



Collective Bargaining for Agriculture

THE OFFICIAL PUBLICATION OF THE NATIONAL FARMERS ORGANIZATION — INCORPORATED NOV., 1955

The President's Message

by Oren Lee Staley

Many victories have already been achieved by the milk holding action. Some of them are obvious, and some of them are yet to come through the building effect of Phase 2 of the milk holding action.

The first thing the holding action accomplished was to make the American public



aware of the fact that there was a serious problem in agriculture. When they saw the dairy farmers make such great sacrifices, even though they did not understand why it was necessary to dump milk, they then realized that there was an injustice that they had been unaware of. It was not long before a vast majority of the consuming public was asking, "Why don't they pay the farmers 2 cents a quart—that's not much." This was, indeed, gratifying, and shows the fairness of the American public once they know that a problem exists.

The tremendous support that the members have given to this action has pointed out the fact very clearly that farmers are going to meet their problems at the marketplace. Non-members have voluntarily joined the NFO in ever-increasing numbers. And the non-members who have not yet joined the NFO now have a much different attitude towards the organization than ever before.

Now that we are in Phase 2, the pressure is off the farmers, and on the big companies. Phase 2 is now operating in almost all the heavy dairy producing areas. We have to realize that it is just as effective to process the milk into manufactured products and lock it up, as it is to hold on the farm, or to dump it.

We had to follow the strategy that we did in the early part of holding action because plants would not have signed contracts to process milk for farmers. But as the holding action built, it became evident that we could move into phase 2. Just before we moved into Phase 2, we offered uncomplicated price contracts to processors, and were getting them signed by some of the large processors.

Success was building each day. And then LBJ used the strong arm of the federal government to start action against

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NFO Holding Action Gains

Relentless Drive By Farmers Brings Government Intervention

The NFO's drive to hold their production for a price became a reality at 4:00 p.m. on March 15. On signal from NFO President Oren Lee Staley at Corning, Iowa, dairy farmers in 25 states started holding their milk from trade channels. During the 14 days that followed, this clamp on the fluid milk supply triggered a series of bizarre industry moves to which farmers reacted quickly and with devastating effect. Finally government intervention was invoked to bomb the holding action. But it left NFO farmers more determined than ever to gain and hold a price increase of 2 cents per quart at the farm.

The action itself exploded across the nation's TV screens like a pea-sized atom bomb. Film clips from Idaho to New York, from the Canadian line to the Gulf of Mexico showed unmeasured thousands of gallons of milk going down the drain, on fields, into gutters and rivers, and on to city streets. For the first time since the depression of the 1930s, America realized that there was a farm problem.

The holding action took on the earmarks of responsibility quite early. Newsmen, who had counted on violence and incidents to drown out the farmers' real effort, were disappointed from the start. Hour after hour, day after day, NFO headquarters paced the temper of the action. "We deplore even one incident," President Staley told the press.

With each sweep of the hour hand, the holding action tightened. While the public prints squandered type on interesting details—sample: Leah Brooks of Waupaca, Wisconsin, taking a bath in the lacteal liquid after the manner of Nero's wife Poppea—NFO headquarters gathered in the same details, the gallons dumped, the counties holding tight, the tankers being shifted around and the names of the plants closing. From the start it was obvious that the hold was better than had been expected. Non-members voluntarily joined the effort in waves. At the end of the first week, NFO farmers were still drawing strength from their own calm determination, and convincing other farmers that the time had come to join NFO, to stand up and be counted. More important, solid evidence indicated that NFO had driven home the fact of low farm income to consumers as well.

Telling the Story

Radio talk shows and fair minded rural editorialists took up the NFO fight within a week after the holding action had started. The really good papers—such as the *New York Times* and the *Wall Street Journal*—were telling a story that had never been told before.

The holding action successes drew support in waves. And the achievements also came in waves.

Guided by well-paced information releases and moves by the NFO leadership, the action tightened and kept building. A spate of rumors that the holding action had been called off, that it was failing, that farmers were quitting were all shot out of the saddle before they got started. NFO board members and staffers worked 18 and 20 hours a day to keep farmers in the territories informed—and the action tightened.

Within a week plants started closing. Milk had to be jockeyed from as far as Texas. Powdered milk, Grade B and Grade C milk started filling the bottles. In area after area, the flow slowed to a trickle. After 14 days, all signs pointed to a victory just around the corner.

At this time, the willingness of manufactured milk plants to

sign contracts was tested with a short-term instrument. So solid had the hold become that many plants signed short term agreements for a 2 cent price hike within hours after being contacted.

Phase 2 Goes Into Effect

On schedule, Phase 2 went into effect. Hammered by the holding action, many cheese, butter and powdered milk processors were short of milk. Phase 2 would allow NFO members to ship for processing again under contract. NFO members would retain title to the processed production in this lockup program, thus avoiding the cost of dumping while having the same effect. The NFO leadership had relied on a continuing lockup program to put the finishing touches to the drive for contracts. Phase 2 was put into effect, and contracts were coming in faster than had been expected.

The most serious threat to the NFO effort came exactly as ex-

pected. It arrived as a bulletin over the teletype in NFO's front office:

WASHN-MAR 29 — /UPI/ — THE FEDERAL GOVERNMENT HAS FILED AN ANTI-TRUST SUIT AGAINST THE NATIONAL FARMERS ORGANIZATION IN AN EFFORT TO BREAK THE MILK WITHHOLDING ACTION. THE SUIT WAS FILED IN FEDERAL COURT AT DES MOINES, IOWA.

A quick review of the lawsuit indicated that it was without substance. It had been initiated by the Justice Department in order to bomb out the NFO effort. That is why word had been leaked to the press before the charges had been reviewed in detail at Corning, Iowa. In effect the suit charged that NFO was in violation of the Sherman Anti-Trust Act and that members had coerced and intimidated non-members, truckers and processors during the holding action.

As viewed at NFO headquarters, the suit "carried LBJ's stamp of approval," according to

President Staley, and was designed to be the administration's blockbuster—an entry in the psychological warfare "which LBJ hoped would disperse the farmers and scatter them to the seven winds."

Throughout 10 years of organized effort, NFO has remained non-partisan. Obviously, the organization intended to remain that way. But the non-partisan stand of the NFO could never be relied upon to give immunity where there had been an abuse of power.

"This action that the federal government is taking against farmers to break the NFO milk holding action involves the rights of farmers," Staley said. "The NFO has never condoned or advocated any illegal acts and it never will. Our records will prove this. The real heart of the federal action is to stop farmers from bargaining and thereby gaining fair prices for their products."

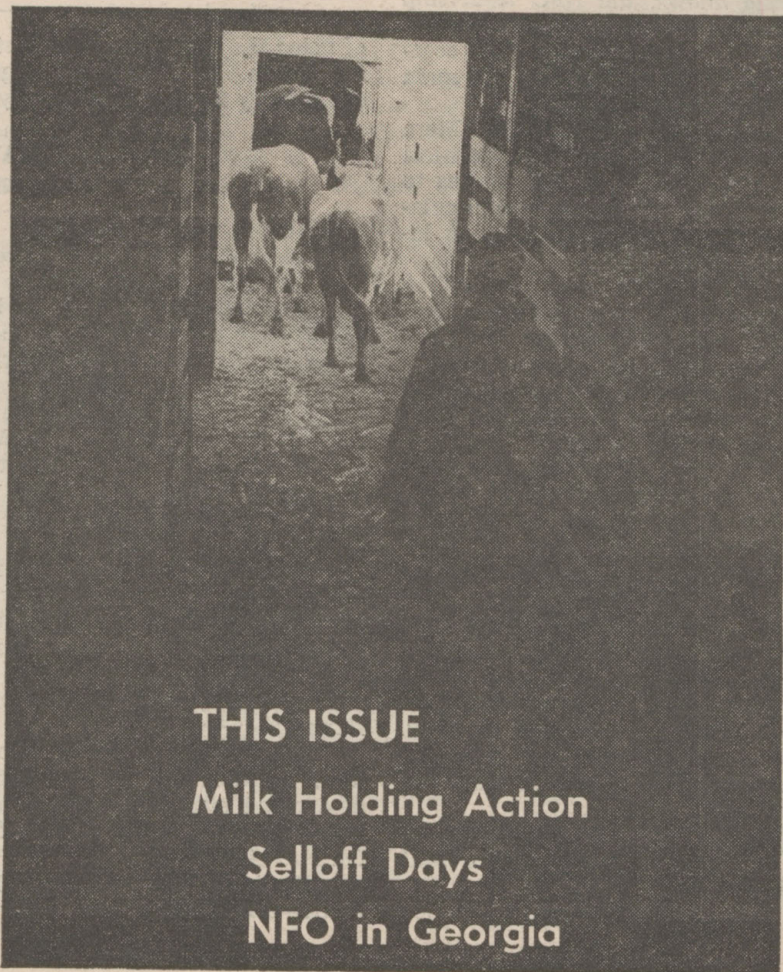
In a release to the press, Staley pointed out that the government's action came at a time when NFO was winning and getting close to achieving "gains that farmers so badly need and for which they have made so many sacrifices. The reason that the holding action was begun was because the Johnson administration had turned its back on the American farmers and left them as the forgotten part of the economy."

"I feel this action is really in line with the Johnson administration's policy to keep farm prices low. This action is not just against NFO. It is against farmers and it is going to be the test whether or not farmers are going to be deprived of fair prices through the action of the Johnson administration. I know that all farmers will be shocked by this type of action."

Courtroom Battle

In the Des Moines courtroom of Judge Roy L. Stephenson, the government attorney went through the motions of filing an anti-trust suit (against a farm organization that is exempt from anti-trust law) and asked for a temporary restraining order. The restraining order was being asked to prevent NFO from intimidat-

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Selloff Days

NFO in Georgia

The NFO REPORTER

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- A Healthy Agriculture
- A Prosperous Country
- To this end we are sincerely dedicated

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A Devious Attack on NFO

The government's well-publicized lawsuit against NFO was a devious attempt to keep farmers from exercising their constitutional rights. Indeed, the danger of government using the courts to implement a political decision cannot be condemned too strongly.

When farmers are involved in a holding action, they are fighting a battle on all fronts—economic, psychological and political. Thus the introduction of a lawsuit into the public prints becomes a psychological and political bomb, one designed to blow to bits the efforts of those engaged in seeking economic justice. The merits of such a suit are not even germane, because the damage is done the minute news is leaked to the press that the government is taking farmers to court.

Viewed from any logical vantage point, one can be allowed to doubt that the government has enough of a case to go to trial. The *Wall Street Journal* reported that one Justice Department official said that there isn't any precise precedent for the NFO case "Because the NFO situation is novel."

The NFO situation, indeed, is novel.

The NFO is organized under the Capper-Volstead Act, and the organization is thus exempt from the Sherman Act. That is why the Justice Department had to hang its hat on a worm-eaten peg—that of "violence." But there has been no NFO violence. In 20 of the 25 states there have been no incidents. Not only that, public order is adequately protected by laws in every state. No injunction is necessary to tell people not to commit acts of violence. It is already against the law. As everyone knows, the NFO leadership has acted in good faith. It has instructed its local officials to assist law enforcement agencies in every case of law violation. The scattered reports that have materialized in the press have in the main been traced out and found to be without substance.

This puts the issuance of an injunction into a new light. Mere foundationless accusations are seemingly sufficient for a political injunction. This enables government and its big money cronies to attempt to break any holding action simply by putting into circulation some baseless rumor and cementing it into place with an injunction.

Since the injunction request came at a time when the holding action effort was reaching its maximum effect, since it came exactly when the industry could no longer stand the pressure, NFO can only lay the burden of blame for this abuse of authority exactly where it belongs. No legalistic doubletalk can absolve the Johnson administration. No farmer can overlook this action—directed from on high—which was designed to bomb the NFO effort.

LBJ's high-handed methods would never have been attempted against labor. Indeed, there have been more incidents in one square block during industrial strikes than there have been in all the states involved in the NFO holding action.

Nor would this dictatorial method have been used on business and industrial organizations.

But for farmers—the rules go out the window. Farmers have held their milk and obeyed the law, and except for the fairness of a Judge, they would have been devastated by the heavy hand of the law. At the same time, processors have violated every regulation on the books during this holding action. They have watered the milk. They have channeled Grade B and Grade C and powdered milk into the Grade A fluid market. Anything white has served as milk, and the regulatory agencies have winked at it.

Fortunately, a fair-minded judge beat back any meaningful injunction. Fortunately, the genius of American jurisprudence beat back the attempts to stop the holding action.

But it was NFO determination that scuttled the political device

NFO Launches Holding Action . . .

Concluded

ing farmers, truckers and processors. Judge Stephenson granted a 10 day order. The NFO, the Judge said, would be free to continue the holding action and stationing pickets. The restraining order merely reaffirmed existing laws against violence, intimidation and harassment.

Larry Scalise, former Iowa Attorney General, argued on behalf of NFO that the government's charges were vague, and that the farm organization had discouraged violence by individuals. "If there is any evidence of violence by any individual, that individual should be restrained, not the NFO itself," Scalise said.

Judge Stephenson ruled that since the government claimed the law had been violated—even though no specific instances were cited—a restraining order would be issued. He said that if NFO members had not been involved, the order would do no harm.

The judge was speaking in a legalistic sense, of course, while the holding action was being fought out on economic, psychological and political fronts. Observers were quick to point out that the "harm" of the restraining order and the law suit was accomplished the minute news hit the wire services. (See editorial, this issue.)

Staley Replies

"LBJ has made a political decision to scuttle the farm effort, and the courts had been used to this end. The merits of the case have absolutely nothing to do with it," Staley said.

At NFO Reporter press time the holding action goes on.

The industry has acknowledged that the farmer is being underpaid, but it has used every weapon to beat back the farmers' bid for fair prices.

Early in the holding action, health officials issued letters

to intimidate the farmers. Producers were warned that there would be sanctions if they persisted in holding.

From vantage point April 1967, it is impossible to discover how many "Gary dinners" figured in shaping the collusion of those opposing the farmers. It is, however, a matter of record that processors hardly hesitated to violate the law by adulterating the milk with powder and water or by passing Grade B and Grade C as Grade A. Almost without exception, regulatory officials winked at these practices.

In order to drown out the NFO efforts, false reports that the action had been "called off" popped up from time to time. Almost on signal, TV stations in widely separated areas reported that they had been told to lay off covering the "dumpings" by "the powers that be." Some editors dropped holding action news and started hammering the NFO effort with editorial comments. A few scattered incidents—none of them tied to NFO directly—were belabored by hostile newsmen, day after day.

