the ownership, exclusively by them, of two river landings.

TEXAS.—The members in Texas have built more cotton gins than any other state. They have 136 in operation,

costing many thousands of dollars. Among other industries may be catalogued an oil mill, an electric light plant, and several flouring mills. Many clearing houses have been built to handle the produce of farms and to buy supplies.

Texas maintains a State Business Agency to assist the members in disposing of their products at remunerative prices, and to purchase for them farm supplies.

The iniquitous system of mortgaging growing crops to merchants for supplies, a practice very common throughout the south, has been reduced in Texas, it is claimed, since the advent of the Farmers' Union, over 59 per cent.

Members of the Union in Texas have been very active in a campaign for the greater consumption of cotton, with the result that in many instances the Federal Government, packers, wholesalers, and refiners, agreed to use cotton sacking instead of jute.

The activities of the organization to secure better prices for cotton seed by bulking in quantity, have been uniformly successful. In some instances they have more than doubled the price in a few months. This was due in no small degree to a general participation in interstate commodities and cotton seed rates by the railroads of Texas at the urgent request of the Farmers' Union.

VIRGINIA.—The members in Virginia own many fertilizer and mixing plants and stores are operated for the handling of farm products and supplies.

WASHINGTON.—The Washington division includes the northern or pan-handle counties of Idaho. Washington, Oregon and Idaho have organized a Tri-State Terminal Warehouse Company, reference to which has been made under a previous heading. The principal office is at Seattle, Washington, with a branch office and leased docks at Portland, Oregon. Daily market quotations are wired by this company to the interior warehouses.

Many of the local warehouses, besides handling grain at a great saving to the members, handle coal, wood, posts, flour, feed, oil, lumber and many other articles at a small margin above cost.

The Farmers' Union Exchange and Produce Company of Spokane, incorporated and capitalized at \$25,000, as the name implies, transacts a general business for the membership.

The Lincoln County Mutual Fire Insurance Company was incorporated in May, 1911, and is now doing business

throughout the state for members of the Farmers' Union, exclusively; no applications are accepted except from members in good standing.

The organization has reduced the price of grain bags one-half, and has, by co-operating intelligently with the railroads, secured material reductions in freight rates.

Oregon, Washington and Idaho have adopted as the official organ the Pacific Farmers' Union, published at Pullman, Washington.

A commendable feature of the work of the Secretaries of Washington and Oregon is the listing of products for sale by each local union and the articles which the local desires to buy. These lists are sent out periodically in order to promote a co-operative exchange of products.

APPENDIX

FARMERS' EDUCATIONAL AND CO-OPERATIVE UNION OF AMERICA.

National Secretary, A. C. Davis, Gives Some Views on Co-operation and Says the Time Is Ripe to Begin Applying Co-operation to Business.

(Excerpts from an article which recently appeared in the Union's papers.)

TO THE MEMBERSHIP:—

Co-operation has become almost a household word in the homes of America. In it the producer sees a panacea for the ills that beset him, and to it the consumer looks for relief from the exorbitant tribute he is constantly paying to the "middlemen." So much has been said and written upon this subject that it would appear the general public should be thoroughly familiar with its teachings. But after carefully observing the workings of numerous institutions, presumably based upon co-operative or co-operation principles, I am forced to say that the theory has been but remotely approached, and the practical application almost nil, as a factor in the business. This is not said to discount the value of numerous enterprises controlled by our membership, that have made a success financially, and have saved thousands of dollars to those interested, either by forcing competition to lower the price of supplies, or by saving the cost of the "middleman" in selling products to the consumer. None appreciate more than I the value of these institutions, and it is not to reflect upon the business acumen of the men in charge that the above statement is made, but rather that we may work out a system that

will make them more efficient by incorporating the co-operative idea.

Co-operation, aside from any generic significance it may have, has a specific and technical sense. It occupies a middle position between the doctrines of the communists and socialists on the one hand, and the private property and freedom of individual labor and enterprise on the other. It departs from communism at a very definite point. While communism would extinguish the notion of individual gain and possession in a reign of universal happiness or good and remodel all existing rights, laws and arrangements of society upon such a basis as would promote this end, co-operation seeks, by working consistently with the institutions of society, as thus far developed, to remedy the social condition by a concurrence of ever increasing numbers of individuals in a common interest.