Despite all this, the public image of NFO and the farmers kept building. In Nashville, friendly union forces took the side of the farmers, and milk was shut off from that city entirely. Teamsters and meat cutters honored NFO pickets in several areas.

Help for NFO

Religious leaders, governors and congressional leaders called for mediation in wires that flooded the White House by the thousands. But the government kept its silence. The Secretary of Agriculture never called NFO during the action. An NFO attempt to contact USDA was met with "out of town." When LBJ finally spoke, it was the heavy voice of power speaking and the message came through loud

and clear. [If farmers are to get justice, they will have to win it the hard way. The government has sided with the big money.]

A representative of the Mike Douglas Show had sensed the real perspective of the news. Although NFO had been willing to tell the farmers' side of the story, the Mike Douglas staffer said, "No one in the dairy industry was willing to come on the show. This tells me something. This tells me that there's a story out there that's not being told."

At month's end, these things had become evident.

Imports in dairy products would be curtailed. Secretary Freeman, who had been reported unwilling to ask for a clamp on imports while the NFO holding action was on, broke silence and made the formal request.

Informed spokesmen in agriculture were all agreed that there would be a price hike for milk producers. Marketing orders had been jarred sufficiently to force hearings.

The fiction that NFO had not prompted some of these adjustments continued to receive lip service. Yet at press time, marketing order hearings affecting 70 order areas had been scheduled for Denver, St. Louis, Cleveland and Washington, D. C.

The law of supply and demand has been repealed. The fraud of rigging prices for farmers while shouting "surplus" has been effectively exposed. The federal marketing orders require farmers to be paid for Grade A if their production goes into Grade A. During the holding action Grade B and Grade C became grade A. Therefore, farmers who got the blend price based on some of their milk going into manufactured products are now entitled to collect for the full amount that ended up as grade A. So says the law. "Who will enforce the law?"

Livestock Estimates To Be More Accurate

A spokesman for cattlemen says the government's estimates of cattle numbers should be made more accurate . . .

and an Agriculture Department official says the estimates will soon be improved.

C. W. McMillan, an official of the American National Cattlemen's Association, says producers were concerned when

the Agriculture Department recently had to revise its estimate of 1966 cattle numbers.

Winn Finner, a department economist, said yesterday that the accuracy of government livestock estimates will be sharpened by adoption of a new estimating procedure. Beginning this summer, the Agriculture Department's mail surveys will be supplemented by personal visits of government surveyors to a selected sample of farms and ranchers.

Award for Zipp

An NFO Distinguished Service Award was recently presented to Bill Zipp, who is farm editor for the Columbus Dispatch, as well as Farm Director of WBNS radio and TV. In part, the citation reads: "... for outstanding service to Agriculture through loyal, faithful and unselfish efforts resulting in lasting contributions to the improvement of the nation's basic industry."

Bill's area of influence reach across much of central Ohio, where the farm story is being told a superior manner. As a result of this expert coverage, the general attitude toward the farm problem has changed. Bill's son, Dick, assists as farm reporter for both the TV and radio station.

NOW YOU HAVE YOUR CHOICE JOIN NFO OR LBJ

All this was not necessary. The issue in this holding action had been clear cut. Farm milk prices have hardly changed in 15 years. The cost of producing that milk has gone up several times. For many months, NFO led the fight for higher income at the dairy farm. It would have taken the LBJ administration only a stroke of the pen to adjust the minimum milk price. All the dumping of milk could have been avoided. But fair warnings were spurned.

NFO is well aware of the fact that farmers are quitting the dairy business in droves. In Wisconsin alone, some 84 herds are closed out each week. During the past year, the slaughter of dairy animals has reached fantastic proportions.

It was thus as a matter of high public duty that NFO called a holding action. All the farmers wanted was 2 cents a quart more at the farm. But the hostility to fair prices for farmers proved to be durable. Durability was preserved—in no small measure—by the administration and its cheap food policy.

The NFO holding action has not been broken. It has moved into Phase 2—The lockup and store phase. The holding action can thus continue to build economic pressure. LBJ's political bomb has fizzled.

But President Johnson should think long and hard about his day's work. He has allowed himself to be angered more by a gallon of dumped milk than about a farm family that is dumped. He has become more upset by 2 cents for farmers than about farm families fed into city slums.

The injunction went beyond mere denunciation. It cried out for battle—and battle it got!

Selloff from Moore County



A fleet of 27 farm trucks from Moore County, Tennessee made the 70 mile run to Nashville one day during a recent sow selloff day, according to P. O. Harrison, NFO President of Moore County. Here are a few of the trucks, all

bearing NFO emblems, lined up, ready for the trip. Some 35 bred sows were sold by Moore County. Moore County is the home of the historically famous Jack Daniel.

Charges Administration Trying To Destroy Family Farm

Lud Strnad of Brewster, Kansas, charged last month that the Johnson administration is attempting to destroy the family farm.

Strnad spoke at the opening session of the Farmers Union Cooperative Marketing Association . . . which met in Kansas City, Missouri. He is retiring as president of the organization.

Strnad said "the John Schnitter faction in the Department of Agriculture has abandoned the family farm concept without consent of Congress or the American people . . . thus putting the family farm up for grabs.

Kansas Farmers Increase "Plow-Under" Project

The Kansas Farmers Union says it will ask other farm organizations to join in a "plow-under" of increased wheat acreage allotments. State Farmers Union President William Daniels of Cimarron said the organization is urging farmers to plow up the wheat unless the federal government approves a wheat export certificate plan by May 1.

In the past 18 years, farmers have improved their efficiency more than in the preceding 120 years.

President's Message

Concluded

farmers. Although the publicity was directed toward violence, intimidation and threats, the real heart of the suit was to destroy farmers bargaining power. It seems to us that LBJ joined the side of big business and big money to use the federal government to fight the effort of people to correct an injustice.

We were close to complete victory and we will still gain it. But LBJ is known for his timing in confusing issues. And the issues certainly became confused for a couple of days during the critical point in our negotiations while we were moving into Phase 2. Several large processors who had indicated that they would process for farmers decided that they would wait and see what the federal government meant. This gave the big handlers and dairies an opportunity to fight our efforts, and made it more difficult to get Phase 2 going in all areas.

Never before have I spoken out to criticize any political figure in any political party. Our organization is and must remain non-partisan. But I feel that LBJ sides with chain stores, handlers and big money against farmers, and that American farmers were betrayed.

We have always taken the

Bill Sent To Congress To Protect Meat Consumer

The Johnson administration last month sent Congress a consumer protection bill to tighten the 50-year old federal meat inspection program and to help states survey some meat products which may be going uninspected.

Agriculture Secretary Freeman said the bill would "provide means through which all consumers could be assured of the wholesomeness of all meat and meat products offered for sale in the United States."

The bill would also—

●Strengthen present regulations covering meat labeling, shipping of uninspected or mislabeled products, and counterfeiting or unauthorized use of inspection marks.

●Authorize temporary holding or seizure of products which do not comply with inspection regulations, plus court-ordered injunctions on distribution of such products.

●Broaden authority to regulate the storage and handling of meat and meat products intended for human food, and set up rules requiring positive identification or denaturing of meats not intended for human food.

stand that we will support any and all efforts to increase farm income, but it is time that LBJ realize that lip service is not enough for farmers. It must be assumed that LBJ acted on the bad advice of his Council of Economic Advisors in pushing the cheap food policy, and therefore his method merely reflected the approach of a seasoned politician. We hope that LBJ comes to realize that in the final analysis the people and their sense of justice rule a nation. His action has united the determination of farmers. After all, farmers still milk the cows feed the livestock and raise the grain. Their cause is just.

We have great faith in the judicial system of our nation, and this faith has been justified by the Courts in Cincinnati and Des Moines. We will continue to lead the American farmers' in their fight for justice at the marketplace, and with their support, together we will attain complete victory. The holding has proved farmers still count!



"Washington", meaning officialdom and the editorial pundits, got a real shock by NFO holding action. Like the original livestock holding action, it wasn't supposed to really come off, or if it did, it would do no good. NOW, the milk holding action is accepted, was officially recognized as legal in the temporary restraining order called for by the Justice Department which was aimed at violence or coercion.

The milk holding is making it clear in Washington that livestock are not the only products that farmers can get contracts for at higher prices by controlling supply.

So officials are jittery, don't know what farmers might do next. They know farmers have been angry over prices but tended to be blinded by alleged waning political influence as the number of farmers decreased. What was forgotten was that as the number of farmers tend to decrease and farm production increases, fewer farmers can control ever larger supplies of food and fiber.

Political old timers are shaking their heads and telling their younger up and coming aspirants that nothing like the NFO milk holdback has been seen since angry farmers in the early 30's.

What's shocking top farm policy and political planners is that the holdback was not by farmers hovering on the brink of poverty. They are the older of the young men of the World War II years who were in farming as a way of life. They are farmers who had to and were willing to invest from \$40,000 to \$150,000 or more in the production items necessary to be a successful farmer.

These were farmers who wanted farming as a way of life only to find out that they were fast heading toward widespread bankruptcy under recent milk price levels. At the same time the government was making it obvious that the nation's food supply was threatened by the dwindling number of dairy farmers.

At the White House letters and telegrams were pouring in "in the thousands" it was disclosed at a press briefing.

According to the White House press officer briefing the newsmen most of the letters and telegrams supported or were sympathetic to the NFO milk action and the plight of dairy farmers in general.

Agriculture Secretary Freeman himself was opposed to the Justice Department action against the NFO. He felt that local police action was all that was necessary to curb any over enthusiastic individual action by farmers that tended to incite or encourage incidents of violence. But other high policy planners felt the action was necessary to prevent any impression that the Administration condoned unruly behavior by occasional farmers.

Marketing Order Hearings Scheduled

Marketing Order hearings have come to the fore as a result of the holding action. Reports out of Kansas City have it that there will be no seasonal drops in milk prices. Hearings on the docket as we go to press:

April 11.....Denver . . . Brown Palace
April 12.....St. Louis . . . at the Gateway Hotel
April 13.....Cleveland . . . at the Hilton
April 14.....Washington, D. C. . . at the Department of Labor Auditorium

The price of milk in some 70 order areas will be affected by these hearings.

Oldster in NFO

Walter W. Erickson is believed to be the oldest NFO member in Becker County, Minnesota. He is 82, healthy, and still milks 12 cows twice a day. Walter is

shown in front of an NFO truck which has just loaded a cow and some young stock for the collection point at Winger. A son, Wallace N. Erickson, is an NFO trucker in his area.



Judge Lifts Federal Restraint From NFO

A Federal court order restraining the National Farmers Organization from acts of violence against the Cincinnati Milk Sales Association was dissolved Monday.

At the same time, U. S. District Court Judge Timothy S. Hogan turned down a petition by the association for a permanent injunction against the NFO.

The action stemmed from a suit filed March 22 by the association, which sought relief from alleged acts of violence, or threats of violence, against attempts to transport fluid milk from farms to processing plants in the Greater Cincinnati milk

marketing area.

The suit was tied in with the NFO drive, begun on March 15, to withhold milk from markets in an effort to boost prices paid to dairy farmers.

Judge Hogan ruled no evidence presented to him at hearings on the case, had connected alleged violence with the NFO, its officers, or its agents. On the other hand, he said, James G. Headley, counsel for NFO, had filed with the court elaborate written directions forbidding violence.

"It is certainly obvious," Judge Hogan wrote, in a memorandum opinion, "that the great

majority of the members, to put it mildly, have followed the instructions."

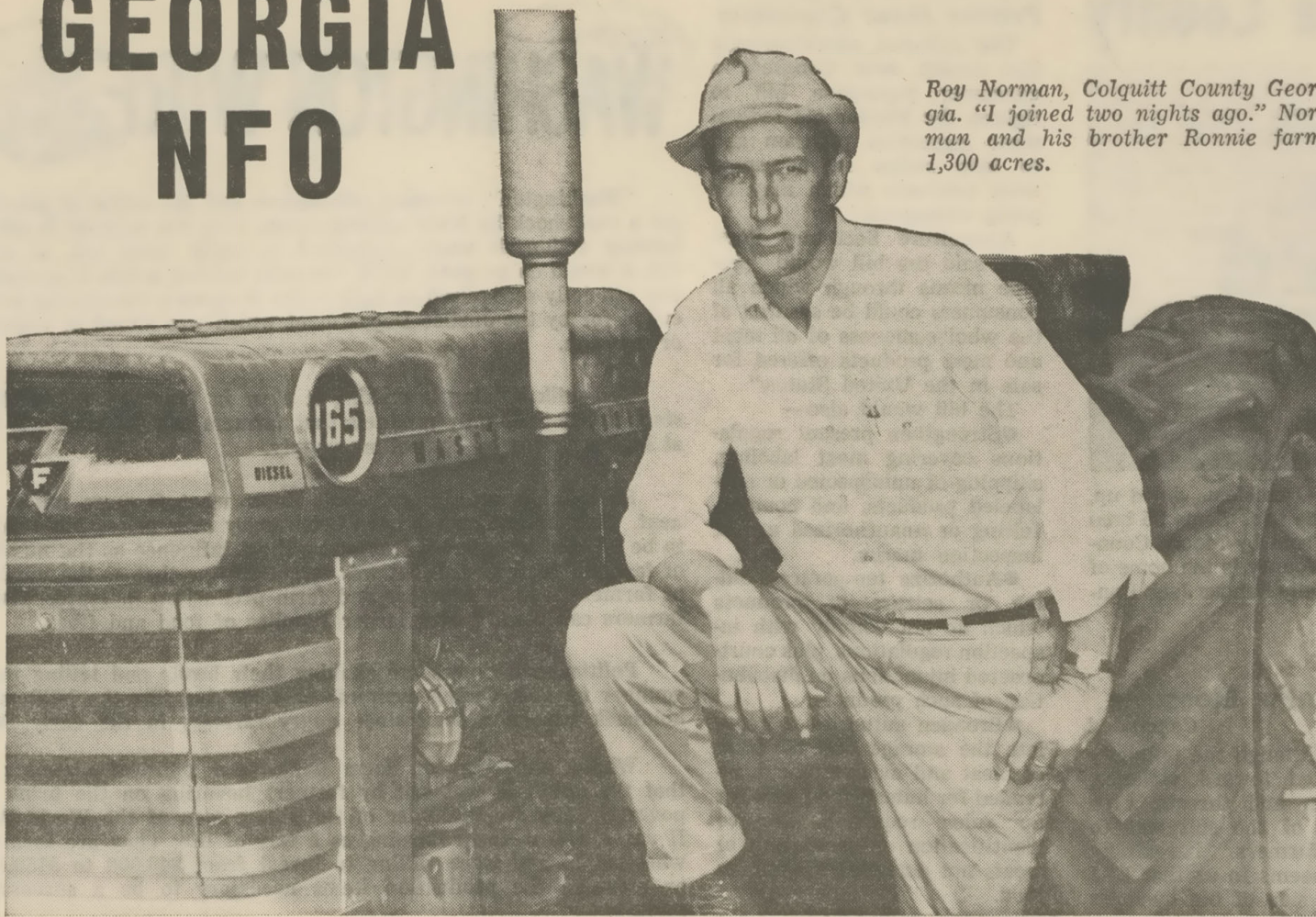
The temporary restraining order was originally issued following the filing of the sales association's suit against the NFO.

The suit had asked for a permanent injunction and the restraining order, and for money damages. No mention of the money damages was made in Monday's opinion.

As hearings on the issues were scheduled, the temporary order was extended several times. The last extension, to April 8, was automatically dissolved by Monday's order.

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GEORGIA NFO



Roy Norman, Colquitt County Georgia. "I joined two nights ago." Norman and his brother Ronnie farm 1,300 acres.

"Lots of people have got profit confused with debt. So with land inflated, they borrow more and keep on producing, and go deeper in debt. In the last five years the only dollar made on the farm was what grew on the farmer while asleep. If he'd have worked 24 hours a day instead of 16, he'd be completely down the drain. If all the farmers did one-third less work, they'd make two-times more profit."

Marion Green of Ocilla, Georgia thus gave a homespun explanation of what was happening in Georgia agriculture. The same story emerges in a different way on almost all the producing farms. Green's farm should do as an illustration. There used to be 15 farmers who made a living off the land now known roughly as Green's farm. "One man has replaced 15," Green says. In terms of bland statistics, this means "I farm 800 acres, some of which are woodland. At least 250 acres are row crops. Tobacco—10 acres. Peanuts—65 acres. Pasture—200 acres. Cotton—45 acres." The list goes on and includes cows. The 600 hogs Green used to grow each year are no longer part of the operation. Viewed from almost any angle, the farm must be pronounced above average, properly managed, with techniques and machinery above par. Talk over the kitchen table defines the difference between Pensacola bahia and Argentina bahia grass, or details the character of the Bermuda hybrid bred at Tifton, Georgia.

Green has a son, but the son manages a cattle feeding operation for the local veterinarian. The Negro hired hand who works on the farm does not even work full time. He spends two or three days a week working for the local slaughter house.

Getting Big

Marion Green learned about "getting big" the hard way. "I was in the lumber and pulp business for 20 years. All of a sudden it wasn't the right kind of wood. They needed better quality. The squeeze was on. The last two years, I sold \$500,000 in logs which I had to sell below cost. Then I had to sell off

\$50,000 worth of land to bail out and be able to quit."

When Green saw the same thing happening in farming, he reacted like "most of us southerners do. Basically I thought all this trouble came from Yankee-land, some 300 miles north. It never occurred to me farmers up north had the same problems."

The NFO staged a holding action in 1964. Even in Georgia and Florida, farmers saw on TV what was happening. Some later read about "what happens when farmers hold" in a *Saturday Evening Post* article. Says Green: "When I saw that I said to myself, that's the organization for me. I didn't know whether it'd ever get to the south, but I wanted to be a part of it."

Green sent a check for \$25 to NFO headquarters at Corning, Iowa. Nothing happened. Weeks passed. Finally, in Green's words, "a fellow drove into the yard." He was Harry Thompson of Hopkins, Missouri. "He didn't have to explain NFO. I thought all I'd do was join, but it didn't turn out that simple."

Thompson had a very pertinent question for former lumberman, former State Representative, now farmer Marion Green: Would Georgia farmers help themselves? Green said he didn't know. He'd find out. "I went with Thompson. The more I helped NFO the more I woke up and realized I was working at selling NFO full time."

Selling NFO

Actually Green had been working at selling NFO long before the farmers' farm organization crossed into Georgia. It would be accurate to state that NFO in Georgia was born at Reedy Creek Store, a small country store not far from the Marion Green farm. Here farmers talked about their worsening situation, and here not a few abandoned once and for all the rather foolish idea that a farm producer can market alone and expect to recover his cost of production plus a reasonable profit. The informal discussion touched on farm subsidy programs, and many of the future NFO members came to

realize that a subsidy was really an admission that farmers weren't smart enough to make their markets function properly. "Some of us realized that things were going this way for the farmer so that the bright boys could keep their political power," one of the Reedy Creek Store discussion group later recalled.

The magic of the NFO idea gathered in some pretty good members—fast. Charles Paulk, Buddy Green, George Cook Jr., Othello Hudson, Art Hudson, Bobby Pope, M. F. Roberts, Tuffy Hudson—all visited with NFO Reporter in Georgia recently. All nailed down the quite simple proposition that they knew what the problem was and what to do about it. All of these members grew up in Georgia agriculture, and without exception they have battled the strange idea that if farmers were paid for their production people would stop eating or wearing clothes.

NFO is now chartered in Irwin, Berrien, Cook, Coffee and Bacon Counties. Lowndes County will be chartered by the time this report is printed. NFO is on the move. Yet it is an honest question to ask whether NFO is moving faster than the counties are changing. Irwin County had 25,000 population 25 years ago; today it has 9,000. In the last five years, Irwin County has dropped from being the 80th county in the state to being the 100th. Irwin County has lost 25% of its population in the last decade. "All these counties are drying up like a prune," said NFOer Charles Paulk.

At the same time, NFO has 85%

of the production in Irwin County and between 50 and 65% in the rest of those chartered. Colquitt County has enough NFO members to be chartered. Tift, Worth and Ben Hill Counties—all are "working."

But the marks of agriculture's position are all around. Buildings on Georgia farms are rotten and falling down. "When a family leaves a house, we store hay in it. But the high humidity makes them unfit for that pretty soon," one NFOer remarked. Houses in the south don't have near the life of houses in the storm centers of the north. As farmers leave, paper companies buy up land, unless other farmers can borrow enough to do it. The Soil Bank took in many acres. Without exception, Georgia NFOers will say, "Soil Bank—that's for city people and rich people."

The story has been told—and confirmed to NFO members in Washington, D. C.—that a former Georgia governor retired to his farm after serving in office for the usual period. He grossed \$100,000 the first year and lost \$35,000 in farming right away. Later, as a Senator, this experience prompted the lawmaker to push the Soil Bank, and the land that lost \$35,000 in a year is in the Soil Bank to this day. In Georgia, Soil Bank entries frequently go into trees. Georgia provided the trees. The USDA in the end paid for the saplings. At the end of 10 years, these acres could be "re-entered" for another 10 years. The land had to be owned by the same person three years prior to entry.

Under the law, at the end of 15 years an owner can start taking out fence post sized trees. At the end of 20 years he can take out half of the timber for pulp. Turpentine can be harvested for the next 10 years. After that, harvest of the rest can proceed, and with selective cutting the crop the government paid for can last a lifetime.

Trouble is—all this did the dirt farmer very little good. The big timber companies and the politicians who knew what it was all about managed to develop annuities that will outlast the general economy.

In the meantime, the producing farmer who survived got bigger. Corn production efficiency multiplied tenfold. Houses on the merged farms were pulled down. Churches at country crossroads became superfluous. It cost a farmer like Marion Green \$100,000 to buy the land he needed to get big enough to be vulnerable.

Farmers who hung on to timber found rosin that sold at \$40 to \$50 a barrel 15 years ago move down to \$30 and \$35 a barrel today. Roads into farms went ungraded, unless a farmer was hep enough to talk a convict on a county road into grading a short stretch for a minor gratuity.

Through it all, "the independent farmer" has stayed on as copybook maxim. The records show that the south has come through mightily in Soil Bank participation, and in crop signups, and yet you'll hear more genuine cussing over government



Marion Green, Irwin County, Georgia. "I thought all this trouble came from Yankee-land, some 300 miles north. It never occurred to me that farmers up north had the same problems."

programs in southern counties than anywhere. The logic in all this inconsistency is usually unexplained.

"You have to go back to history to catch it," one farmer noted. A man no older than the *NFO Reporter* editor—age 40—will have buried his granddad while he was still very young, and his father may still be living or dead only a few years. The entire upbringing of a middle-aged man will have been moulded by the simple fact that Georgia was expelled from the Union and not firmly re-established as a state until it ratified Amendment 15 in 1870. During the Civil War Sherman started from northern Georgia and marched south—to the bottom tier of counties—and then turned east to the sea. The Union troops carried few supplies. They lived off the land, cutting a 60-mile-wide patch from Atlanta to Savannah. The troops looted the countryside, "killing every mule and animal in sight." Sherman ordered every public building, mill, railroad and manufacturing plant destroyed. Extended, this order included towns, farms and barns.

Hard times followed the war. "There was no war on poverty," a slightly-past-middleage farmer said. Negroes and white people survived on wild critters and varmints. The depression lasted until the late 1920s—and then we had the 1930s. When the boys came back from World War II, there were other changes.

"Make no mistake about it. A real atmosphere of intimidation hangs over Georgia. You have people who are reluctant to cooperate with ASC on ponds. They don't want to get involved. They believe the government might someday return to claim the money spent and take the land. Remember, we have people in the south who are in the pen because they snuck out and planted tobacco and either refused to or couldn't pay the penalty. There have been cases when officials would make filling stations tear out cotton plants around the driveway—the kind they put in to interest tourists."

Farm Earnings

The poor posture of farm earnings has had another effect. Farmers who are unable to pay themselves a minimum wage cannot pay that wage to others. Negroes by the thousands—whose only source of employment has been agriculture—thus have not been able to keep employment on farms. First they huddle around cities in the south, and next they are lured north by glittering generalizations. Dr. Leon Keyserling's finding that the dispossessed Negro farmers end up in the ranks of the unemployed are not without meaning. In the main they leave not because of race, but because farm income has evaporated and employment has evaporated.

"So you have this sorry picture. Lots are afraid to join NFO. They feel the government might send troops down and make them sell their hogs and corn. Whether you or I believe this or not makes no difference. That's what lots think."

A lot think differently. They join NFO. In Colquitt County, the best judgment is that 25% will join right away. About 1% will actively help getting the rest to join. But quite a few of the farms are "moonlight farms," or farms on which successful lawyers and doctors hide money from the tax collector. "Usually you can get doctors to see the necessity for NFO. But lawyers, gentlemen hush!"

At a meeting in Berlin (Colquitt County) recently, of 11 non-members present, 9 joined.

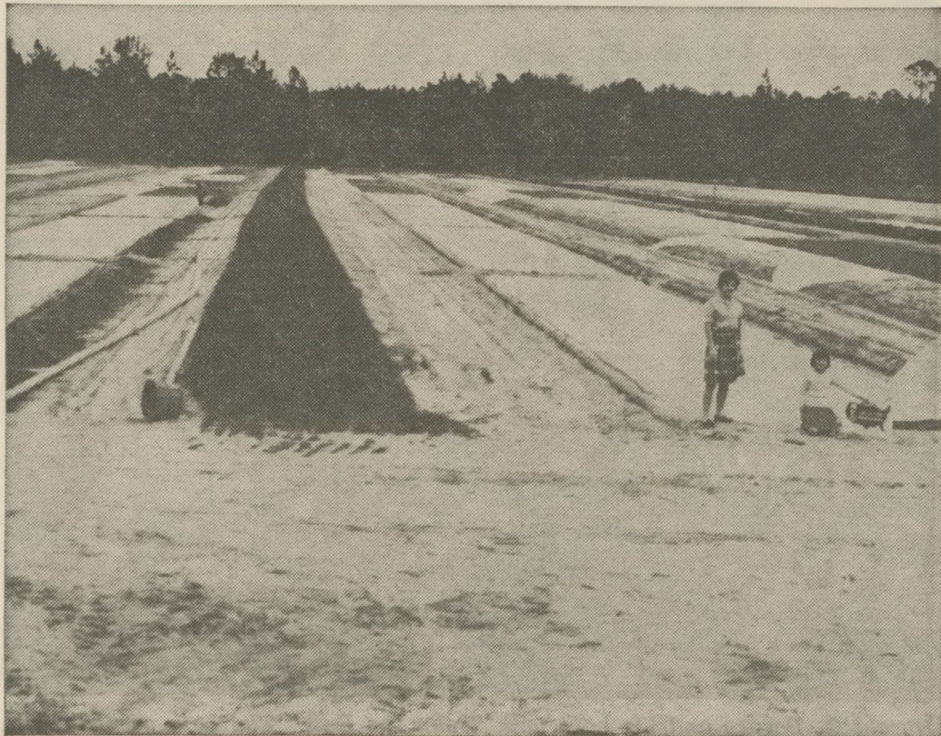
"I joined two nights ago," said Roy Norman. Taken in the kind of terms NFO likes to deal with, this means that all the production from 1,300 acres fits into the NFO bargaining package. The Norman farm,



Ron Norman and his brother repair farm machinery for their neighbors. Here is Ron giving details on NFO to prospective member, A. D. Chitty.



George P. Hamm, Lanier County, Georgia. "I believe the farmers will come into NFO sooner or later. Myself, I'm going to help get NFO organized." Left to right, Teresa, Judy with their dad.



Tobacco beds on the George P. Hamm farm. There are enough plants in these beds to set out 300 acres in tobacco.

by Iowa standards, is above average. And the prices received comply with the low national average. Specifically, Norman grows 19 acres of peanuts. The average price for a ton is \$227. Parched, these same peanuts sell for \$1,500 a ton. Pealed, they sell for \$2,500 a ton. Wrapped into packages, they sell for up to \$4,000 a ton. Yet the processing is simple in the extreme, and hardly compares with tilling the soil, running the risks of production, and harvesting the limited acreage the government allows. Other production includes tobacco and corn. The investment: \$100,000 in equipment; \$500,000 in land, land now valued at \$300 to \$400 an acre. To keep food on the table, Norman's wife Chris works at Bridgport Brass.

In a word, this investment and the labor of this farmer can't generate a living. Roy farms with his brother Ronnie. Both are ex-FFA boys. Both have seen the country and realize that southern Georgia has land equally as good as much of the land being farmed in America. Both have watched their taxes double in a single year, and the prices received for production go down. "If there were no NFO, there would be no reason to hope," Ronnie said.

The Norman boys repair machinery for their neighbors for reasons too obvious to mention. This gives them an opportunity to talk NFO with their customers.