Co-operative societies springing from this idea have increased in number and in amount of business transacted in recent years. Most of those have taken one of three principal forms that may be classified thus:

FIRST: Societies of consumption, the object of which is to buy for the membership the necessities of life, or the raw material of their industry.

SECOND: Societies of production, the object of which is to sell the product of the membership.

THIRD: Societies of credit or banking, the object of which is to open accounts with their members and advance them loans for industrial purposes.

These three kinds of associations have attained marked success in three different countries of Europe. England stands at the head in societies of consumption; France in societies of production; Germany in societies of credit. The masses of laborers in the factories and other great works of England have attained their greatest co-operative success in societies for the purchase, and in some degree, the production, of the necessities of life. The passion for independence in their handicraft has given France a greater number of artisans who work in their own homes than any other country, and their greatest co-operative success has been in collectively selling the product of their labor. The less abundant capital, and the lack of banks and other institutions of credit in the remote parts of Germany may explain in some degree the development of societies of credit in that country.

It will serve no very great purpose to give an elaborate

review of the history of co-operation in the United States. There have been many attempts to install the English system of co-operative stores, but with few exceptions, these have met with failure. There may be any number of reasons assigned for this, such as higher wage scales making the necessity for co-operation in buying necessities less apparent in America than in England, but the reason that suggests itself to me as having more direct bearing on the matter than any other that may be advanced is, the unwillingness of the average American to engage in an enterprise that does not offer to exploit his capital. The idea, though having met with many rebuffs, will not down. The trend of prices skyward during the past few years, making the cost of living a very serious question, has forced this idea to the front, and another wave is sweeping the country. Especially has this been marked since farmers organized the Farmers' Union with education and co-operation as the slogan. Attempts at forming societies in this country have not been confined strictly to either of the forms outlined above. Most of them combine the principles of the organizations of consumption and production. This is very marked in those institutions operated by members of the Farmers' Union. Authority for this is given by the preamble of our Constitution, which says that one of the objects is to assist the members in buying and selling. The German idea of co-operation has been given but little attention in this country outside of some of the cities and towns which have associations based upon this idea to encourage and assist their members in owning their own homes. Producers, and especially farmers, have given but little thought to this matter which, to my mind, deserves some consideration.

Combination among farmers for the purchase of supplies has never appealed to me quite so much as has the idea of combination for the sale of farm products. Notwithstanding our Constitution states specifically that its object is to assist its members in buying and selling, the great mission of the Farmers' Union is, in my judgment, to assist its members in securing remunerative prices for the products of their labor. Beside this great central thought all others sink into insignificance. This object should be constantly in the minds of every leader, and frequently be presented in a forceful manner to every lay member. Unless we do keep this thought foremost, our organization is apt to be buffeted about by every local

problem that offers itself, and we shall present the ludicrous spectacle of a great Union being handicapped in its work by the members of one locality running after one thing of but local importance, and those of another engrossed in an affair that has but little bearing upon the great question at issue. Bear in mind also, that according to the principles of the order, the solution of crop marketing is to be worked out along co-operative lines. It is very evident that co-operative endeavor to secure this result must take the form of societies of production, and while some latitude may be allowed to cover some features not embodied in this idea, the principles of this form must predominate. Attempts thus far made by the organization to market farm products have fallen far short of co-operative ideals. A great majority of the warehouses and elevators built, owned and operated by the membership are in no sense co-operative. The success of some of these institutions has, in a financial way, been indeed phenomenal, but the results have been those of a private stock company rather than that of a co-operative institution.

The kind of crop, whether or not it is competitive, also the percentage of such crop actually grown and controlled by the membership are factors which must be considered before attempting to formulate a plan for selling to the best advantage. Most of the products of the American farm are competitive; that is, they are grown in other sections of our own country where the organization has not yet reached. So long as the membership does not control a sufficient percentage of a crop to empower them to dictate prices, the object of the society handling such should be to sell direct to the consumer, and while no more than the prevailing market price may be obtained, the producer will gain by saving the "middleman's" profit. The interchange between the organization in different localities of such products as are grown in one section and consumed in another may be made profitable to producers by eliminating the "middleman's" profit at both ends of the line. The spirit that possesses some to demand more for a commodity from a brother member of the Union than can be obtained upon the open market, should not be encouraged.