Joining NFO

Over in Cook County the farms are diversified, the ideas that keep farmer from joining NFO are not. Pota Purvis is a member. He and his wife Nell run a 490 acre farm and joined NFO because 500 hogs a year simply won't fetch the market price they ought to. One grown son pursues biology because "you can't make a living farming."

"You have two types," says Purvis. "Some are reluctant to leave the idea that government is going to come through and bail out the farmer. And you have the glutton for punishment. I have a brother. 'When hogs get to 15 cents,' he says, 'look me up.' Some want to get crucified before they do something."

In 1931 Purvis was the first FFA boy in Cook County. His instructor told him that by 1950 the population explosion would put such a pressure on food production that farmers would have to take all the trees out of Georgia. Food production, the instructor said, would lag behind people production. The farming game would deliver well for those who worked at it.

"Well, people production has outrun food production ever since. Still we get no price. Why? There's something wrong with this thinking."

"What's wrong," of course, is that the premises are in error. In short food supply meant price, the farmer in India would be rich—even with only an extra chicken to sell. Want and shortages don't create the coin with which to buy food. Properly pricing food and raw material production at the primary production level creates the coin and prosperity needed before people can consume at satisfactory prices to the farmer. Across Georgia, farmers who have never thought about economics are coming to realize this fact.

Elmo King farms in Cook County. His 800 acres have earned "me some money, but only because the highway came through and gave me a good clip. And I have billboard rentals." King was a six week old member when NFO Reporter came by. "I joined because I like the seniority part. I don't like the idea of being on the tail end. When NFO gets big enough, those on the tail end will wish they joined earlier."

All in all, the jagged scars of rural America are hidden from the high-

Continued on page 6

GEORGIA NFO

ways. Lone exceptions exist. Hahira is one of those little Georgia towns not far from the Florida line. On the road an FFA sign proclaims that "Agriculture is the Strength of America," but along the broken street one sees little evidence of that strength. Here a Negro sells cord wood from a cart, and across the way stark emptiness tells all who wish to see that this town, too, is under assault the way the family farm is under assault.

Individual farmers, everywhere, reach deep into their bags of tricks to survive, some while joining NFO, some while believing a specialty will pull them through.

About Tobacco

In Lanier County, George P. Hamm has an acre of tobacco beds. Under plastic blankets and bedded in pine needles, the young plants are nursed along until it is time for other farmers to plant them as part of a tightly regulated allotment. They used to grow plants under cheese cloth in Georgia, much as described in the Connecticut-based novel entitled *Parrish*, but the new plastic covers are more efficient (and cost twice as much). Hamm raises enough plants for 300 acres. He has only 22 acres of tobacco allotment himself. Plants sell at \$5 a thousand, and it takes 8,000 to 9,000 to set an acre. All this is pretty much a full time job. Still, Hamm and his wife, Mildred, are agreed that the time has come for farmers to help get NFO organized.

"I'm looking for something better. I believe the farmers will all come in sooner or later if neighbors get together and help get members signed up. Myself, I'm going to help get NFO organized."

Organization rolls off every lip. It's the only answer, those who have inspected the problem state. "We have Type 14 flue cured tobacco," Hamm says. And he explains: This means you use diesel fuel to heat the barn to 180 F. You have lots of barns burn down — the risk factor. Insurance runs high. It costs \$50 per \$1,000 valuation to get coverage, and the limit is \$1,000 to \$1,500. Possibly only 40 to 50% of the barns are insured.

There was a time when government programs were used to hold up farm prices. Now they are used to pull them down, Hamm noted. The government puts the tobacco it buys into hogsheads and stores it for up to 10 years. Markets open in July, close in January. "A law should be passed that government cannot sell tobacco during normal market periods." As it is, they let enough tobacco out of "hogsheads" to break the price. Imports do the same.

Setting the Floor

Almost all Georgia farmers in the NFO counties grow tobacco. There is a remarkable consistency in the story they tell. Almost without exception, they claim that there is no competition in tobacco bidding. The top dollar is set. The government sets the floor, and the floor is 20 to 25 cents below the market. At any auction, "you can see buyers fight with the auctioneer over a pile of tobacco—over just who it was knocked down to," one tobacco grower mentioned. "All any of them would have to do is bid the price up by an increment of 1 cent or ½ cent or even a smaller fraction. They won't do that." And one look at the auction cards reveals that prices bid hardly vary a fraction of a cent. Indeed, one set of cards scrutinized by NFO Reporter re-

vealed card after card with the knock-down price exactly the same.

The observations on all this are many. Farmers know the economics involved quite well and hardly hesitate to point them out. Type 14 flue cured smoking tobacco has a world demand, they say. Yet the government won't allow growers to plant the type that would sell in world markets. At the same time, imports pick up steam each year. And the tape-measured tobacco plots grow smaller almost every season.

Farmers feel the American companies should take American production at parity prices first. Almost everyone realizes what will happen when minimum wages are made to apply to tobacco. Imports produced under foreign wage structures of between 25 and 75 cents a day will comply with Jeremy Bentham's mandate and take over the market. The employees in tobacco growing will march off to the southern cities even more, and from there into northern big city slums. If tobacco farmers were organized properly, and could bargain under an NFO-type structure, which would require American manufacturers to buy American tobacco first, the mechanism would circumvent the need for tariffs.

As it is, the farmers continue to consume their capital, and the tax gatherer takes in most of the money from the tobacco crop. An average pack of cigarettes has federal tax, 8 cents; state and local taxes, 5 cents; manufacturing costs, 7 cents; wholesale and retail costs, 6 cents. The farmer gets 2.6 cents, and has 10 times the labor and 10 times the investment involved of either manufacturer or wholesaler and retailer.

Farmers see all this. At the little waystation called Bemiss in Lowndes County, about 20 farmers recently gathered to talk about NFO. Of these, 8 were members. Before the meeting had even started, 11 of the others signed NFO membership



Elmo King, Cook County, Georgia. "I joined because I like the seniority part. I don't like the idea of being on the tail end when NFO succeeds."

agreements.

The pressures mount. PCA has furnished the information that fertilizer users had better make arrangements early for 1967. Credit is certain to be pulled from under many. This rolling "adjustment" is going to proceed. And those left will be required to produce more for less money. Yet farms are not earning a

profit. This is the reason so many of them are running down. Farmers have been working for the rest of the economy for fun. Everywhere there is evidence that the fun is about over.

Farmers in Georgia see the challenge as never before. In Irwin County they have stored a half million bushels of corn under NFO. In Ocilla they run paid spots on TV. In the counties within a day's drive of Ocilla, they organize.



Pota Purvis and his wife Nell stand before their brick home on a 490 acre farm. "Some are reluctant to leave the idea that government is going to come through and bail out the farmers."

Harold Barnes hasn't the time to organize, but he does it just the same. He farms 600 acres, raises tobacco, peanuts, cotton and corn, and sells them the way farmers have traditionally sold for centuries. But he looks to the day when NFO will do the selling. In the township where he lives, he and NFO helpers signed 80% of the production in four days recently.

"Actually, we got a lot of NFO information out of Florida," Barnes now recalls. "This has put us a jump ahead of the rest of the county." A jump ahead means that some 40 members are rapidly putting the county into chartering position. "Education is the biggest problem. Every man who is open-minded who'll listen will join. It's the only way. Here's proof."

As proof, Barnes showed a sales ticket for 4 bolts, 4 nuts and 4 washers. The bolts were 5 1/16 in. long. The price: \$9.67. Unfortunately, the NFO message does not move across the country on gossamer wings.

NFO Courier

The courier who brought more NFO to Georgia than anyone else was Harry Thompson of Hopkins, Missouri. The farm at Hopkins is now being run by a son, Carl Thompson, while Harry spends most of his time in Georgia. Both Harry and his wife, Alma, have more or less adopted the south, although they cannot yet pass the true southerner's test of pronouncing "all" and "oil" exactly the same.

"You meet all the clichés here," Harry says. "And a few more. We tried to get an attorney to put his farm under NFO. He said: 'I don't believe in unions. Organization is all right for business and professional people, but farmers don't have sense



Harold G. Barnes and his boys with "John the Bull." The boys are Lee, left, and Harold E., right. In the township where Barnes lives, he and NFO helpers signed 80% of the production in four days recently.

enough to price their production. People will starve."

When NFO first came to Georgia, Marion Green did all the talking. About two sentences out of Harry Thompson, and the thinking ran, "Ha, another Yankee with a scheme." That's gone now, of course, and Georgia NFO members chuckle when they recall how they suspected NFO before they understood the organization.

The real trouble, according to Thompson, is that "NFO is blamed because another farm group has been around a long time and hasn't delivered anything—and I think you know who I mean. But once you get a man's teeth into NFO, you can't shake him loose."

NFO has the staying power and the will to succeed, not only in Georgia, but everywhere, for this simple reason. There are too many NFO members who simply won't shake loose.

In any restaurant, you get Georgia ice cream for breakfast — hominy grits. Likely as not, you can get whole-hog sausage, an NFO special. At the Osceola Restaurant in Ocilla, the proprietor is Johnnie King, who serves guests with a flourish and true hospitality. The NFO tie clasp symbol gets added recognition. King has a farm at Waycross (Ware County) and is an NFO member. How soon will Ware County charter NFO? "Well, it takes six months to get some of these fellows to see. And then they want all others to see it by tomorrow morning."



NFO welcomes Y'all in Georgia, as this road sign in Irwin County readily attests.



The sign of the times is going up in the south these days—NFO, Collective Bargaining.

THE FARM SCENE: An Economic Appraisal

Even with a rigged formula, farmers are only receiving 77% of parity. Recent USDA figures, based on the costs and returns from different types of commercial farming in various regions, show averages per farm per year from 1962 through 1964 as follows:

- Dairy farms in the central northwest had a total capital investment of \$43,800 and a return of 37 cents per hour to operator and family labor.

- Grade A dairy farms in eastern Wisconsin had a total capital investment of \$68,760 and return of 63 cents per hour to operator and family labor.

- Poultry farms in New Jersey selling eggs had a total capital investment of \$44,740 and a loss of 6 cents per hour to operator and family labor.

- Broiler farms in Georgia had a total capital investment of \$16,450 and a return to operator and family labor of a loss of 14 cents per hour.

- Hog-beef fattening farms in the corn belt had a total capital investment of \$120,410 and a return of \$1.36 per hour to operator and family labor.

- Winter wheat farms in the southern plains had a total capital investment of \$109,150 and a return of \$1.58 per hour to operator and family labor.

Capital Investment

These total capital investment figures on commercial farms, which are the large farms for the region, and the return per hour to the operator and family labor is the average farm gross income minus operating expenses, which equals net farm income minus about 5.75% interest on capital.

Obviously, a farmer borrowing money for operating expenses is in even a worse position than these figures—all taken from USDA Farmers' Bulletin 2221 would indicate.

In 1965, USDA reported total net farm income at \$15,158,000,000. How did the statisticians arrive at these figures?

Cash receipts from farm marketing totaled \$39,187,000,000 (that's 30 billion plus). Farm production expenses were \$30,735,000,000. This leaves a profit of \$8,452,000,000 on an investment of \$235 billion. In order to get the \$15,158,000,000 reported by the USDA, certain other calculations were necessary. For one thing, government payments to farmers were added—some \$2,452,000,000 of them. But this still didn't add up to the \$15 + billion indicated above. Other adjustments were made. The figure handlers added another \$924,000,000 as the value of "home consumption" of food produced on the farm. Another \$44 million was added to the income figure for fuel wood used on farms. Another \$2,374,000,000 became farm income because the pencil pushers calculated that farmers really ought to consider living in the farm home as income. And, last, the income calculations reflect a net change in farm inventories of \$956,000,000.

Thus when \$8,452,000,000 of actual farm net profit is refurbished with additional figures, the USDA can manage to find a \$15,158,000,000 return to farmers.

Various experts add up figures in various ways, but the only way a farmer can come to terms with reality too, is realize that his products are not being sold for prices sufficient to yield a return on the investment and still show a profit. No amount of figure rigging can alter that quite simple observation.

All farmers—if they pause to think about it at all—can agree

that the biggest problem in agriculture today is the lack of a fair price at the marketplace. The rest of the problems of the industry pale into insignificance when compared to this very real one.

Those attuned to the flow of history are well aware of the fact that government programs have been found wanting, and that no one else is going to meet this problem for the farmer. In the story of human life, there are always some things people have to do for themselves.

Farmers must solve their own problems. They can no longer plant in faith, live in hope and sell at charity prices that are lower than the cost of production.

Hope will not write the farm ticket anymore. During the past 50 years, farmers have had prices equal the income level of other segments of the economy only just before, during or right after a war. But no farmer wants to get fair prices that way.

Farm Commodities

The buyers of farm commodities and market information sources tell farmers each year how the outlook for the future has improved. These statements are always based on the law of supply and demand. What happens that these predictions never arrive.

A glance at several commodities should prove interesting.

Cattle. For several years there have been predictions of better prices dead ahead. But always, buyers bring in additional imports. Next, farmers are told prices will go up on heavier weight cattle. But when feeders have their cattle at the heavier weights, buyers suddenly want lighter weight cattle, and drastically reduce the prices on heavier weights—all after a lot more tonnage is produced.

Hogs. The same practice is invoked by hog buyers. (In the last few years, various methods have been used to manipulate milk prices. Usually there are claims that butter will not sell, and accordingly prices are knocked—this despite the fact that butter accounts for only a small part of the total dairy production sold.) The same principle is used on hog farmers. Lard is portrayed as being a drag on the market. When such talk fades, it is only because it has lost its effect.

Grain. A few months ago, farmers had high hopes. The need for production would be great, farmers were told, because a hungry world was clamoring to be fed. Higher farm prices were freely predicted. What happened? The grain trade started talking about a five billion

bushel corn crop for 1967 and a one billion bushel soybean crop, and there was talk of considerably more wheat. These projected figures had nothing to do with the existing supply; in fact, some of this production wasn't even in the ground yet. Yet these predictions killed prices here and now."

If short supply and heavy demand really fixed prices, then farmers should be enjoying higher farm prices right now. A recent report by Robert M. Schoeff, Food Specialist of Kansas State University, states that "Based on 1965 storage figures and average per capita consumption, we have a 4 day supply of red meat, 7 days of chicken, 45 days of turkey, 4 days of eggs, 25 days of condensed and evaporated milk and none of fresh milk."

Obviously, farmers can do exactly nothing as individuals.

Today, the buyers are much larger than ever before. About six buyers handle the major portion of each farm commodity and 25 chains retail about 85% of the food in America. The food chain stores can be used as an example of this concentration of buying power. It has been established that 23 of these chains do not have their own procurement agencies and use the so-called yellow sheet as a market guide. This guide is a market publication that lists the prices of dressed beef, pork, lamb, dairy products and other foods. There are two major chains in the nation that do have their own procurement departments and buy in the active markets. Consequently, the yellow sheet is nothing more than a market report on prices paid by the two major chains. In other words, about half a dozen men out of 200 million people determine the prices of nearly every farm food product for the producer and the consumer. The individual farmer has no chance in today's organized economy unless he groups his production together with other farmers and then bargains to meet this strength of buyers. The law of supply and demand can work only when the buyers and sellers have equal strength.

Every farmer should realize that everyone else in the economy is organized. The farmers are the only unorganized group in an organized economy. The lesson is obvious. Farmers must organize.

The NFO offers farmers the opportunity to solve their problems. NFO believes that almost every farmer will join the NFO if he will sit down as a businessman and think about the investment he has in agriculture and the fact that he can do nothing about gaining a fair return without organization.

One farm editor who is telling the story of agriculture with accuracy is Bill Zipp, who was recently given the NFO Distinguished Service Award. Here is a camera-eye view of one of Zipp's presentations.



HOLDING ACTION

It would take several newspapers this size to publish all the notes gathered by NFO Reporter during the holding action so far. Therefore, publishing all this information is impossible. But as a sampler, here are a few of the notes as taken down and edited.

The membership came first. But within minutes after NFO President Oren Lee Staley picked up the telephones at 4:00 p.m. Wednesday, March 15, to announce to NFO leaders that the long awaited holding action was "on," NFO's switchboard lit up like a pinball machine. All trunk lines were jammed, and the little yellow "callback" tickets from the press piled up. The first milk that would not go into trade channels, obviously, would affect trucks on Thursday morning.

THURSDAY, MARCH 16.

The most dramatic incident of the day came when farmers in 35 cars and trucks dumped 1,500 gallons of milk from a bridge into the Snake River near Twin Falls, Idaho. The farmers had probably taken their



NFO President Oren Lee Staley, telling a newsman why farmers had to take the drastic step of dumping milk. The sign in the background contains a precis of what Staley is saying: "Save our family farms from going down the drain."

cue from a full page picture in *Life*, which showed Japanese farmers dumping milk from a high bridge. It was one of the opening signals of the holding action, and one that was to be repeated a great deal.

In locations too numerous to mention or report, milk was drained. NFO farmers went to county meetings. They started talking to non-members, asking them to join NFO and add their production to the hold. Industry experts predicted a short holding action, but the farmers who were pouring their milk away knew better. They dug in for the long pull.

At NFO headquarters, all facilities were pressed into service to assure a successful holding action. Machinery was set up to field the scattered reports, to codify them and to draw conclusions.

FRIDAY, MARCH 17.

"A milk shortage in the Chicago area loomed yesterday," reported the *Chicago Tribune*, and the calculations had it that the reserve could supply 30% of the Chicago market.

Avery Vose, president of the Pure Milk Association in Chicago, which supplied more than 40 milk companies in the Chicago area, said the supply of dairy products is expected to run low by late Friday if the holding action continues.

From all sections, holding action reported tightening. Pressure being exerted on farmers to quit the action. The Omaha-Douglas County Health Department has issued a letter to farmers: "Effective immediately your Grade A Milk Handling Permit is revoked for the reason you are no longer sending milk into the Omaha market," the letter said.

you started this thing?" He hung up on NFO Chief Negotiator Gordon Shafer.

Harry Stiles, general sales manager of Bowman Dairy Co., Chicago, quoted in *Wall Street Journal*: "I don't see how farmers can survive at \$4.90 (a hundredweight)—that's what we're paying them."

A new dimension shaping up: TV cameras are always hard up for news suitable for film treatment. Across all states, TV stations request to be notified when milk is dumped.

Sedgwick County, Kansas farmer Franklin Simon dumped 800 gallons of milk this morning. Dale Thompson dumped over 600 gallons. KTVH-TV and KAKE-TV from Wichita, Kansas on hand to take pictures.

Milk up 2 cents a quart in Omaha.

The details pile up. Plants are reported closing everywhere.

Communications means everything. Members have to be informed or they will believe the slanted news that is fed out by public prints and broadcasting systems. After a farmer is told that the effort is faltering and he is unable to find out what is really happening, he loses his spirit. Earlier holding actions indicated to NFO that the battle can be won or lost on the basis of how well members are informed.

Thus it became necessary to set up an NFO news bureau, one that could out-distance the wire services in effectiveness. It took a few hours, but long before real action started being generated, a nerve center had been set up in the same Board of Directors room where the Board had decided on a holding action a while before. Direct lines went in — some for in-coming messages, some for out-going calls. A red phone stood ominously in one corner—the hot line. It was rarely used.

Within hours after the lines went in, the holding action settled down to a methodical procedure. Reports, scraps of information, pulse readings, all came into the nerve center day and night. Nothing was overlooked. The information arrived as "case reports," some of it too enthusiastic, some accurate enough to give a wire service reporter credit. Put together hour after hour, this information told a story. And that story went out methodically to the stations that had been set up across the nation.

The hours wore on, and shift replaced shift. Rollaway bunks, first two, then three materialized in the nerve center, and above the dim and glare one could see the limp form of a Director, an officer, a field man sleeping soundly while bells purred.

Wires were strung up on insulated hooks around the room. The phones worked overtime and the staffers worked overtime.

As the information flowed in, all of it handwritten, some of it cryptic in the extreme—albeit correct in detail—it was fed into a nearby typewriter. Minutes later those same facts flowed out again, this time as read from duplicated copies to NFO field people who not only reported, but gathered in what was being read and relayed it to county meetings at night. Thus a report coming in on a telephone from, say Wisconsin, was on its way to Georgia or Kansas

A DIARY OF HAPP



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within minutes. Headlines in the public prints designed to put to death the NFO effort were shot out of the saddle before they even appeared. In a sensitive way, NFO was writing its own headlines and copy.

SATURDAY, MARCH 18.

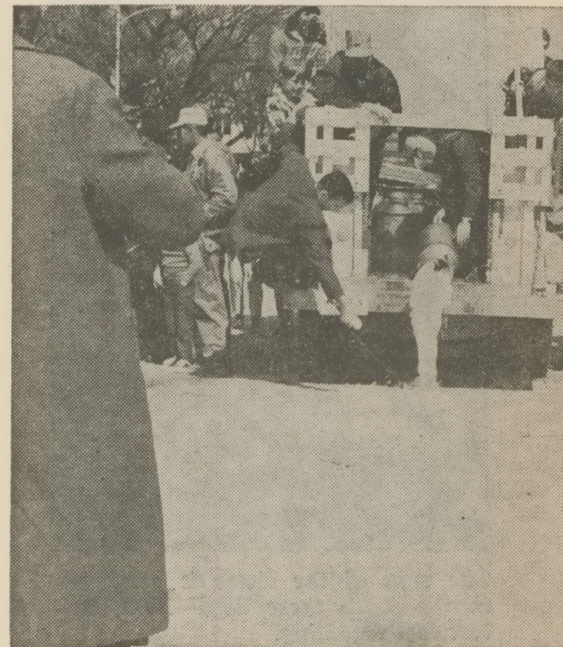
The dumpings really picked up steam today. One non-member signed into NFO at Springfield, Missouri in the morning, and dumped 6,500 lbs. of milk by noon before TV coverage. He had dumped 20,000 lbs. during the first four days of the holding action.

11:00 a.m. 30,000 lbs. milk dumped into a creek at Springfield, Kentucky. TV coverage.

Don Lowry reports that Crawford County, Pennsylvania members are holding 85% yesterday.

In New York, 7 farmers used manure spreaders to get the holding

The lacteal liquid hits the street in front of Corning word went out Farmers will keep prices for their production.



A DIARY OF HAPPENINGS WHILE FARMERS STAND UP TO BE COUNTED IN 25 STATES



Here are a few of the people who gathered in front of NFO headquarters at Corning, Iowa, where network cameras and national wire services covered the symbolic dumping of milk on the street. Later, trucks dumped milk on nearby farms. NFO President Oren Lee Staley detailed the reasons for holding actions to the crowd. Adams County NFO leaders carried signs "Save the family farm."

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The lacteal liquid hits the street in front of NFO headquarters, Corning, Iowa. And from Corning word went out Farmers will keep driving home the message until they achieve fair prices for their production.



message across. They used oleo to grease spreaders then used the spreaders to distribute milk over the land. They told reporters oleo was cheaper than gun grease.

By 10:00 a.m. a milk hauler reported that a plant at Ava, Missouri was down 75%.

At a cheese factory in Kansas, a milk hauler, reported to news media that his normal daily haul was 37,000 lbs. and that he was down to 5,700 lbs. yesterday.

The dairy industry spoke with one voice today. Almost across the board there was admission that there had been a 6% reduction in fluid milk supply.

By the score, reports started coming in that indicated powder and Grade B was on the move. A Grade A plant in Missouri was reported using 1,000 lbs whole milk to 100 lbs water and milk powder.

Cedar Rapids, Michigan — restaurants reported out of milk.

There are easily 100 items of news in from the field. They report of individual plants out of milk, plants closing, stores running low, home deliveries stopped, dumpings continued, members signing up, and milk buy-outs. The milk buy-out came into its own today, being reported in strength across all the states. And the dumpings continued. In Waupaco and Shawano Counties, Wisconsin, NFOers bulldozed holes into the ground and staged a contest to see which group could fill the hole first.

The pressure from health departments eased somewhat today. In Kansas City, Copenhauer of the Dairy Section Health Department reiterated that farmers not shipping for three days would be de-listed. But he added that inspection would be made more promptly than indicated earlier.

"Would you work for 37c per hour? The dairyman does." This milk is being dumped on a farm near the Corning, Iowa Country Club. Trucks are lined up for several miles and dumping simultaneously.



Everywhere, holding action building. SUNDAY, MARCH 19.

Rural businessmen getting involved. Two bankers from Redwood County, Minnesota were reported going down the road to encourage non-members to come out to an NFO meeting. At NFO meetings non-members were asked to join NFO and add to the effort.

At Fort Wayne, Indiana, rationing was reported, 1 quart per customer.

Many large coops reported having special emergency meetings.

The plants continue to close. A plant in Wisconsin closed. A plant in central Illinois reported ready to close. The closings are reported on the hour, and logged in. But unless they are confirmed, they cannot be reported definitely closed. It will take NFO many weeks to reconfirm information reported during the heat of the hold.

The pulse of the action reads strong. Some of the reports are significant in the extreme. They are checked immediately and passed on to the leadership for evaluation and action.

The shifts in the nerve center change. Milk, paper cups, and a spartan amount of coffee. The emphasis is on milk.

Papers flood the tables and floors and still more papers and notes are ricked up hour on end. Small piles give way to corrugated boxes which serve as temporary files. Someday, someone can reconstruct the entire action, minute by minute.

Officials wince under the blinding glare of the 16mm. camera and the soft purr of that same camera shooting fast film, ASA 400. The big battle map on the wall outlines the counties under NFO organization.

The projections show Grade B and Grade C and powdered milk being moved into Grade A channels. The reports show trucks moving across several states as dairy manager desperately shift milk into deficit areas. The dumping is knocking a big hole into the supply. The action is tightening. No one—absolutely no one—expects it to falter for several days. Some of the headlines pour acid on the NFO effort, but news coverage is improving. At Kansas City the Star published a cartoon showing a rather sleepy farmer dumping milk over the world. In

the background — the bodies of starved people. Next to the cartoon, an editorial that predicts an NFO failure because there "is a surplus," according to the Star.

MONDAY, MARCH 20.

Lansing, Michigan—NFO, Michigan NFO leaders and NFO President Oren Lee Staley have been sued for \$1 million in District Court at Lansing, Michigan by Michigan Milk Producers Association (managed by Glen Lake). This is the group that is maintaining NFO is having no effect. The suit asks for a temporary restraining order against NFO for interfering with orderly marketing. A permanent restraining order is being asked against NFO members asking non-members to join NFO and for conspiring to interfere with marketing. NFO leaders at Corning, Iowa see this as a move to "threaten the highly successful effort." Members are cautioned to hold firm.

Quote: St. Louis Square Deal Manager: "Farmers need better prices. Finally, farmers are starting to do something about it."

The schools started running out of milk. In many instances the kids refused to drink the reconstituted milk being offered them.

The dumpings gather speed. The holding builds. The countless instances reported into the nerve center have become almost routine, except that in the aggregate they tell a new story. The tankers arriving from Texas, from the west, from the far east, have become uneconomic practices—but the dairies have apparently decided to endure. They apparently must continue to take their signals from the chains, and the chains will not yield as long as cake mix milk, water and lower class milk continues to keep something white on the shelves.

TUESDAY, MARCH 21.

Message from the National Headquarters, NFO. "We have had the first big breakthrough in negotiations. The success of these negotiations will depend on an ever increasing tightening of the holding action. You must explain to everyone that they must be calm and business-like, but that we are entering a vital part of the holding action. The farmers holding have done a good job up to this point. Don't waste the efforts of the past few days by not continuing to build. Show the dairy industry that you can and are really going to hold so that during the period of negotiations that we are backed up with a stronger and stronger holding action."

Bill Sinn of Will County, Illinois went to an A & P Store in Kankakee, Illinois with \$120 to buy out the milk. It took only \$40 to buy it.

Ohio, Switzerland, Dearborn Counties, Indiana — no milk moving. Trucks not even out, according to reports.

Marshfield, Missouri—not a quart of milk in town.

Chas. Barbay dumped 850,000 lbs. of milk on his farm in New York today.

WEDNESDAY, MARCH 22.

Oren Lee Staley and NFO officials are in meaningful negotiations

HOLDING ACTION

Continued from page 9

with important segments of the dairy industry today. Keep holding the milk so the industry won't have to bottle on Friday to fulfill the extra heavy demands of the Easter weekend.

There were reports that the Amish Dutch in Lawrence and Mercer Counties, Pennsylvania were holding. There were countless reports of shorted schools, non-members joining the effort, bottling plants shut down, counties with 50% hold, 75% hold, 100% hold.

And the news tightened down. The first rumbling came out of New Jersey. TV stations no longer interested in dumpings. "We've been told to get off this." By who? "By the powers that be." Reports floated in that WDAF in Kansas City was no longer interested in milk dumping demonstrations.