Such local organizations as are developing trade with the consuming public in other localities, and are reciprocating by using products of other sections direct from the grower, should be given hearty support. Nothing will so impress upon farmers of all sections the necessity for or-

ganization as these examples of successful co-operation, and the result of this will eventually be the spread of the Farmers' Union into every section of the United States.

The scheme for handling these crops that are but slightly competitive, or those crops over which the organization may, by reason of their numbers, hope to exert a controlling influence, may be more far-reaching in its intent. The nearest approach we have in this country to a non-competitive crop is cotton, so we may be pardoned for discussing its handling somewhat in detail, because it will be used merely as an example of what may be accomplished when the producers of any given crop are thoroughly organized and equipped to handle it.

There is so little world competition in the production of this crop that there is absolutely no excuse for it not bringing each year its full economic value to the producer. Some of the principles about which we preach so much, and upon which our organization is supposed to be based, are equity, justice and the golden rule. In keeping with these principles, the first step before beginning moving the crop of any year, is to determine upon the equitable price. There are a number of elements that enter into the calculation. It must be considered in its relation to the entire social fabric of the world. The demand for it as a necessity, together with the standards of living and general level of the consuming public must have consideration, and a fair understanding of these, coupled with a knowledge of conditions which surround the producer, tending either to diminish or increase the cost of production will give a basis upon which to fix a fair valuation. The price of no crop can be fixed upon what it was worth last year, nor what we hope it will be worth next year, but must be determined by its economic value this year.

* * * *

The urgent need of vast sums of money to loan to the membership who expect to hold a portion of the crop would seem to show a co-operative society for handling the crop should be a combination of the first and third forms suggested in the beginning of this article—e.g.—a society of production and credit. It does not follow that such an organization must have sufficient funds of its own to loan its members, but it does mean that such an organization must have sufficient facilities for storing and handling the product as will insure abundant credit in the money markets. Our attempts to eliminate competition among indi-

viduals by building local warehouses, was laudable, but if each bale of cotton was sold through the local warehouses, so long as they remain as at present, having no relation one to another, competition is as evident as in the days when the individual sold at auction on the streets. Some of the State Unions, recognizing this, have federated their warehouses under one management, which is evidently a step in the right direction. There are but two more steps to take and the goal will have been reached; put these federated warehouses upon a co-operative basis and form an organization capable of handling the entire output.

Co-operation carries with it an idea that seems to have been overlooked by the majority of our members. To bring the point out clearly, I shall briefly refer to those societies formed for the purchase of supplies for their members. Agents or officers are elected with full authority to transact all the business, and the individual accepts the price put upon the goods without question, having, of course, the right, through the Executive Committee, or otherwise, to investigate the books of the concern. In other words in joining a society of this kind he surrenders the right to barter as an individual for his goods. It will logically follow that one who joins a co-operative society based upon either of the forms enumerated, must surrender to some extent his individuality. This is the key-note to the whole proposition. Upon the proper acceptance of this depends the success of any co-operative enterprise. It is useless to talk about the co-operative handling of cotton or any other crop, at the same time allowing the individual to have absolute authority over the disposition of his portion. This surrendering of all rights to an authorized agent, with authority to sell when and where he pleases, may seem radical to some, but that is exactly what co-operation contemplates, and whether or not we are ready for it, the membership must decide.

It is noticeable that organizations which have been uniformly successful in handling perishable products, such as fruit and berries, for their members, have insisted upon this principle.

The reasons for insisting that societies formed to handle farm crops should be co-operative, are obvious to most thinking people, but it may be well at this point to discuss the relative merits of private stock companies and co-operative companies. In the very nature of things the stock company measures its success by the earning capacity of its

capital, and naturally expects to secure for its stockholders all the profits that the trade will stand. A company of this character, though organized by members of the Farmers' Union, and for the primary purpose of assisting all members, whether stockholders or not, in the sale of products, has no reason to hope for the patronage of such membership except as it can demonstrate superior ability for selling that which it handles than its competitors upon the same scale of charge, or can make sales for a smaller fee. It is very clear that the company will not, so long as it represents the whim of individual producers, become a strong factor in fixing and maintaining prices.