Dr. Henry McKenna of the National Council of Churches, Town and Country Division, called and told an AP correspondent that the Council had issued a policy statement supporting collective bargaining for agriculture. Dr. E. W. Mueller of the Lutheran Council U.S.A. called and reported and noted that holding milk was no different than holding an hour of labor off the market.

Graham, Maine asking for speakers and NFO organizers to come to Maine to speak to interested group of 2,000.

Vice President Erhardt Pfingsten reports from Minnesota: "No complaints, nothing but determination here. We're building. We're signing new members like mad."

Corning, Iowa — Adams County farmers dumped milk in front of NFO Headquarters before national broadcasting media, and TV cameras. A parade then took milk to a nearby farm and dumped.

Mayor, Vincent Sullivan of Corning, Iowa shown here telling broadcasting media that the farmer deserves the support of rural towns, such as the one he is mayor of.



Report from Gordon Shafer and Oren Lee Staley: Progress seems good in negotiations. Please, please,



NFO President Staley ready to board a Jet for a Philadelphia appearance on the Mike Douglas Show.

tell everyone to avoid incidents . . . don't send our progress down the drain now.

There gets to be an interlude in anything. In the big PI room, Butch Swaim continued his long, inhuman hours, existing on Gus Glaser Old Smoky Summer Sausage. His desk, usually knee deep in papers, had been cleared for the holding action, but the paper was building up again. The shelves in the office had been filled to the ceiling months before—TV films, projectors, tapes, stacks of Farm Tempo U.S.A. The telephone rheostats crackle ceaselessly and Lee Elliott, Hugh Crane and Don Mach — each with an instrument clamped to their ears like an added appendage—serviced calls that come in, also ceaselessly.

NFO headquarters hummed. The red carpet of new memberships line the desks as you come in off the street.

The window of the big NFO office facing the street borrowed a chapter from the orient during the holding action—news headlines, articles that could be read, all lured the passer-by to spend a few moments with the biggest news story of the decade.

The halls bobbed with comings and goings. The door signs, taped into place, warned: "Authorized Personnel Only."

During the early days of the action the weather was cold. A carton of milk on the floor kept for days.

On the floor, always, was the milk that tired staffers consumed as the hours roled by. On one wall, a reprint of an article by E. H. Taylor entitled, The Key to Prosperity, which told hard on the heels of WWII how to avoid the big dilemma that NFO was not battling.

Father Trzill, speaking in Linn County, Iowa — "You're on the right track."

THURSDAY, MARCH 23.

John Oster reported from Nebraska: At a question and answer session in school, the teacher asked, "Why are farmers dumping milk instead of giving it to the poor?" An NFO child answered, "Because they are the poor."

And the tankers arrived from western South Dakota to break the effort.

At last the effort was being understood. Chet Huntley reported: "There is somewhat more drama and pictorial possibility in thousands of gallons of milk going down a drain or being spewed out on the ground than there is impact in the inexorable and non-dramatic withholding of wheat or beef cattle from the market. Consequently, there is somewhat more public interest in this current struggle of the dairy farmers than there has been in previous efforts of the NFO to withhold other farm produce from the supply lines of the economy. . . Our distribution network is not archaic. . . it is overly sophisticated and specialized. All of that processing, sterilizing, packaging, and building in of convenience and guaranteeing of goodness costs

money; but the housewife has not paid for it. The farmer has. These costs have been exacted from his end of the system, to the point where it is now critical."

The baby food plants started closing, and the farmers tightened their hold. From the USDA in Washington—silence.

A special agreement is prepared at NFO. This is an intermediate step. "We are not pulling off of our master contracts in any way, but this can be used as an intermediate step to break the log jam." The agreement called for a short-term price increase of 2 cents per quart at the farm. The first short-term agreements were signed within hours after they went out.

Reports came in out of Canada that Canadian milk producers might be given a 65 per hundredweight raise.

In the Milwaukee Journal—picture of largest dumping so far. 1,000,000 lbs., or \$40,000 worth of milk dumped. Still, this is peanuts compared to what farmers will make by winning the action. The only way to recover the costs of the holding action, everyone realizes, is to win.

Texas County, Missouri—150 at a meeting last night. Two bankers one from Cabool and one from Houston, Missouri, said: "Don't worry about money while the holding action is on." One feed dealer there is selling feed \$2 per ton cheaper to members who are holding, according to a report by Mike Summers.

Washington—National Officials reported nervous. Foreign nations alarmed and asking explanation. Religious and community leaders in several areas are calling for immediate negotiations. They are sending telegrams to governors, national religious leaders and elected officials in Washington.

FRIDAY, MARCH 24.

Senator Gaylord Nelson wrote to Secretary Freeman; NFO milk holding action dramatic demonstration of farm unrest throughout the country. . . In Wisconsin the milk cow

The nerve center at NFO Headquarters, Corning, Iowa. The NFO farmers in 25 states were supplied with up-to-the-minute information from this center.





NFO Secretary Harvey Sichels and Lee Elliott post choice headlines for a window display. Pedestrians on the street read the coverage from far-flung territories with interest.

population has fallen below the two million mark for the first time since 1930s. He called for reduction of dairy imports, dairy supports to full 90% of parity and for Congress to enact legislation authorizing the Secretary of Agriculture to increase the support prices to 100% of parity.

Newsmen from several key cities in conference calls. Lack of violence has made it difficult for news media to drown out the farmers real story.

Creameries and manufacturing plants signing by the dozens. Some release their names, some request agreement not be released.

Mike Douglas and NFO President Staley, telling 40 million listeners the NFO story, and the story of the milk holding action. Earlier, a Mike Douglas staffer had observed that there was a story "out there that's not being told."



SATURDAY, MARCH 25.

A new type of news is coming in. Rural businessmen are taking up donations to help farmers who are dumping. LeRoy and Del Paulson of Dodge Center, Minnesota were pleasantly surprised when their family dental bill of over \$100 arrived in the mail, marked paid by Dr. Ellingson in view of their sacrifice for the farmers. The list of such instances runs on and on.

Chuck Dunford of Dodge, Minnesota offered his neighbor, who is dumping, a load of hay for free.

And the radio efforts to spike the holding action continue. Sample: WIRL Radio, Peoria, Illinois is broadcasting that the holding action will be over this weekend. More and more of these reports are cropping up in an effort to break the effort.

Telegrams to governors and President Johnson reported to be pouring in from Michigan and Minnesota. Citizens are asking the chief executive why he has done nothing to get processors to bargain in good faith with farmers.

A new wrinkle has been added. Farmers are now buying milk from other farmers who won't dump, and dumping it for them. The same money will buy more at the farm than it will in the grocery store.

A reading of all reports from the field indicates that farmers are not about to quit holding over the Easter weekend. No, not even after Easter—not until they get 2 cents a quart more at the farm.

MONDAY, MARCH 27

Nashville, Tennessee. — The holding action took an unexpected turn in the border country this morning. Two labor unions have decided to help the farmers. They are the meat packers and the teamsters. The unions had been honoring NFO pickets. Processing companies went into court to jar the unions from their position. Nashville dry as a bone.

TUESDAY, MARCH 28.

A magic new phase has gripped the nerve center. In a word: Phase 2. Phase 2 has put new fire into the tired farmers. This is the lock-up

phase, the plan designed to make it possible for farmers to deliver milk to cheese, butter and powder plants for processing and lock-up. Managers could not be expected to sign such contracts before the holding action went into effect, but now several long, drawn-out days of dumping have knocked a big hole into the supply. Phase 2 allows farmers to keep title of the production. Everyone in the nerve center is talking phase 2. The contracts have gone out and some have already been signed.

The hot line hardly rings these days, so firm and desperate has the battle become. Nerves rarely explode. And the cartons of milk are gone. The farmers have settled down to coffee. The back door has been flung open to admit the spring — and in the tired sincerity and tired lines in every face one can almost read a desire to be back in the fields again, back at it, back where each farmer would like to be had not the powers that be made this desperate battle necessary. Staley and Pfingsten confer quietly in a corner of the nerve center while conference messages go out.



The battle is firm and desperate. Lloyd Fairbanks answering an important question.

The news has lost much of its spontaneity now. The Huntley-Brinkley Report featured a fairly competent actor-farmer. He had received threats, he said. He was not afraid to run his trucks, he said. His boy ran a tractor with a rifle across his lap, he said. In

Free milk on the streets of Corning, Iowa. The message came through loud and clear—farmers are being short-changed.



HOLDING ACTION

Concluded from page 12

fact the man is well known around NFO. He has appeared at county meetings every night since the holding action started with a deputy in tow. The object has always been to discredit the holding action, to break it up.

action is not just against NFO, its against farmers, and it is going to be the test of whether or not farmers are going to be deprived of fair prices through the action of the Johnson administration. It comes at a time when we are close to winning. I know



Flanked by attorneys, President Staley answers reporters questions after emerging from the Court in Des Moines, where NFO beat back an attempt to stop the holding action. Left, Lee Sinclair, and right, Former Iowa Attorney General Larry Scalise.

The catalog of reports on dumping, holding, new members signing into NFO continues to build. A new county has been chartered in Massachusetts. Four states have inquired about NFO and requested organizers.

WEDNESDAY, MARCH 29.

BULLETIN

WASHN-MAR 29—/UPI/THE FEDERAL GOVERNMENT HAS FILED AN ANTI-TRUST SUIT AGAINST THE NATIONAL FARMERS ORGANIZATION IN AN EFFORT TO BREAK THE MILK WITHHOLDING ACTION. THE SUIT WAS FILED IN FEDERAL COURT AT DES MOINES, IOWA.

STATEMENT BY NFO PRESIDENT OREN LEE STALEY:

This action that the federal government is taking against farmers to break the NFO milk holding action involves the rights of farmers. The NFO has never condoned or advocated any illegal acts and it never will. Our records will prove this. The real heart of the federal action is to stop farmers from bargaining and thereby gaining fair prices for their products. This comes at a time when we were winning and were getting close to achieving gains that farmers so badly need and for which they have made so many sacrifices. The reason that the holding action had to be called was because the Johnson administration had turned its back on the American farmers and left them as the forgotten part of our nation's economy.

"I feel this action is really in line with the Johnson administration policy to keep farm prices low. This

that all farmers will be shocked by this type of action. The public should realize that this does not just affect NFO members but every farmer in this nation. Of course we will comply with any court order but we will fight with all the strength that we can muster to protect the rights of the American farmers, and we have no intention of quitting our fight for the farmers."

THURSDAY, MARCH 30.

In Court today, the NFO beat back an attempt by the government to stop the holding action. The court granted a restraining order for 10 days. This order, however, is rather superfluous since it prohibits that which the law already prohibits. Normally it is the function of a restraining order to establish law temporarily where no law exists.

In the affidavit filed with the Court, the government's attorney gave no details, named no specific cases of coercion or intimidation. The Court specifically stated that the NFO was entitled to continue the holding action.

FRIDAY, MARCH 31.

Holding action — in phase 2 — continues. Signups continue. The ticket for fair prices is being written. Gains so far: Secretary Freeman has called for a limit on cheese imports. It is almost a certainty now that farmers will achieve higher support prices through government action. But the battle for the farmer writing his own ticket continues. The lock-up program continues. In a word, the holding action continues.

The NFO Image

THE DOCUMENTS OF PROGRESS FOR FARMERS

Never in the history of agriculture have so many people taken up the battle for farmers. Whole towns in rural America have hoisted the NFO banner. By the thousands, citizens in all walks of life wired their governors, congressmen and President Johnson, voicing their feelings, telling those in charge of the economy to pay the 2 cents. Radio commentators went to battle for NFO on talk shows. Millions of words telling the farm story hit print for the first time last month. But the most characteristic comment of all came from the Mike Douglas Show, where representatives of the processors refused to be interviewed. "This tells us," one spokesman for Mike Douglas said, "that there's a story out there that's not being told."

Below are reproduced a few of the communications available at press time. They tell in no uncertain terms how well the NFO message has come across during recent weeks.

Senator William Proxmire on March 30, 1967, issued the following statement:

Proxmire Speaks

Senator William Proxmire (D.-Wis.) sharply criticized the Justice Department Thursday for its anti-trust suit against the National Farmers Organization. The Wisconsin senator termed the action "completely unjustified in view of the efforts of NFO leaders to prevent an explosive situation from flaring into violence." The Wisconsin senator said in a statement from his Washington office: "The main thrust of the Justice Department's action seems to be to enjoin the National Farmers Organization from threatening, intimidating, or harassing non-members to hold milk off the market. 'Anyone who knows the NFO's leadership as do I, knows that Orren Lee Staley and the other officers of the organization have done everything humanly possible to prevent these very acts. In view of the widespread nature of the holding action and the cruel financial stakes involved for the farmers, the relative scarcity of acts of violence is a remarkable tribute to the NFO."

"To my knowledge not a single act of violence has been legally attributed to any person acting on behalf of NFO officials or members.

"One need only contrast the 1964 holding action with today's situation to realize that dairy farmers across the nation are showing enormous self control in pursuing their objectives. In fact, officers of the NFO met with the Wisconsin governor prior to the holding action to assure him that this was to be a peaceful, orderly attempt to gain higher prices. The NFO's effort has been instrumental in averting the tragic deaths that occurred as a result of the 1964 holding action.

"In going after an embattled group of dairy farmers whose economic situation has steadily deteriorated despite widespread prosperity in the nation as a whole, the Justice Department is trying to intimidate a group fighting for social justice.

"Surely there are far more significant anti-trust violations by big business for the department to concern itself with. Collective bargaining is one answer to the farmers cost-price dilemma."

The Churches

Dr. E. W. Mueller of the Department of Church and Community Planning of the Lutheran Council in the U.S.A., and a member of the Advisory Committee of Rural Areas Development, USDA, and a member of the

President's Committee on Employment of the Handicapped, sent the following message as both a letter and a telegram. It was telegraphed to President Johnson and Secretary Freeman. It was sent as a letter to Governors Levander, Knowles, Kerner, Boe, Romney, Tiemann, Hughes, Hearn, Branigin, Rhodes, Schafer and Rockefeller:

On the basis of more than 20 years experience in working with people and rural problems, it is my opinion that the current milk holding action on the part of the dairy farmers in 25 states is evidence of the financial plight of farmers and the effort they are ready to exert to receive an adequate price for whole milk.

If this holding action conducted in a responsible way at great financial cost to many farmers does not result in better prices for milk, dairy farmers will develop a fatalistic attitude and there will be a wide-spread sell-out of dairy operations.

This will be to the detriment of the nation. It will add to the city problem through the influx of dairy farmers to the city. In the long run it will also mean an increase in the cost of milk to the consumer.

I, therefore, urge you to get in touch with President Johnson, urging him to take step to arrange for the setting up of mediation procedures that will encourage the handlers and producers of whole milk and the National Farmers Organization to agree to an equitable price for whole milk.

Objective Reports

And objective reports in the daily press managed to cut away all the doubletalk and tell the farm story as it is. James J. Kilpatrick, a syndicated writer noted:

"With more political sense than they usually show, Midwest farmers seized upon this Congressional vacation period to dramatize their fight for higher incomes.

"The pressure they are exerting is almost certain to galvanize both Congress and the White House into remedial action. . . . city dwellers, who usually stand indifferent to the farmers plight, have a high obligation to acquaint themselves with what is going on.

"In certain areas of rural life, notably in milk production, a crisis point is approaching; but if the angry milk producers are making the most noise, other farmers are equally aroused.

"Prices have tumbled in the last nine months on wheat, corn, cattle, hogs, chickens and eggs. The farmer's expenses have kept right on going up. . . .

"It is easy enough to say that farming no longer is a one-man, one-mule, one gallus operation; as analyses of subsidy payments made clear, the bulk of the money goes to men and companies engaged in farming on a massive scale.

"City folks, in 1967, seldom had it so good. Down on the farm, it's not that way."

Farmers annually take 6½ million tons of finished steel in the form of tractors, trucks, cars, building materials, fences and many other essential items. This represents nearly half as much steel as the total automotive industry uses.

NFO Reporter

What About Those Who Object?

Why do some farmers join NFO, whereas others avoid taking this meaningful step? Why do some farmers see organization as the only solution to the low income problem, whereas others think only in terms of the individual's weapons? Why have some farmers turned their backs on "getting bigger," "more efficiency," and "removal of neighbors from agriculture" as solutions to the low farm income problem and joined NFO for collective action? Those who join NFO know why they join. But almost as important: Why don't some farmers join? NFO researchers have found that there are four reasons why many farmers fail to sign the NFO membership agreement (certificate of friendship). Hopefully, "as soon as they understand, they'll all join!" With this thought in mind, NFO Reporter now attempts to answer those basic objections.

OBJECTION 1

NFO or collective bargaining for agriculture won't work because farmers are too independent. They simply won't organize. They won't cooperate. It is not the nature of farmers to cooperate. Knowing this in advance, why should I waste my time joining NFO?

There seems to be some truth in all this, as any observer of the farm scene can readily discern. Farmers are sometimes slow to see the overview required of those who are willing to fight for the survival of the family farm. And unless farmers understand the goal, they are reluctant to abandon something of value they have known.

American farmers have long enjoyed their independence, even though much of this independence has been abridged in recent decades. They have worked out their own problems by doing their jobs on the farm, and have seldom thought in terms of activity well removed from the font of production. Thus the American farmer has come to think of working out farm problems on the individual farm. Accordingly, he has developed an efficient production machine and has done his own work as independent of outside interference as any working man in the country.

But it is not true to say the farmer cannot and does not cooperate, just as it is dishonest to state that the farmer won't organize.

When he knows what he is working for, and understands the problems of attaining that goal, the farmer will organize and will cooperate. All except the very young in rural areas remember a day and age when there was no electricity on the farm. This meant no lights and no power for work-saving electric motors. It took organization and cooperation to electrify rural America. And as soon as farmers understood what electricity would do for them, they not only joined—they cooperated as well. The farmers joined to a man and cooperated to a man because they understood what they were working for and the nature of the organization required to reach the goal.

The only reason farmers have not duplicated the achievement of lighting rural America in the area of farm marketing is that they do not in sufficient numbers understand collective bargaining for agriculture and what it will do for the family farm, nor do they understand in sufficient numbers the type of organization required to reach the goal. In short, they do not understand NFO.

Many farmers think only in terms of individual weapons for fighting the battle of life. Thus as the market goes down, they try to develop a differential advantage for themselves by working harder and producing more—the efficiency factor.

See OBJECTION 1, page 14

OBJECTION 2

NFO won't work because farmers don't want anyone telling them what to do, where to sell, when to sell, how much to grow, etc. They don't like to lose their freedom.

There is in this objection a failure to understand the anatomy of what freedom means. It makes a great deal of sense to talk of freedom of contract between two men equally situated, both of whom have other sources of income. They can enter an agreement, or they can go their own way and not do business at all. But it makes no sense at all to talk of a freedom of contract between two men, one of whom has another source of income and the other none, because in the end the one must say, "That's my offer."

Without organization, farmers are in exactly the same position as the unorganized man in any line. In agriculture this has come to mean that farmers go to market and ask, "What'll you give me?" If history means anything, there can be no doubt that farmers must now organize to price their products or be phased out of existence. Freedom to go broke is not half as important as freedom to make a profit.

Two or three decades ago the question now being posed for farmers was asked of independent retail merchants. They too were "independent" and didn't want to organize. They used the same arguments the farmer is using today. One merchant would say, "If you fellows knew how to buy right, you wouldn't need a buying association." They too wanted their independence. They didn't want to get tied down into a buying group. They wanted to buy what they wanted when they wanted it. The end result was that most of the independent businesses went out of existence. Today, the independent merchant is working for his competitor who did organize. He still has his freedom—the freedom to work for someone else, the freedom to do what his boss tells him to do.

Farmers are now the very last to organize. They may be 15 to 20 years too late, but it is not too late for those who still remain.

The lawyers have organized. They have established minimum fees for the services they sell. They have their own set of rules and laws to protect their profession. The manufacturers have organized. The medical doctors have organized. Big business has organized. And the independent grocery stores still remaining would not even be in existence had they delayed organizing any longer. Hardware dealers, dime stores, grocery stores—all have formed collective buying groups. Why? They could not compete against the power interests that united so that they could compete against the power interests that were destroying them.

See OBJECTION 2, page 14

OBJECTION 3

NFO sounds OK, and it would work if enough farmers joined to price their production, but farmers will never agree to the 10% enforcement clause because it is too tough.

The NFO has a clause in its membership agreement that imposes a 10% fee on the member who sells outside of NFO once contracts with processors have been activated. This is not a penalty. It is an insurance clause. It assures all farmers who have joined NFO that marketing gains cannot be thrown away by an unsuspecting few who might be lured into breaking ranks. The insurance clause has been made part of the NFO membership agreement so that farmers cannot be led into a trap and prompted to give up their economic freedom once collective bargaining has achieved it.

It must be understood that no economic structure can exist on a double standard. Yet such, precisely, is the case today.

Farmers are being told that they should not expect to receive a return on their investment. They are informed by professors that they in fact get their return on investment through the regular increases in the value of land and buildings. It is blandly argued that if farmers gain a return on investment plus wages, food prices will go so high the public will not be able to buy food, much less TV sets and power boats. Thus farmers find themselves blamed for wanting to create unemployment in industrial areas when they ask for a return on investment.

Further, farmers are told to employ the technology available, and that this will make money for those able to remain in agriculture. The inefficient operator, the reasoning runs, is a part of the past. Farmers must get on the ball if they want to survive, the advisors note. Farmers must take a lesson from business.

The rest of the business world assumes that its wage bill and investment return must be paid. After all, investors will shun stocks that do not pay a dividend. Therefore raising prices is considered a foregone conclusion. There is seldom any discussion about justifying higher wages, salaries for management, or fielding a return on the investment. Worry about pricing a firm out of business is the last thing to be considered. As for a return on investment being uncalled for because plant facilities and land sites have appreciated in value—nothing could be more ludicrous.

Thus the double standard.

If farmers do not get a return on their investment, how can younger farmers buying into agriculture pay the interest on their investment. Neither farmers nor businessmen can afford to invest money merely

See OBJECTION 3, page 14

OBJECTION 4

If farmers organize and activate NFO contracts, farmers will make too much money. Then the big operator will buy up all the little farmers.

Big operators have certainly bought up little farms, but not for the reasons most people think. As a matter of fact, it becomes extremely difficult for anyone to buy a business that is making good profits. The reverse is true. Usually profitable businesses buy out lesser and unprofitable businesses. Mergers usually absorb the fellow who isn't making a living.

If farm prices achieved full parity as a result of NFO activity, agriculture would be an attractive enterprise compared to timeclocked assembly line work. Hundreds of thousands of young boys, now heading for the big cities, would stay in agriculture and make a good living owning their own farms. Parity prices would encourage young people to buy farms, or at least take over and operate the family farm.

The out-migration from agriculture has not come about because big successful farmers are taking advantage of small farmers. As a matter of common observation, small farmers have gotten bigger not because their small spreads were profitable, but because they were not making a living for the owners. The small farmers have retired from the field, or plunged deep into debt to get bigger because the price structure in agriculture has been all wrong. A fair return for agriculture would stop, not enhance vertical integration.

NFO has no quarrel with many other farm groups. Even when other groups believe themselves to be at odds with the NFO program for preserving private enterprise in agriculture, close inspection indicates that the differences are occasioned by misunderstanding. The NFO position regarding preservation of private enterprise is embodied in the documents and by-laws of the organization itself. In a word, NFO means saving the family farm, the bulwark of private enterprise.

Since this can be done only by farmers attaining parity in the market through bargained prices, NFO has focused attention on bargaining. Nothing in the NFO structure suggests slackening of efficiency in American agriculture. But honest analysis of the program must point up areas of inconsistency when farmers consume their capital investment or donate their labor and call it efficiency.

When viewed on a proper plane of observation—a plane defined in each instance of analysis—it becomes difficult to find real disagreement in all of agriculture. Only when talking at cross purposes do farmers visualize cause and effect so at vari-

See OBJECTION 4, page 14

CALENDAR OF EVENTS

The Calendar of Events was almost too long to be printed last month. It would have eaten up at least a full page. With the coming summer months, meetings and sausage feeds taper off somewhat, but their significance in keeping NFO and farmer solidarity glued together must never be overlooked. Here are a few on the schedule. If it's in your area, be sure to take it in.

- | | |
|---|---|
| Apr. 1—Darlington, Wisconsin — Staley | 10—Beemerville, New Jersey — Kuch |
| 1—Standish, Michigan—Paulson | 10—Mt. Vernon, Illinois—Paulson |
| 1—Toledo, Ohio—Pfingsten | 11—St. Johns, Michigan—Pfingsten |
| 3—Boswell, Indiana—Utley | 11—Little Falls, N. Y.—Kuch |
| 3—Worthington, Minnesota—Paulson | 12—West Union, Ohio—Pfingsten |
| 3—Rock Valley, Iowa—Clarence Ewert | 13—Lakeville, Minnesota—Pete Nagel |
| 3—Ashton, South Dakota—Kanerva | 13—Xenia, Ohio—Pfingsten |
| 4—Platte, South Dakota—Pfingsten | 14—Richmond, Missouri—Utley |
| 4—Ormsby, Minnesota—Paulson | 15—Mary's Home, Missouri—Utley |
| 4—Trenton, Nebraska—Leo Williams | 15—Shiocton, Wisconsin—Pfingsten |
| 5—Denison, Iowa—Paulson | 15—Hayes Center, Nebraska—Kanerva |
| 5—Mt. Vernon, South Dakota—Pfingsten | 15—Menomonie, Wisconsin—Kuch |
| 6—Manning, Iowa—Paulson | 18—Oelwein, Iowa—Pfingsten |
| 6—Whittmore, Iowa—Bruchlacher & Miller | 18—Omaha, Nebraska—Kuch & Homer Jackson |
| 7—Mapleton, Iowa—Sickels | 20—Chadron, Nebraska—Pfingsten |
| 7—Benton, Illinois—Potter | 22—Norwood, New York—Al Herman |
| 7—Dryridge, Kentucky—Kuch | 22—Fulton, Missouri—Fuch |
| 7—Glendale, Kentucky—Pfingsten | 25—Bryant, South Dakota—Pfingsten |
| 8—Rosendale, Wisconsin—Kanerva | 25—Ames, Iowa College Students—Swaim |
| 8—Elroy, Wisconsin—Kuch | 26—Jamestown, North Dakota—Pfingsten |
| 8—Sherdon High School—Perry Co., Ohio—Utley | |
| 8—Stanton, Nebraska—Engels | |
| 8—California, Missouri—Pfingsten | |
- June 3—Burkesville, Ky.—Pfingsten

"The Editors Speak"

NFO Action Deserves Praise, Not Political Intimidation

Reprinted from the Capital Times, Madison, Wisc., April 3, 1967.

The nation has been witnessing a dramatic struggle by members of the National Farmers Organization for a better share in America's prosperity. The milk holding action was designed to bring about a \$1 a hundred-weight increase in the price, equal to about 2 cents a quart. But on every level of government, the heavy hand of authority has been clamped down on these down on these down-trodden farmers. In Wisconsin, local police officials have harassed their efforts by making nuisance arrests. In Washington, instead of answering their pleas for help, the government, through the Justice Department, got an injunction against NFO leaders in an effort to force them to give up their fight.

It seems to be a criminal state of affairs, when this government can spend billions to support corrupt regimes in far corners of the world, and cannot devise a pricing system that will enable a large segment of rural America to live a decent life. These Wisconsin farmers and their counterparts in more than 20 other states, are not criminals to be hounded by police and court, they are Americans who see their children living in poverty while the rest of the nation lives in unequalled prosperity. The National Farmers Organization has done all of agriculture a tremendous favor by calling attention to the inequities through the milk holding action.

Transcript of an editorial presented over WCCO-TV, March 21, 1967.

It strikes us that those who take lightly or indifferently the holding and dumping of milk are seriously underestimating the grim resolution of the farmers involved.

It is a measure of how urbanized we have become—not only in the way we live, but in the way we think—that what amounts to an agricultural rebellion can excite so little interest.

But make no mistake: it is a rebellion. It is a rebellion by men (and women) who see themselves inexorably squeezed out of agriculture by low prices for what they sell and high prices for what they must buy. And the towering irony of it is this: the squeeze is on them despite declining farm surpluses and an obviously growing demand for food.

It is easy enough to say: let 'em quit farming and leave agriculture to the experts. But the plain fact is that it is now the experts—the efficient farmers we like to brag about so much in this country—who are being forced out, forced to sell their herds, forced to take jobs in town.

It is easy enough to say: let 'em get bigger, let 'em farm more land, milk more cows. This is precisely what thousands of farmers have been doing, and they still have not been able to escape the squeeze. If anything, it has only intensified.

It probably is truer to say that farmer is in revolt because he is efficient, because he does know what he is doing, and where he and the family farm are headed. It is his knowledge of the grim facts that drives him to desperate measures.

WHAT ABOUT Those Who Object?