To insure success in fixing equitable prices, and making sales at a minimum of cost, every producer, or a sufficient number of them at least, to control the bulk of the crop, must be given a direct personal interest in the organization. Many have held contrary opinions, I am aware. The impression was at one time general that if an institution was founded by some of the members, others would support it because it was a Farmers' Union concern. But history has clearly demonstrated the fallacy of such an argument. It shows a weakness in calculation when we rely upon sentiment alone to insure the success of an enterprise. We have omitted an important element—the individual and his pocketbook. Little it matters whether a private company is operated by his brother members or outsiders, so long as they remain independent and there is no concerted action among them in the same direction; he may be expected to buy service wherever he pleases. The Farmers' Union started out to change the old order of things and substitute a plan of its own. It has always been possible to ship products to large centers, and secure an advance of money pending the sale, but this carried with it no pooling of interests in the sale. If we have any mission at all to fill, it is to pool the interests of our members and sell products through our own agencies.

Co-operation is not at all complicated. Its workings are very simple. Necessary working capital is paid a fixed rate of interest for its use and all products are handled for a fixed charge. The stockholder's interest in the affair is not greater, except of course, the interest on his money, than that of a non-stockholder, who furnishes the commodity to the company, because after paying interest for capital used, salaries and incidental expenses, and providing the necessary sinking fund, any surplus is returned to the pat-

rons in proportion to the amount of patronage. In my humble judgment this is the only way we have hope to enlist a sufficient number of producers of corn, wheat, oats, cotton, tobacco, or any other farm crop in an effort to handle the product.

TOPICS FOR DISCUSSION.

At the last National convention of the Farmers' Union the Committee on Topics, by W. H. Moore, presented the following report, which was, upon motion, adopted:

To the Members of the National Union, here assembled at Chattanooga, Sept. 5, 1912:

We, your committee appointed to arrange topics for discussion, for the locals during the ensuing year, realizing the importance of stimulating interest on important subjects, herewith submit the following report:

October.

What can farmers do towards systematic marketing to increase their prosperity?

Would it be wise for the government to fix the price of farm products?

Of what value is the Farmers' Union Press?

The need for better trained teachers, better school buildings, better equipment and longer school terms.

November.

To what extent are middlemen necessary in the distribution of farm products?

What effect will a close study of the Constitution and By-Laws have upon the membership?

What effect has corporate ownership of land in America?

Are the people in America powerless to control trusts? If so, why?

December.

How has the organization already improved the farmer's condition?

Is it practical for our government to protect its cotton and tobacco industry by government control?

What community of interest has the farm and town?

What is necessary to make the local meetings more interesting?

January.

If you have been benefited by half co-operation, suppose we try one year whole co-operation and note results.

Has the alleged dissolution of the trusts accomplished the desired results?

How can the American farmer secure the establishment of a rural banking system that will furnish him money at as low a rate of interest as the commercial interest?

What is the best system of crop rotation for the improvement of our soils?

February.

Are the farmers an asset of the banks or banks an asset of the farmers?

The need of conservation of our natural resources.

The need of bonded warehouses and elevators.

Has any investment paid you better for the amount of time and money put in it than joining the Union?

March.

Are your boys and girls on the farm because of its attractions and possibilities, or because they are unfitted for other positions?

Who controls the volume of money?

Are there any trusts that are beneficial to the people?

What position does the farmer occupy in relation to the high cost of living?

Is the agricultural press as it is now conducted working for the best interests of the farmers?

April.

How may the public school houses be used as social centers?

Who are more responsible for the success or failure of the Farmers' Union—the Officers or the Members?

Co-operation and what is offered locally.

What sacrifice have you made to strengthen the Union?

May.

The importance of the Boys' Corn Club work, Domestic Science work, Girls' Tomato Clubs and Farm Demonstration work.

The advantage of local taxation in public education.

What is the best method of promoting civic pride in your community?

What can we do to increase our lady membership and how will it effect our locals?

June.

The need of rural libraries in our public schools.

Will representation in proportion to occupation be beneficial to our government?

If capital has seen the wisdom of co-operation, why not the farmers?

Why couldn't the government appropriate money to improve our roads?

July.

The propriety of a Bureau of Information as to amount of acreage of farm products, also amount of live stock on the farm.

What effect has foreign immigration upon the future of the American people?

What effect has gambling in farm products upon the prices?

Which is the best policy for public improvements—direct taxation or bond issues?

August.

What effect will proper marketing facilities have upon the volume of production?

Is the crop lien beneficial or detrimental to the welfare of the farmer?

In what way are we benefited by the use of agricultural text books in our public schools?

How can I manage to adopt a cash system?

September.

What does the Farmers' Union offer to the tenant?

Is the use of a low grade cotton seed meal as made now by most mills as economical as the higher grade manufactured heretofore?

What effect will personal letters to legislators and congressmen have on legislation?

What is the most practical plan to abolish the tenant system?

W. H. MOORE, Chairman.
JOHN McKINNEY,
M. S. KNIGHT.

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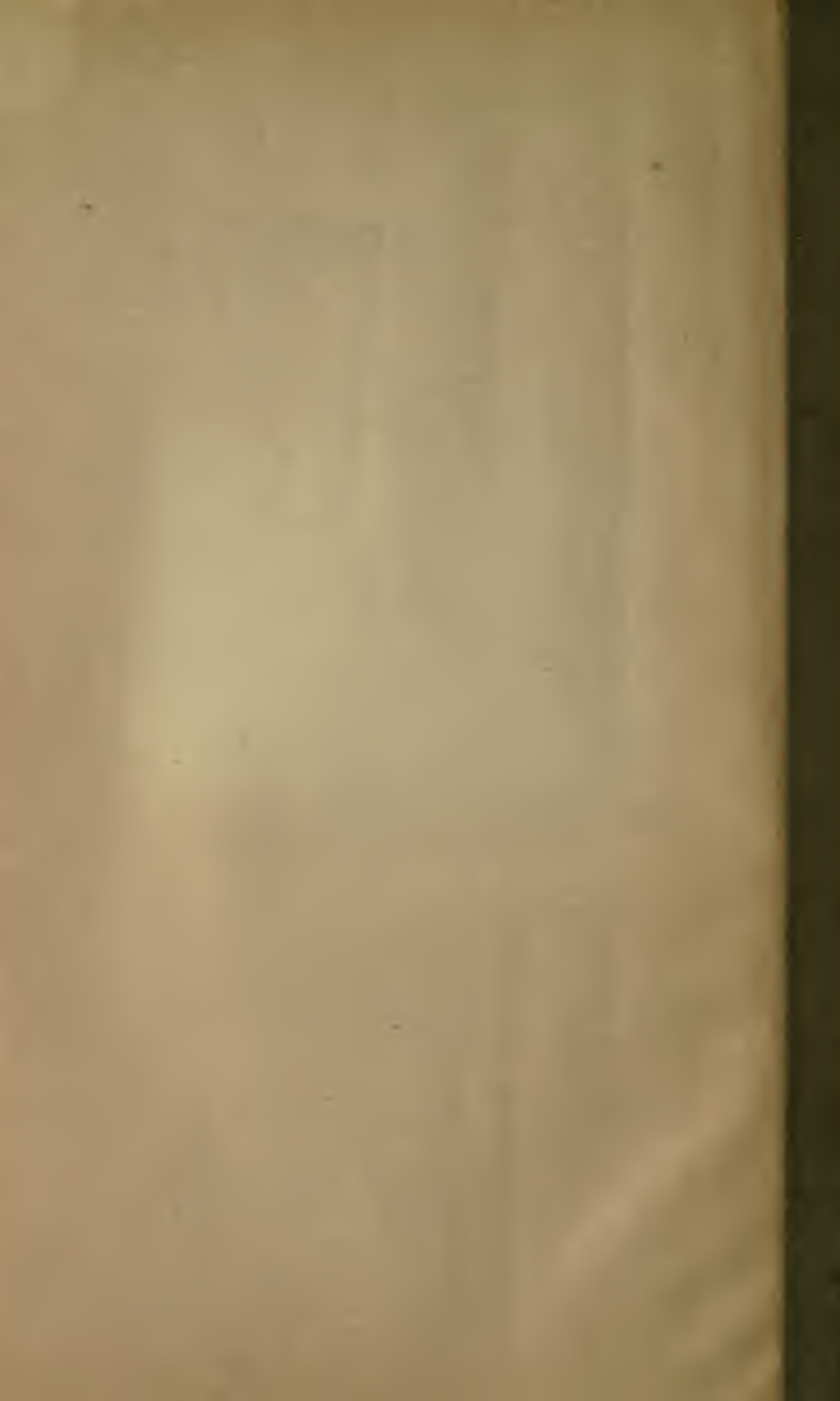
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