OBJECTION 1 (cont'd)

to buy a job. If either a businessman or a farmer earns only wages, the lack of interest on his investment will see him into the bankruptcy courts.

The net profit an investor in a farm takes off the farm is the return on his investment. If a farmer owns his own farm and has to sacrifice the return on his investment because he owns it, how can an investor renting out his farm receive or even be entitled to a return on his investment?

The confusion that has long been part of agriculture has accounted for the fact that farmers are going broke. They are going broke because they do not know how to price their production so that the farm operation can earn a profit and stay in business. Pricing goods and services is equally as important as producing them.

NFO, of course, has the structure for bring sound business sense to farm production pricing. But effecting a proper price structure through collective bargaining would do no good if some few farmers were free to wreck the structure or if even a small number of farmers continue to break ranks. The 10% enforcement clause in the NFO membership agreement is simply insurance that such a travesty will not happen.

OBJECTION 2 (cont'd)

Independent merchants fought the collective buying groups at first. They used exactly the same arguments independent farmers are using against NFO today. "I want my independence" became copybook maxim. So for several years they fought against their own interests. Finally, after several wasted years, they began to see the writing on the wall. They finally realized that as an individual—no matter how big he might be—he couldn't compete with the buying power of the big corporate chains who were driving them out of business.

Those who survived found that they did not lose their freedom or independence. They now realize how wrong they were at the beginning. Today, it would be impossible to talk these independent merchants into abandoning their association. These merchants still have the opportunity to quit their association. Why don't they? Who are these independent business people: Ben Franklin Stores, United Stores, Our Own Hardware, Coast to Coast Stores, Gamble Stores, V Stores . . . to mention a few.

The question today is not, "Will the American farmer organize?" but rather, "Must another million farmers be liquidated before those who are left realize their position?"

America has a choice, and farmers have a choice. Both can retain the private enterprise system of agriculture if independent farmers come to realize that they must organize to protect themselves and preserve the system of privately owned farms.

There are good signs in the air. Many farmers are realizing that it is hopeless to fight the battle as individuals, and that trying to compete and obtain a price in a marketplace where giants dictate is not independence, but bondage.

OBJECTION 3 (cont'd)

But this approach has the farmer pitting real production against something rather abstract, namely price-making. Those who decide on the price for farm production can make calculations faster than a farmer can improve his efficiency factor. Efficiency is an individual's weapon, one each individual must use to keep pace with neighbors, but not one that can yield results in solving the overall farm problem.

Still other farmers believe that an exploding population, departing farmers, and ultimately short production will make food scarce and therefore valuable. Thus on the one hand many farmers believe they can find a solution to the low income problem by becoming more efficient and producing more, while at the same time hoping for neighbors to go broke so there will be a shortage.

All this logic is in error, of course. If shortages of food drove prices up, as the advocates of supply and demand would have people believe, the farmers in India would be wealthy. Even with but a single extra chicken to sell, it would seem that such rare production would fetch a fantastic reward.

As a matter of fact, prices are set by those with the power to set them. If farmers come to understand this simple point, they will see in organization a new independence, and in cooperation a new freedom—a freedom to be paid for as much wealth as produced.

The problem is not that farmers worry about independence, but that they do not understand what they should be working for and how the NFO is the structure designed to attain the appropriate goal. As soon as they understand, this, they'll all join.

And understanding, after all, is an individual's weapon, perhaps the only one.

OBJECTION 4 (cont'd)

ance with each other that they fail to see the mandate for NFO, for joining NFO, and for preserving the family farm, private enterprise in agriculture, and therefore private enterprise in America.

Paying farmers too much money is not a real problem—at least is has never been a real problem in the history of the world. In all of the 23 civilizations discussed by Arnold Toynbee, farm consolidation and ultimate collapse of the civilization has not been accompanied by high farm prices, but by low farm prices. Rural abandonment and corporation farms has never resulted from farmers being paid for as much wealth as produce. On the contrary, large land holdings are seldom acquired by paying the price required when land is earning its way. They are usually gathered in at costs so low that to detail them here would seem ridiculous without reams of data to prove that no typographical error was involved.

With earning from land low, what then holds up land prices?

One might just as well ask, what pushes up the ocean and causes tides?

As a fact, the orbit of an inflated economy pulls up land because it suits the economic planners to have land values high. Without inflated land values in terms of earnings from land, farmers could not be made to expand by going deep into debt. And debt expansion becomes a necessity if farm production is to command less than parity. Economic problems are never manufactured by high earnings, but by debt expansion pretending to be earnings.

When fair prices float in under an economy, on the other hand, they bring all to a new level—like a tide coming in, which raises every ship, regardless of size, better prices float stability under every farm.

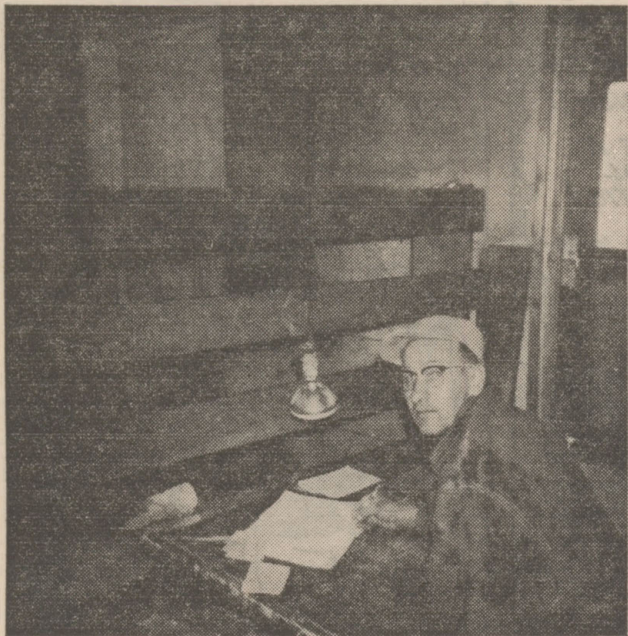
Bloomer, Wis. Market



An estimated 700 cows went to market at Bloomer, Wisconsin during NFO cow selloff day, February 21. The snow was piled high, but the farmers came through as never before, as these pictures readily attest. Note snow piled as high as a car. Above, Ervin Podoll, Gerald McClellan, Jim Smith, Earl Kroseman and Kenneth Velaskie. Below are a few of the cows



sold during the selloff approach, and last, Eralen Strey of Eau Claire County, Wisconsin doing the lonely, exacting chore of bookkeeping.



Boom or Bust?

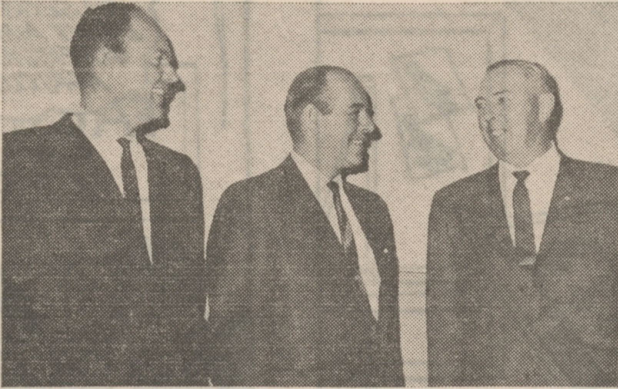
Depression or economic boom? To most people that question seems bizarre, but to farmers it strikes a note of reality. At a barbecue mutton and ham supper in Ohio, Daviess and McLean Counties in Kentucky, Arnold Paulson covered the intricate details and proved for all who wished to see that the depression is here, now, this week, today at least for the farmer. An excellent crowd attended the affair, according to Bruce Embry, Daviess County Vice President.



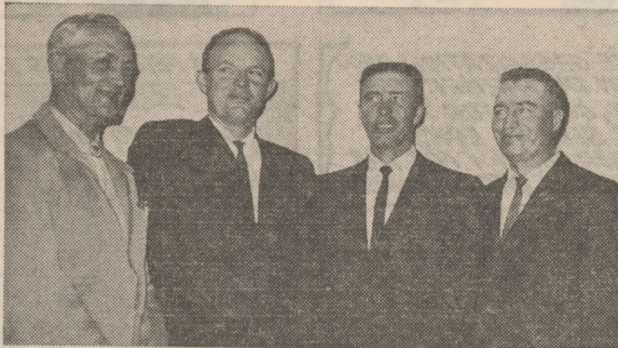
Above, Arnold Paulson, center, with Daviess, McLean and Ohio County officers for 1967.

NFO on the Move in Idaho

Rupert, Idaho is a long way from Corning, Iowa, but it is well within the NFO sphere of influence, and an up-and-coming NFO territory. Recently NFO Vice President Erhardt Pfingsten journeyed to Idaho to



re-tell the NFO message. He is shown here with Dan Walton (left) and Bill Hepworth, NFO Director from Idaho (right). Below are, left to right, Bill Kent,



treasurer; Dan Walton, chairman; Martin Holbenheinrich, secretary and Fred Hukill, vice president. Photos are courtesy of Minidoka County News.

Wisconsin Cow Selloff

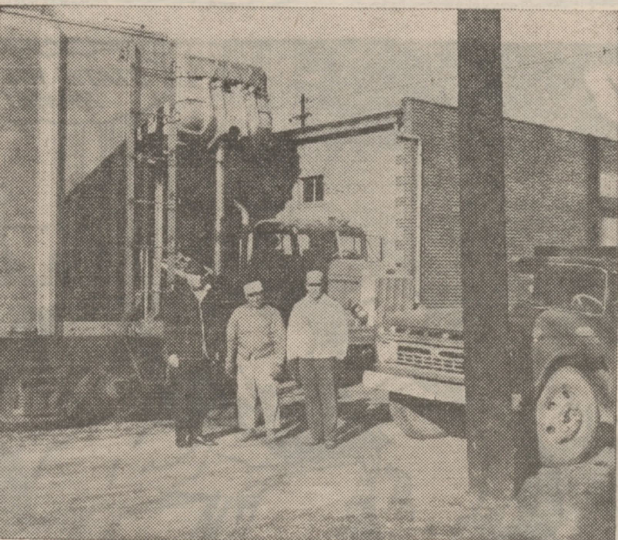
A high point in the cow and sow selloff days was reached at Green Bay, Wisconsin, where trucks lined up and thousands of animals were sold off for



slaughter. At two points, according to reports, 5,000 cows went across the scales in a single day of traffic. Here is a scene typical of the selloff days.

Illinois to Georgia Sale

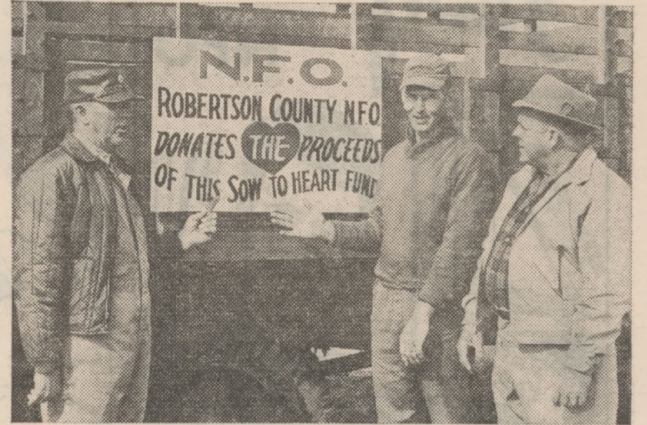
NFO grain shipped from Mt. Vernon, Illinois to Atlanta, Georgia under the NFO grain program netted farmers 4 cents above the local markets after all expenses had been paid, according to Grain Commodity Department Division Supervisor, William H.



Piper. The shipment was coordinated by Bob Mettler and Piper under the direction of Regional Supervisor Merle Willard, Piper said. There have been other corn and grain shipments before the February Mt. Vernon to Atlanta sale, Piper said. Shown here are, left to right, Edgar Hall, Dan Bolta and William Piper.

Tennessee Sow Selloff

The NFO has been in the news a great deal lately—partially because of the milk holding action, but also because activity churns and bubbles throughout NFO every day. Here are pictures taken in the Nashville, Tennessee area recently, all courtesy of the Nashville Tennessean.



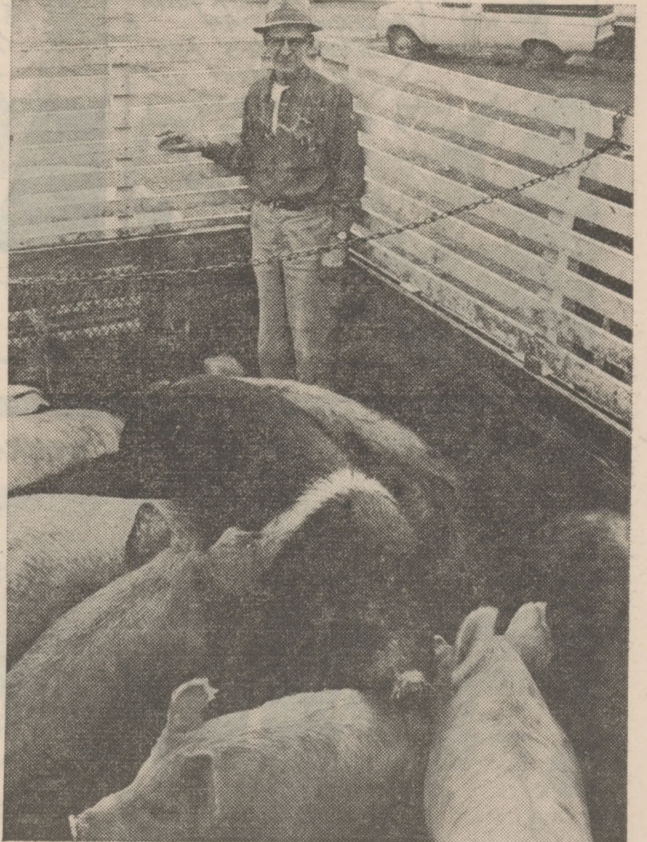
The sign tells the story. Left to right, Robert McGhee, Raymond Armistead and P. O. Harrison.



Here are a few of the trucks that brought sows to market during NFO's sow sell-off days.



Sows being sold off at the Jacobs Packing Company, Nashville. David Hugh Thompson, a Nashville area dairyman, is point in the foreground.



Lacy Jones of Trigg County, Kentucky, shown here delivering sows to the Jacobs Packing Company at Nashville during one of the sow selloff days.

Sow selloff days drew national attention to NFO. Papers like the New York Times covered the story in depth, and pointed to the responsible position being taken by NFO on all farm problems, even while readying for a holding action.

